



**Apollo TriCoat**

THREE STEPS AHEAD

ATTL/SE/AC/2019-20

September 6, 2019

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

Dear Sir/Madam,

**Subject: Revised Annual report for the Financial Year 2018-19 of Apollo Tricoat Tubes Limited**

Please find enclosed herewith the revised Annual Report of Apollo Tricoat Tubes Limited ("the Company") for financial 2018-19.

Please note that erroneously we have submitted an incorrect soft version of Annual Report to the exchange on September 4, 2019.

The Annual Report of the Company is also available on our website at the link:  
<http://www.apollotriccoat.com/general-meeting.php>

This information is being submitted pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and record.

**Yours Faithfully**  
**For Apollo Tricoat Tubes Limited**

  
**Surbhi Arora**  
**Company Secretary**  
**M. No. A33370**

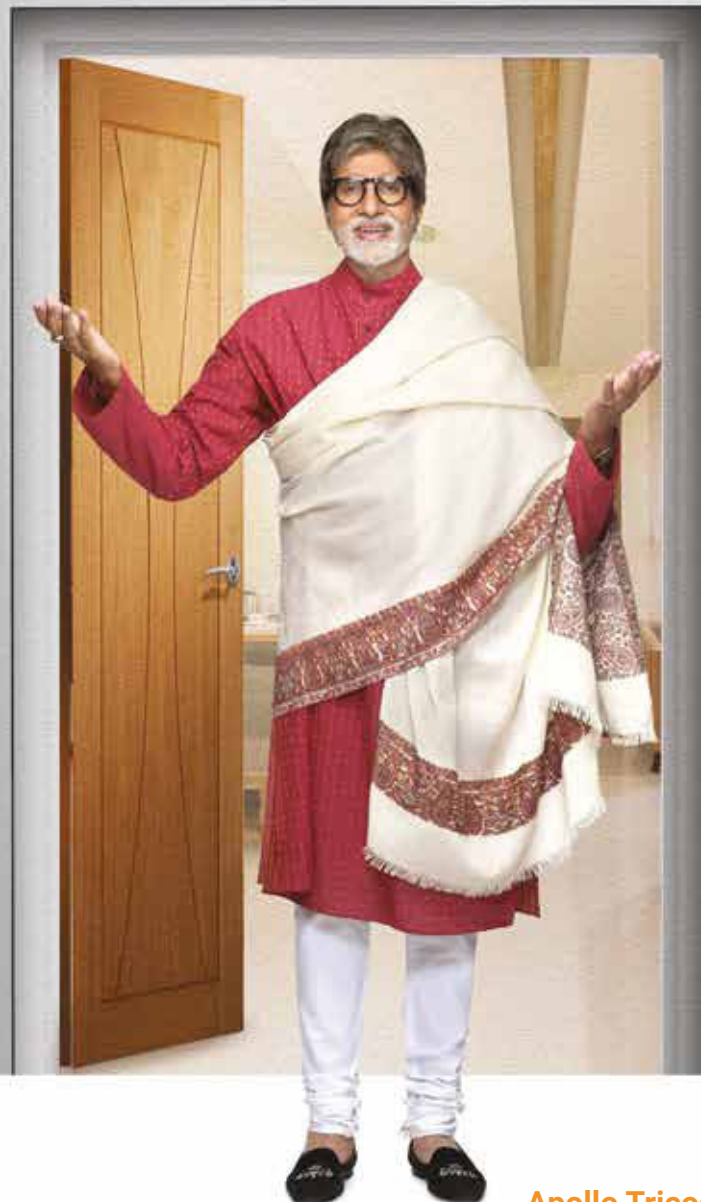




**Apollo TriCoat**

THREE STEPS AHEAD

# Ahead of the *Curve*

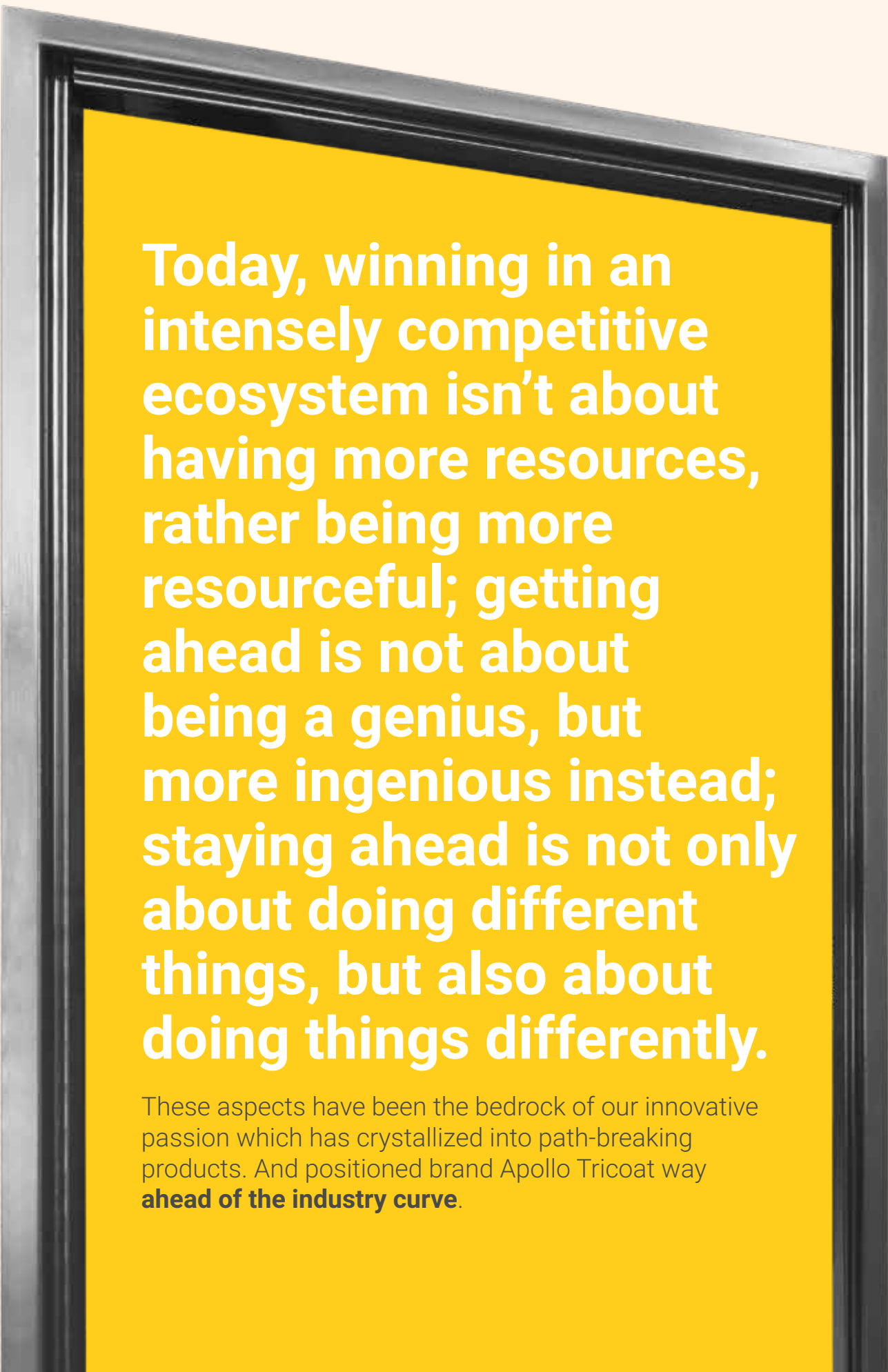


**Apollo Tricoat Tubes Limited**

Annual Report 2018-19

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Today, winning in an intensely competitive ecosystem isn't about having more resources, rather being more resourceful; getting ahead is not about being a genius, but more ingenious instead; staying ahead is not only about doing different things, but also about doing things differently.

These aspects have been the bedrock of our innovative passion which has crystallized into path-breaking products. And positioned brand Apollo Tricoat way **ahead of the industry curve.**

About us

# A Company that has pioneered new-age concepts in the Indian pipes and tubes industry.

Apollo Tricoat Tubes Limited (formerly known as Best Steel Logistics) incorporated in 1983, became a part of Sudesh Group of Companies, India's leading steel pipes and tube manufacturer in 2018.

The Company has introduced latest global technology, obtained from United States to manufacture steel pipes and tubes with triple-layer of protective coating, consisting of Paint, Zinc and Polymer coating.

Headquartered in New Delhi, India, Apollo TriCoat has established its manufacturing facility in Malur Industrial Area, Bengaluru with a total capacity of 50,000 tons. The company's products find their usage in myriad applications from green

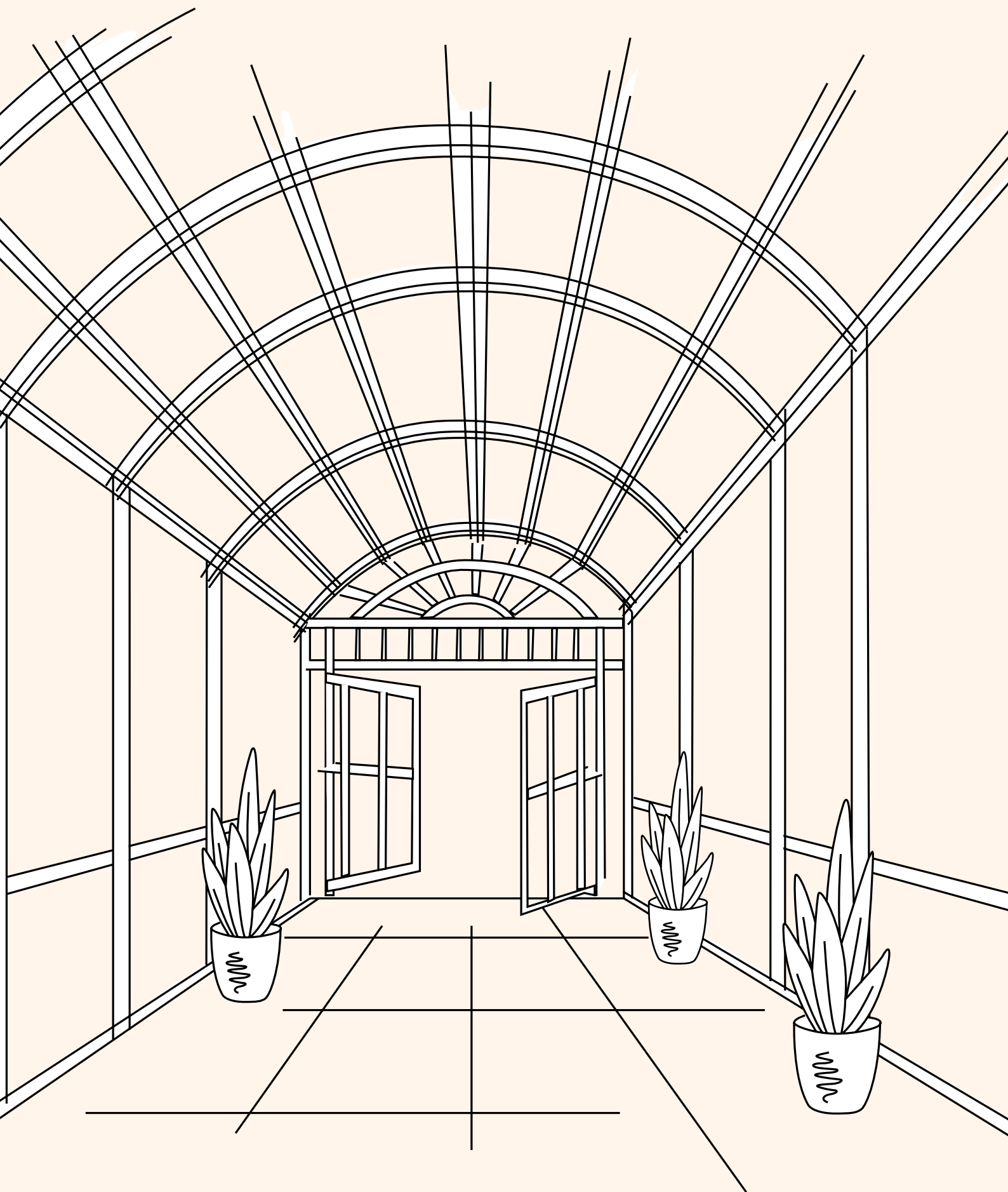
house tubing to rooftop sheds and electrical conduits – where triple coated technology is being used as a substitute for PVC pipes worldwide. The Company is also setting up production lines at its greenfield facility at Dadri, Uttar Pradesh.

## Vision

- To Pioneer in developing technological advancement in the Indian tube industry.
- To continuous endeavor our production process and quality control measures to provide best of products.
- To bring Mechanical engineering and information technology work closely in order to increase efficiency and effectiveness.

## Mission

- 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.



# Pushing benchmarks beyond standards

At Apollo TriCoat, we had two options.

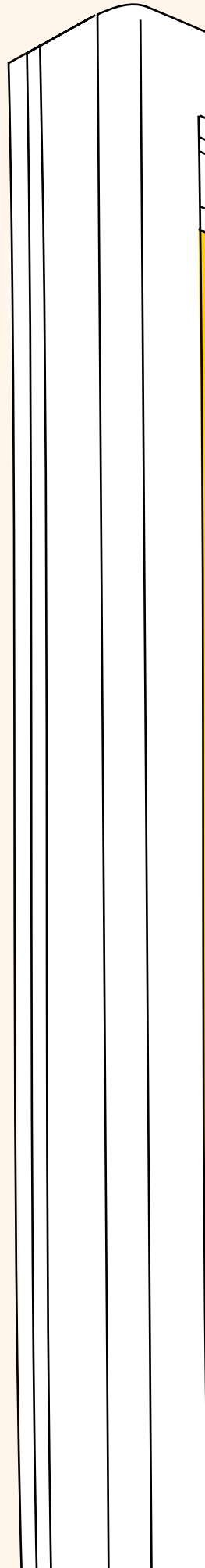
**One**, take the easier option of being just another player in the crowd

This means you live within the confines of prevailing market norms. Jostle for space. Hustle for volumes. And continue to fight for survival year after year.

**Two**, tread the road less traveled to become a market maker.

This necessitates ideating and developing path-breaking concepts. Absorb new technology. Market the pioneering concept. And make your success sustainable.

At Apollo TriCoat, we chose the latter.





Apollo TriCoat  
THREE STEPS AHEAD

APOLLO  
**CHAUKHAT**<sup>TM</sup>  
STEEL DOOR & WINDOW FRAMES

APOLLO  
**SIGNATURE**  
DESIGNER GALVANIZED PIPES

APOLLO  
**STEEL PLANK**



## We brought the most advanced galvanizing technology – the ‘Tricoat Process’ to the Indian shores -

A process that coats tubes with a three layer protection seamlessly in a continuous process; there are only about 10 such production lines in about 4-5 countries across the world.

This cutting-edge technology manufactures TriCoat pipes - a pioneering solution that is the 'last word' in corrosion resistance. This multi-layer coated tube (three layer coating on the outer surface and one layer on the inside) enjoys double the life compared to any other galvanized product.

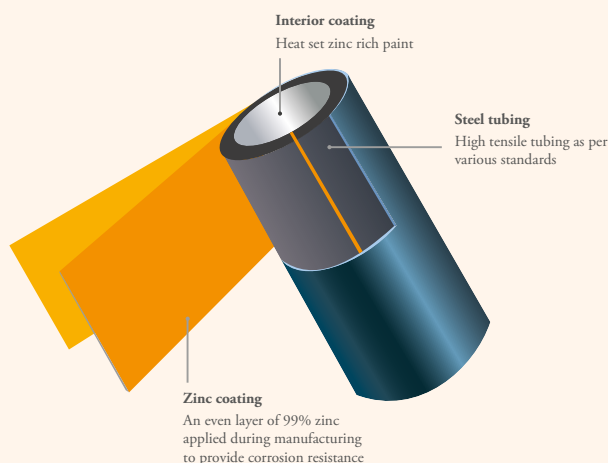
Our cutting-edge technology will push existing benchmarks to set new standards.

- The zinc coating is hot dip galvanization in this new process, one side coating, will be around 100 gram.
- If the salt split test for hot dip galvanization is 800 hour; for the new process, it will be 1200 hours for TriCoat Tubes.
- This unique product possesses enhanced load bearing capacity owing to its superior

yield and tensile strength (50,000 psi and 55,000 psi respectively) as compared to existing galvanized products.

Our TriCoat pipes provide superior margin compared to GI pipes (Rs.5-10/kg more than GI pipes/EBITDA margins are 2 times more compared to GP pipe)

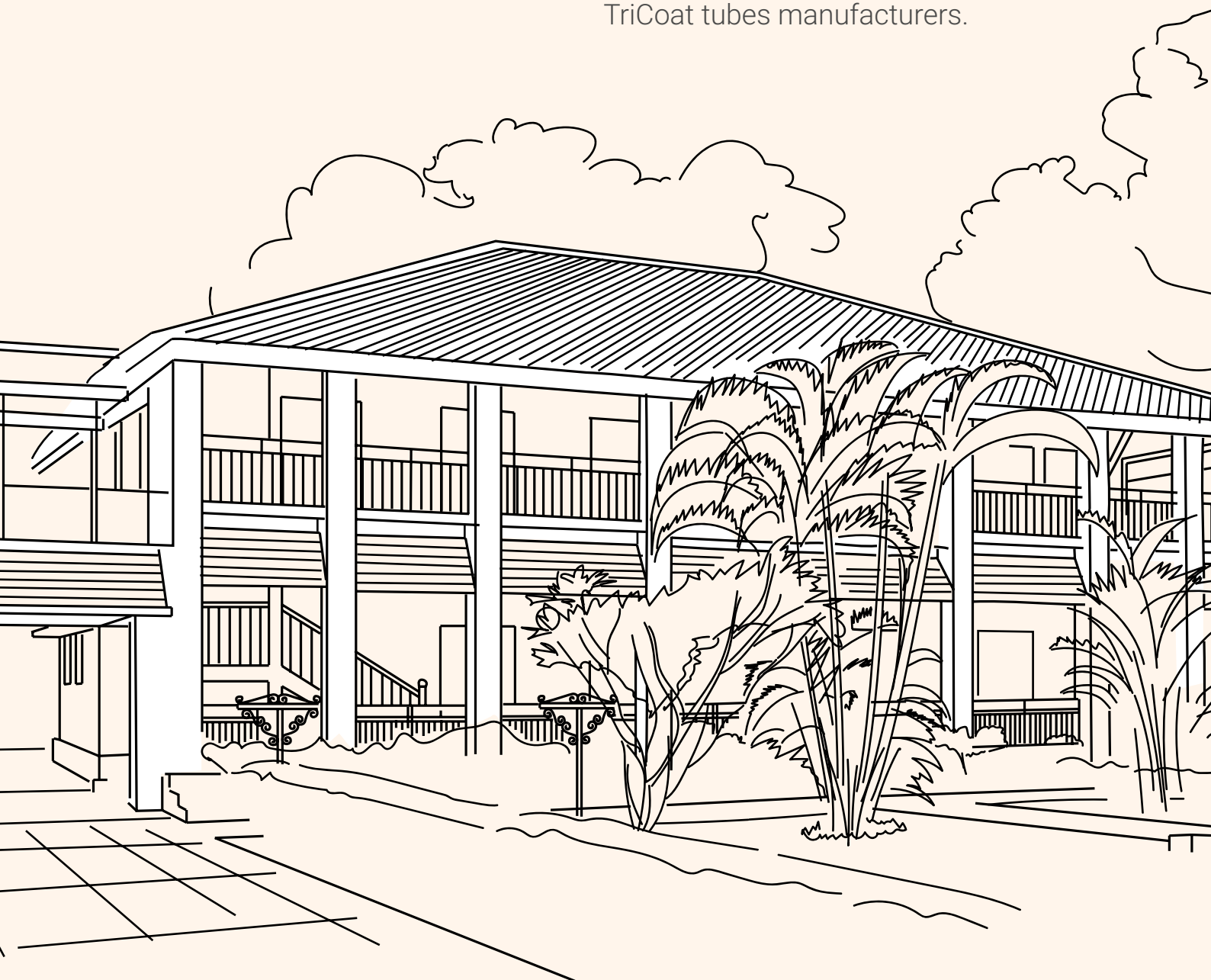
We commenced the production of TriCoat pipes in the first quarter of 2019-20.



- TriCoat is a product that provides corrosion resistance through its triple coating
- Its manufacturing process uses Galvant Technology in order 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

1st

Apollo TriCoat Tubes is India's first  
TriCoat tubes manufacturers.







## We developed India's first closed steel Door Frames leveraging our Direct Forming Technology (DFT).

This contemporary technology allows us to seamlessly customise the product to any size as per market trends without making any change to our infrastructure.

The door frames are 3x stronger than aluminum; offer a significantly longer life cycle and superior cost economics; and are environment friendly. The addressable market for this vertical is estimated at Rs 40,000 crore.

These new-age solutions relatively easy & economical to set up as compared to open sections (open sections have to be installed at the time of civil work whereas closed sections can be installed even after civil work). This also opens the replacement opportunity.

We aim to commence operations of 50,000 MTPA capacity of door & window frame capacity in FY20.

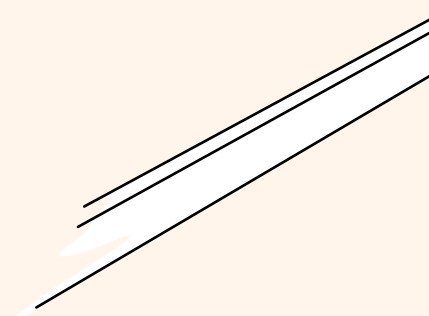


We have created environment-friendly products that have opened multiple growth avenues – Designer Galvanised Pipes.

**Designer Galvanized Pipes** are a replacement of Stainless Steel and is used for fencing and decorative purposes – they are used in making in cupboards, beds, shelves, hand rails, well casing and house fencing. Its galvanized coating has a unique metallurgical structure which gives outstanding resistance to corrosion and rust.

While we have commenced operations of our 60,000 MTPA capacity for Designer Galvanised Pipes, we are working on commercialising our 10,000 MTPA capacity for Narrow Sections during the current year.

These new-age, eco-friendly products should make a healthy contribution to the Company's growth in from 2020-21.



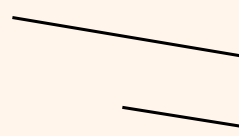


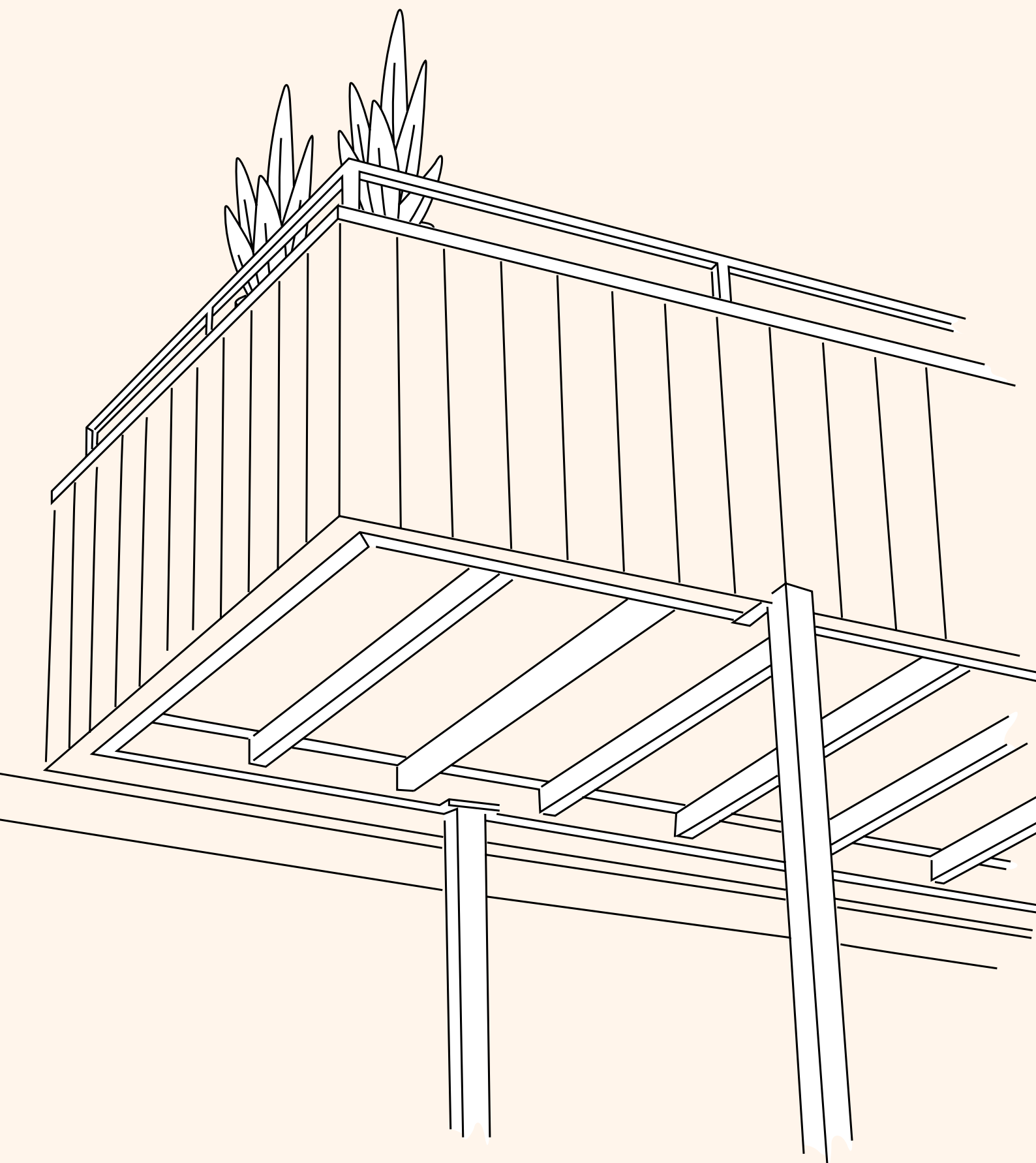


We are spearheading the launch of new-age steel products into India; 'Apollo Steel Plank' being one of the most recent addition to our offering basket of path-breaking products.

This product will transform the perception of planks in India – from being unsafe to being looked upon as secure and sturdy. This new age variant is highly versatile and is suitable for diverse applications namely truck bodies, scaffolding, canopy, gym-equipment and staircases which helps to widen the opportunity canvas,

and hence the growth potential from this path-breaking product. The Company will start manufacturing this product at its facility at Dujana with the products being available in key markets towards the end of the current fiscal.





From the Managing Director's desk

**"I firmly believe that India could play a far more decisive role in catalysing the growth of the global economy. For this to become a reality the country needs national champions in business - corporations with an Indian soul that would use their immense managerial and innovative capabilities to serve the country's larger priorities."**



**Dear Shareholders,**

Today's business world is one of disruption, where every venture seeks to challenge status quo. To contour an operating model never thought of, even a decade before. To grow the market size before carving out market share. And this reality is borne out in one glaring example – the valuation of a hotel aggregator far exceeds the cumulative valuation of India's decades old five-star hotel chains. This, in my mind, is true value creation.

This is what your Company seeks to do. For behind our every strategy there is a silent voice that constantly urges us to 'Put India First'.

I firmly believe that India could play a far more decisive role in catalysing the growth of the global economy. For this to become a reality the country needs national champions in business - corporations with an Indian soul that would use their immense managerial and innovative capabilities to serve the country's larger priorities.

In our endeavour to emerge as a national champion, we covered considerable ground during the year under review. We singularly focused our energy on setting up our production lines at our greenfield Bengaluru facility. We commissioned two lines (In-Line Galvanized pipes and Designer Galvanised pipes) leveraging the global Galvant technology in the first quarter of the current year and produced about 10,200 tonnes of output during the period. This is healthy start for its showcases the acceptability of our pioneering solutions and lends a credibility watermark on our efforts to align India with global standards.

Further, we hope to commission our manufacturing infrastructure for our other products namely Narrow Sections and Door Frames at our Dadri unit in the second half of the current year. With these facilities on stream we should catapult the Company into a new growth orbit over the medium term.

### Going forward...

Having successfully emerged out of the global financial crisis a decade ago, the world economy continues to remain fragile. The recurring dips in growth and employment are a cause for concern despite all-out attempts by advanced and developing economies to shore global economic progress. The

cascading effect of the economic slowdown in the richer nations have left deep scars across the globe. Though developing countries managed to drive more than half of the global growth, their growth rate have reduced primarily owing to the protectionist trade policies adopted by the advanced economies as a tool to strengthen their respective economies. But, the reality is ... progress collectively and individually is losing steam.

India is no exception to this trend. The lone shining star on the global horizon seems to be on the threshold of an economic slowdown with most indicators showing a downward trend. With consumerism dipping with every passing month, India Inc. has throttled its growth strategies. Moreover, the issues plaguing the NBFC space have gradually snowballed into a full-scale liquidity crisis for the nation. The bottomline then is that the ecosystem in which we operate appears to be challenging for the current year.

Having said that, I continue to be optimistic of our prospects. For the nation is striving hard to grapple with the situation and is seeking ways to kickstart the economic growth engines. One important move in this direction is the huge infrastructure spend announced by the Government. This announcement augurs well for a number of user sectors including pipes and tubes although I feel it would take some time for the budgetary allocation to transform into on-ground development.

### Our blueprint

Fiscal 2018-19 was a landmark year of building and putting the pieces in place for our next leap forward. In the years ahead, we will

capitalise on our investments and advancements.

Our topmost priority would be to reach our products to the consumers. This would be quite a challenge. Because of important realities

- We are not selling products, we will be marketing concepts.
- We are not in the pricing game. We are in the value-delivery segment.

In India, it takes some doing to market a concept because it means asking the customer to pay more now for value which he will derive over a period of time. This means explaining the USP's of our product and technology and building his trust in our commitment. But I am confident that the Company's dynamic team will be upto the task. I look forward to make 2019-20 another record-breaking year for Apollo TriCoat and all its stakeholders, barring unforeseen developments.

### Acknowledgement

I would like to express my sincere gratitude to my fellow Directors for their commitment and professionalism in paving the Company's long-term path.

I would like to thank our esteemed shareholders, partners and other stakeholders for believing in our story and reposing their confidence in our capability and extending their support in our long journey of endurance.

Warm regards

**Rahul Gupta**  
Managing Director

# Management Discussion and Analysis

## An economic overview

**Global Economy:** The Global economy has witnessed a series of recovery years on the back of improved economic conditions across developed and emerging markets leading to a growth of 3.6% in 2018.

This growth momentum is expected to meet some bottleneck in the coming few years with world growth being tapered down to 3.2 % in 2019 and pick up a few notch to 3.5% in 2020. The major headwinds to world growth comes in the form of increasing trade and technology related tensions in areas such as United Kingdom and European Union and the free trade areas encompassing Canada, Mexico, and the United States. Another factor for slowing world growth can be attributed to growing trade tensions between China and United States.

Growth forecasts for advanced economies, is projected at 1.9% in 2019 and 1.7% in 2020. The Euro

region is expected to grow at 1.3% in 2019 and 1.6% in 2020. The scenario for emerging markets is slightly better with 4.1% forecasted growth in 2019 with some improvement to 4.7% in 2020.

*(Source: World Economic Outlook, IMF, Updated, July 2019)*

**Indian economy:** The domestic economy witnessed a change in growth momentum in 2018-19. The economic growth dipped from 7.2% in 2017-18 to 6.8% during 2018-19. The cause of this dip in growth momentum can be traced in a lackluster performance of domestic core sector growth coupled with muted consumption demand scenario. The Industrial sector grew at 6.9% during 2018-19 while agriculture, forest and fishing were down to 2.9% in FY19. Notwithstanding the downward revision in growth figures for 2019-20 by major global agencies, the fundamental of the economy appear to be in good shape with fiscal deficit reigned in at 3.4% in 2018-19 and stable foreign reserve position of US\$412.9 billion in FY19.

*(Source: State of the Economy in 2018-19, Ministry of Finance, IBEF presentation on Infrastructure Industry June 19)*

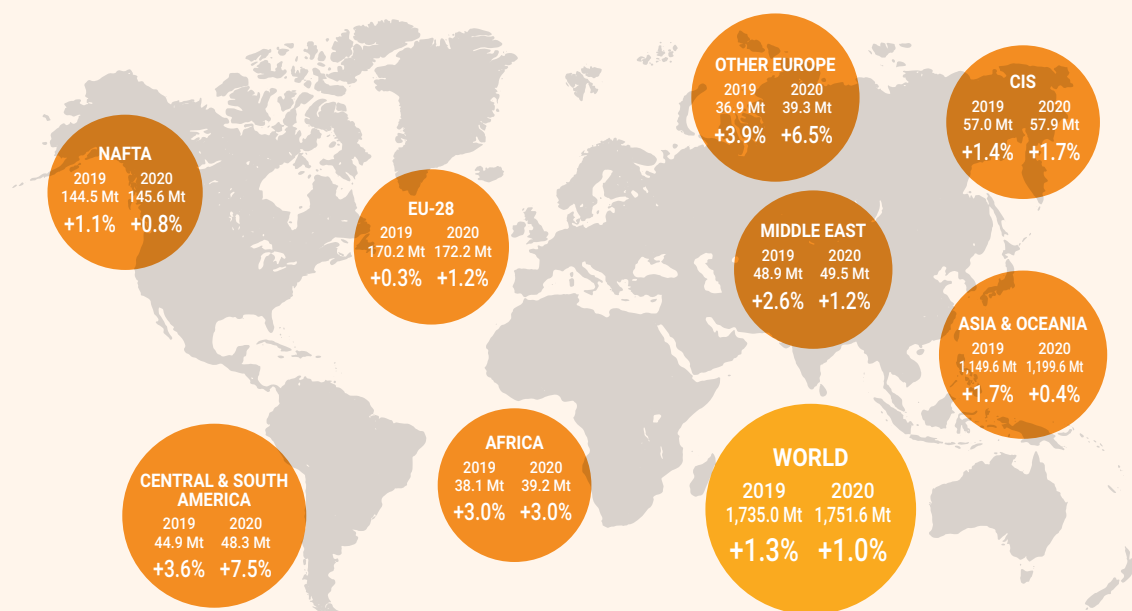
## The steel sectoral overview

**Global steel sector:** In 2018, global steel demand increased by 2.1% (after adjusting for Chinese induction furnace closures) growing slightly slower than 2017. Global crude steel production reached 1,808.6 million tonnes (Mt) for the year 2018, up by 4.6% compared to 2017. Crude steel production increased in all regions in 2018 except in the EU, which saw a 0.3% contraction.

Going forward: In 2019, growth is expected at a muted pace owing to a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and political turmoil in many regions suggest a possible moderation in business confidence and investment.

## Steel Demand, Finished Steel

Mt = million tonnes  
y-o-y growth rate is expressed in %



As such the World Steel Association has forecasted global steel demand to reach 1,735 Mt in 2019, an increase of 1.3% over 2018. In 2020, demand is projected to grow by 1.0% to reach 1,752 Mt. On the production front, it is expected to retain its pace compared to the demand. The world steel production is expected to grow to 1,808 Mt in FY19.

**Indian steel sector:** Compared to the global slowdown, Indian demand has shown resilience. A promising picture emerged in the steel story for 2018-19 as demand growth outpaced the increase in supply. While, India's domestic consumption of finished steel rose at a robust 7.5% in 2018-19 to 97.51Mt, the nation's crude steel output rose by just 3.1% to 103.13 Mt in 2018-

19, as the rise in imports limited production gains for domestic steelmakers.

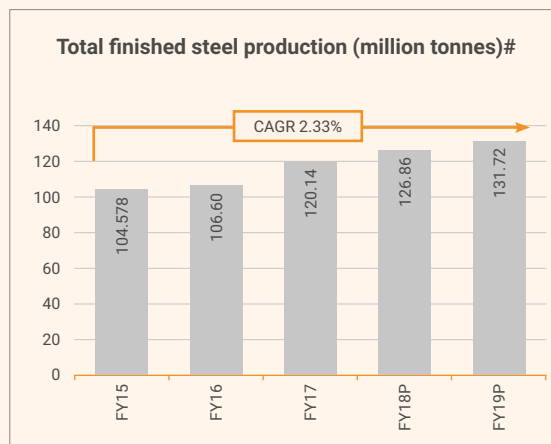
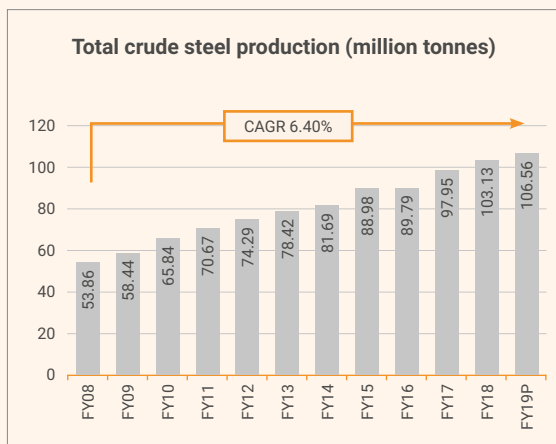
India was a net importer of steel during the 2018-19 fiscal year, the first time in three years, as the country lost market share among its traditional steel buyers and imports jumped on demand for higher-quality steel domestically. The country's finished steel exports fell by 34% in the fiscal year that ended in March to 6.36 Mt; during the same period, finished steel imports rose 4.7% to 7.84 Mt.

Going forward, India's steel consumption story is slated to continue with finished steel consumption to grow at 7.1% y-o-y to reach 102 Mt in FY19. This would enable India to

surpass US as the second largest finished steel consumer. The growth in consumption is expected to be fuelled by the Government's increasing thrust on infrastructure creation and modernisation.

**Opportunity:** The Central government is committed to convert the economy into a 5 trillion success story with significant impetus on public spending and investment in the infrastructure sector. As per the Union Budget of 2019-20, the government is expected to invest Rs 4.56 lakh crore (US\$ 63.20million) in the infrastructure space. This should catalyse demand for steel over the medium term.

Figures released by World Steel Association (WSA) show India



languishing at the bottom rungs of the consumption ladder with a per capita consumption of only 70.9 kilogram (kg), marking a notable chasm with the global figure of 224.5 kg. India's per capita finished steel consumption grew by 7% in calendar 2018, over 66.2 kg in 2017. This showcases the latent potential for the steel industry.

## Global pipes coating market

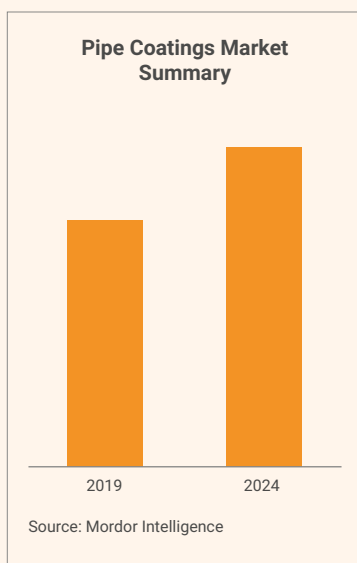
The Global pipe coating market is expected to grow at a CAGR of around 5.35% during the period 2019-24. The major growth drivers will be the upsurge in shale oil and gas

exploration in North America and growing infrastructure and industrialisation in the Asia-Pacific region, the rise of irrigation and agricultural activities in Southeast Asia and rising demand in Europe.

The demand scenario in emerging countries experience major



construction boom is propelling the market optimism for pipe coating. Countries such as India, China, Indonesia, Vietnam have huge latent demand for construction pipes.



## Indian pipe and tube market

India's Steel Pipes and Tubes industry is believed to be a sunrise sector with huge opportunities cascading down from Infrastructure, Oil & Gas, Petrochemicals, Water, Irrigation, Sewage, Fertilizers, Power and Energy.

Steel pipe makers are set to become beneficiaries of India's US\$10 billion push to expand its natural gas network to more of its urban masses and cut pollution. India has just completed its biggest city gas distribution auction that would extend coverage to more than half of its 1.3 billion people across a third

of the nation's area. This project aims to see 10 million homes linked to gas grids by 2020 and bring relief to smog filled cities.

Since Apollo TriCoat is introducing pioneering products in the Indian landscape with its Hybrid pipes, it would be relevant to understand the opportunities emerging from the markets the Company plans to address.

**Agriculture:** Green House is an emerging market in India in different forms – the most recent being which is 'Hydroponic' farming – it is setting up roots all across India. The farms can be indoors or outdoors (a greenhouse). This business space, albeit small now, is growing at a rapid pace. It can provide immense opportunities for TriCoat pipes.



**High-end infrastructure:**

India plans to construct 100 new airports with an investment of close to US\$60 billion (about Rs 4.2 lakh crore) in the next 10-15 years. Further, industry experts estimate under-construction metro rail projects to generate order book of Rs 2.5-2.6 lakh crore in the next five years. This would entail investment of Rs 3.5-3.6 lakh crore in the same period. This could open a huge opportunity for TriCoat pipes.

**Coastal housing:** India has a huge coastline with a number of thriving cities and town fuelling the blue economy. Real estate development and infrastructure development in these towns and cities always seeks out for superior anti-corrosive products – providing an interesting opportunity for TriCoat pipes.

## About the Company

Apollo TriCoat Tubes Limited is a subsidiary of Shri Lakshmi Metal Udyog, which is a wholly-owned subsidiary of APL Apollo Tubes Ltd., one of India's leading branded steel tube manufacturers. The Company has established its first greenfield manufacturing facility in Malur, Bangalore with an initial capacity of 150,000 MTPA of In-line Galvanized and Designer Galvanized pipes. It is in the process of further expanding its value-added product portfolio by establishing 100,000 MTPA capacity of Narrow sections and Door Frames.

**Operational performance**

- Focused on setting up the infrastructure for manufacturing In-line Galvanized (ILG) pipes and Designer Galvanized (DG) Pipes at Malur, Bengaluru; these product lines were commissioned in early 2019-20.
- Concentrated the team's efforts in setting up two manufacturing lines at the Dadri unit for manufacturing Narrow Sections and Door Frames; these lines are expected to be commissioned in the second half of the current year.

**Financial performance**

The Company's financial performance in 2018-19 is not exactly comparable with that of the previous year owing to the change in ownership of the Company during the year under review.

- Revenue stood at ₹1140.29 lakhs
- Profit for the year was ₹264.86 lakhs
- Networth as on March 31, 2019 was ₹13,300.01 lakhs
- Balance under Tangible assets as on March 31, 2019 was ₹9,446.80 lakhs
- Total debt (current and non-current) as on March 31, 2019 was ₹5556.71 lakhs
- Net cash from operations was ₹4912.44 lakhs in 2018-19

**Human resource**

People who can create infinite possibilities continue to be at

the core of Apollo TriCoat's transformative journey. For its people power that fuels the inspiration to go beyond the boundaries within the mind, to open doors which were earlier considered as walls and drive performance that does not contribute to industry growth but catalyses it.

**Recruitment:** The team has successfully onboarded teams (White and Blue Collared work force) to manage the manufacturing units (3 Tube Mills & 1 GP Line + Wide Slitter) which were commissioned during the period under review. The team focussed on the hiring's quality manpower through reputed consultants and valid Employee references.

**Training:** Growing the knowledge base of the Company's intellectual capital has been an on-going effort of the HR team. Towards this end, the HR team conducted the a two-day Workshop on Communication Skills & Team Building Interventions for the Technical workforce at Malur. It also strategized on building team bonding at Malur Plant through training across the managerial segments. Going forward, the team is focused on setting a comprehensive Training Calendar and having an outbound training proposal for creating a lasting impact on improving the morale of the workforce.

**Performance Management:** The team is working on building the contours of a robust and effective PMS framework through the process of MBO (Management

by Objectives). The prime focus is on goal setting, accurate and complete communication of KRAs, dispassionate assessment of performance. The emphasis of the PMS will be to sensitize employees (HOD's & Team Leaders) about the importance of having an effective PMS system which will be transparent through the mechanism of regular feedbacks for enabling the improvement in the overall performances of the employees.

**Employee Engagement:** HR has been instrumental in implementing various initiatives like the Birthday Celebrations of Directors and employees, International Women's day celebrations (Focusing on diversity) Independence Day celebrations at operating units, and Festival celebrations for building bonding comradery among team members. The team is planning on creating an effective Employee Reward & Recognitions system with the objective of improving the motivation level of employees. HR is also working on the proposal of having an Annual welfare budget fixed for rewarding star performers across the organisation.

**HR Systems Automation:**

The tea has initiated HR Systems Automation through Adrenaline Software across the organisation in a phased manner. The first phase comprising Organisation Structure, Job Structure, Employee Information, Payroll Module (Compensation Management), Workforce Administration (Absence, Time &

Attendance Management, Shift & Scheduling, Asset Management, Travel Management & Claims Reimbursement would 'go-live' in 2019. Automation of Talent Acquisition & PMS modules will be implemented in the following phase.

**Internal control and its adequacy**

At Apollo TriCoat, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices and statutes considering the organisation's growth and complexity of operations. The framework constantly monitors and assesses all aspects of risks associated with current activities and corporate profile, including scientific and development risks, partner interest risks, commercial and financial risks.

In addition, the Company has management reporting and internal control systems in place, that enable it to monitor performance, strategy, operations, business environment, organisation, procedures, funding, risk and internal control. The internal auditors carry out extensive audits throughout the year across all locations and across all functional areas and submit their reports to the Audit Committee.

The Company has instituted a legal compliance program, supported by a robust online system that covers the Company's manufacturing units as well. The purview of this system includes various statutes,

such as industrial and labour laws, taxation laws, corporate and securities laws and health, safety and environment regulations.

**Risk management**

Risk management at Apollo TriCoat is an integral part of the business model, focusing on making the business model emerge stronger and ensuring that profitable business growth becomes sustainable.

The Company has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risk management framework goes beyond traditional boundaries and seeks to involve all key managers of the Company.

The risk mitigation measures of the Company are placed before the Board periodically for review and improvement.

India is seeking to double the share of natural gas in the country's energy mix to 15 percent by 2030, while slashing emissions by a third. The country, which the World Bank said in 2016 was home to 14 of the 30 most polluted cities on the planet, is building gas pipelines and new import facilities to increase use of the fuel. This will increase the demand for steel pipes over the long-term.

# 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.



**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.



**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.

# Company Information

## BOARD OF DIRECTORS

**Sh. Rahul Gupta**  
Managing Director  
DIN: 07151792  
(Appointed w.e.f May 4, 2018)

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

**Sh. Bharat Bhushn Sahny**  
Non-Executive Independent Director  
DIN:00014334

**Sh. Anil Kumar Bansal**  
Non-Executive Independent Director  
DIN:06752578  
(Appointed w.e.f June 11, 2018)

## Chief Financial Officer

Sh. Nandlal Bansal

## COMPANY SECRETARY

Ms. Surbhi Arora

## AUDITORS

**Statutory Auditor**  
M/s VAPS & Co.  
Chartered Accountants  
C-42, South Extension, Part-II  
New Delhi-110049

**Secretarial Auditor**  
M/s Kuldeep Dhaiya & Associates  
Company Secretaries  
102 & 104, 18/2, Jain Bhavan,  
WEA 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  
Indusind Bank Limited  
IDFC Bank Limited  
HDFC Bank Limited

## REGISTERED OFFICE

37, Hargobind Enclave, Vikas Marg,  
Delhi-110092  
Tel. No. +91-110-41070148  
Website: [www.apollotriccoat.com](http://www.apollotriccoat.com)  
CIN: L74900DL1983PLC014972

## CORPORATE OFFICE

36, Kaushambi, Near Anand Vihar Terminal,  
Behind Wave Cinema, Ghaziabad-201010  
Tel No. +91-120-4041400

## REGISTRAR & SHARES TRANSFER AGENTS

Bigshare Services Private Limited  
302, Kushal Bazar, 32-33,, Nehru Place  
New Delhi-110019  
Tel. No. +91-11 42425004  
Fax No. +91-11 47565852  
Email: [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com)

## WORKS

### Unit-I

Plot 53, Part-I, 4th Phase Industrial Area,  
Kurundahalli Village, Kasaba, Hobli, Malur,  
Taluk, Kolar, Karnataka, 563130

### Unit-II

Khasra No. 527-530 & 569, Village Bisnoli,  
Dujana Road, Tehsil, Dadri, Gautam Budh Nagar,  
Uttar Pradesh-203207.

# STATUTORY REPORTS

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## 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, 2019.

### 1. Financial Performance

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

(₹ in Lakhs)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Income from Operations	716.79	19,110.27
Other income	423.50	28.38
Total revenue	1,140.29	19,138.65
Total expenses	770.37	18,154.16
Earning before Depreciation, Int., Tax (EBIDTA)	421.11	1,189.83
Depreciation	49.87	17.10
Profit Before Interest & Tax	371.24	1,172.73
Interest	1.32	188.24
Profit before Tax	369.92	984.49
Taxation	105.06	286.52
Profit for the year	264.86	697.97

### 2. Dividend

In order to conserve resources, the Board of Directors of the Company has not recommended any Dividend during the financial year 2018-19.

### 3. Performance Review

The Company in financial year 2018-19 has adopted a new line of business of manufacturing of tricoat tubes with the advanced Galvant Technology. The Company is currently establishing various business initiatives such as ramping-up manufacturing operations, establishing new manufacturing lines, and undertaking marketing initiatives to improve visibility and reach of its high-end value-added products. These initiatives will significantly enhance productivity and improve business efficiency for Apollo Tricoat in the medium to longer term.

In financial year 2018-19 the Company has earned total revenue amounted INR11.40 crores and profit amounted INR 2.64 crores. Going forward, as the business gains momentum and manufacturing facilities are better utilized, the Company expects better absorption of overhead costs, leading to improved profitability performance.

### 4. Projects & Expansion Plans

The Company has established its first green field manufacturing facility in Malur, Bangalore having production capacity of 175,000 MTPA and started commercial production of its first

two product categories namely, the In-line Galvanized (ILG) pipes and Designer (DG) pipes.

In sync with the growth strategy, the Company will be setting up two new manufacturing lines at a greenfield facility at Dujana, in the state of UP. The production lines, with a total installed capacity of 100,000 MTPA, will be manufacturing the specialized and niche products such as Narrow Sections and Door Frames, the other two planned product categories of Apollo Tricoat.

Augmented production of all four categories of products, namely, ILG pipes, DG pipes, Narrow Sections and Door Frames, will further help to boost volume performance in the fiscal year 2020.

### 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. Fixed Deposits

The detailed report on the Management's Discussion and Analysis for the year under review is attached as Annexure – "A" to this Report

### 7. Credit Rating

The ICRA Limited (ICRA) has assigned the rating of [ICRA] A(SO) for the Company's long term facilities and [ICRA] A1(SO) for the Company's short term facilities.

### 8. Extract of the Annual Return

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

The Annual Return of the Company as required under the Act, will be available on the website of the Company at [www.apollotriccoat.com](http://www.apollotriccoat.com)

### 9. Directors and Key Managerial Personnel

Mrs. Megha Gupta, Director retires by rotation and being eligible, offers herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the Notice.

Shri Bharat Bhushan Sahny was appointed as an Independent Director at the thirty-second Annual General Meeting (AGM) held on September 15, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for second term of five years is proposed at the ensuing AGM for approval of the members by way of special resolution.

During the period under review, Sh. Rahul Gupta appointed as Managing Director of the Company w.e.f May 4, 2018, Sh. Anil Kumar Bansal appointed as Non-Executive Independent Director and Mrs. Megha Gupta appointed as Director w.e.f June 11, 2019. Sh. Rajeev Kohli, Sh. Saket Agarwal and Mrs. Gunjan Agarwal ceased from the Directorship of the Company w.e.f June 12, 2018. Further, Sh. Amresh Mishra, resigned from the position from Chief Financial Officer and Sh. Nandlal Bansal appointed as Chief Financial Officer w.e.f. November 1, 2018.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted the declarations that each of them meet the criteria of Independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transaction with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2019 are: Sh. Rahul Gupta, Managing Director, Ms. Surbhi Arora, Company Secretary and Sh. Nandlal Bansal, Chief Financial Officer. Sh. Nandlal Bansal was appointed as Chief Financial Officer of the Company w.e.f November 1, 2018.

#### 10. Number of meetings of the Board

Eight meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is annexed hereto as Annexure-"D"

#### 11. Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

#### 12. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3)

of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on [www.apollotriccoat.com](http://www.apollotriccoat.com).

#### 13. Internal Financial Controls and their adequacy

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 and financial statements of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

#### 14. Audit committee

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

#### 15. Auditors

##### Statutory Auditors

M/s VAPS & Company, Chartered Accountants, New Delhi (FRN 003612N), who are the statutory auditors of the Company, hold office until the conclusion of ensuing AGM and are eligible for re-appointment. Based on the recommendation of the Audit Committee, their re-appointment for second term of one year is proposed at the ensuing AGM for approval of the members by way of ordinary resolution.

M/s VAPS & Company has acted as a Statutory Auditors of the Company for 9 consecutive years and can thereby be re-appointed for FY 2019-20, pursuant to Section 139 of the Companies Act, 2013 read with Rule 6 (3) of the Companies (Audit and Auditors) Rules, 2014.

#### 16. Auditor's report and secretarial audit report

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is annexed hereto as Annexure-"B"

#### 17. Loans, Guarantees and Investments

The particulars of loans, guarantees and Investments have been disclosed in the Note 22 to the Financial Statements.

#### 18. Transaction with related Parties

All Related Party 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 the Act and Listing Regulations, for the 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 the RPT policy of the Company. 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.

## 19. Corporate Social Responsibility

In compliance with the requirement of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee comprises of Ms. Megha Gupta, Sh. Rahul Gupta and Sh. Bharat Bhushan Sahny.

All the statutory disclosures with respect to the CSR Committee and Annual Report on CSR Activities forms part of this Report as Annexure "E".

Particulars For the year ended March 31, 2019			
(Rs. In Lakhs)			
a) Gross amount required to be spent by the Company during the year			8.10
b) Amount spent during the year on			
Particulars	In Cash	Yet to be paid in Cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) Purpose other (i) above	-	-	-

During the period under review, considering the growth requirement and challenges, the company could not focus on spending on CSR Projects.

## 20. 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 'F'. 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.

## 21. Vigil Mechanism

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Apollo Tricoat Code of Conduct (ATCOC), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the ATCOC cannot be undermined.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism

for employees of the Company to approach the Vigilance Officers/Chairman of the Audit Committee of the Company for redressal.

The Vigil Mechanism / Whistle Blower Policy have also been uploaded on the website of the Company and may be accessed at the link: <http://www.apollotriccoat.com/pdfs/Vigil-Mechanism-Policy.pdf>

During the year under review, no employee was denied access to the Chairman of the Audit Committee. No complaints were received under Vigil Mechanism & Whistle Blower Policy during the financial year 2018-19.

## 22. Issue of shares and Warrants and confirmation of fund utilisation

The Company at its meeting held on March 15, 2018 has allotted 72,00,000 shares and issues 43,00,000 warrants to Sh. Rahul Gupta and 5,00,000 warrants to Non-Promoter Category on preferential basis.

On April 12, 2018, 20,00,000 warrants has been converted in to equal number of equity shares, pursuant to which the total holding of Sh. Rahul Gupta was 36.21% of total share capital of the Company.

Further, your Company has confirmed that there is no deviation/ variation in use proceeds other than the object/purpose stated in the offer document.

## 23. Directors Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the 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 fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 24. Conservation of energy, technology absorption, foreign exchange earnings and outgo

### • Conversation of Energy

The Company continues its efforts to reduce and optimize the

energy consumption at its manufacturing units including its Registered and Corporate Office.

To know the energy utilization, the Company has installed the meters on each machine at every mills, to record the energy requirement, basis of which Company has analyzed, through the use of various equipments, the percentage of wastage of electricity by the machines and whether to replace or use them in any other manner.

As analyzed, electricity is also the biggest cost to business, finding alternative and cheaper sources of power is a top priority. The Company is in process of negotiations with vendors for installation of solar power system, which will be beneficial for the environment and the Company (in terms of financial perspective)

- Technology Absorption, adaption and innovation

The Company has made efforts towards technology absorption by commissioning Direct Forming Technology (DFT) Mills at Company's unit situated at Malur, Karnataka. This is State of Art Latest Technology Mills.

The Company has installed In-Line Galvanizing of Tubes, this technology will reduce zinc wastage, increase production, improve quality of zinc coating, reduce cost and moreover open a new segment of sale.

- Research and Development

The Company is planning to introduce Steel Door Frames in the market. This is environment friendly product as it replaces conventional wooden door frames. Apart from being environment friendly, steel door frames are cheaper, has longer life and easy to install.

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

The Company has zero tolerance for sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Internal Complaints Committee (ICC) is in place for all administrative units or offices of Apollo Tricoat to redress complaints received regarding sexual harassment. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's office premises or women service providers, are covered under this policy.

Summary of sexual harassment issues raised, attended and dispensed during FY19:

No. of complaints received: Nil

No. of complaints disposed off: Nil

No. of cases pending for more than 90 days: Nil.

## 26. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following statutory Committees constituted

by the Board function according to their respective roles and defined scope:

Audit Committee

Nomination and Remuneration Committee

Corporate Social Responsibility Committee

Stakeholders Relationship Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

## 27. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company confirms compliance with the applicable requirements of Secretarial Standards 1 and 2.

## 28. 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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Any remuneration or commission received by Managing Director of the Company, from any of its subsidiary.
- Significant or material orders passed by the Regulators or courts or Tribunal which impacts the going concern status and Company's operations in future.
- Transfer to Investors Education and Investors Fund.
- Reporting of fraud by Auditors
- Reporting of fraud by Auditors
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Risk Management Policy
- Applicability of Cost Audit and maintenance of records
- Details of Subsidiaries, associates and holding Company.

## 29. Acknowledgements

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation. The Directors appreciate and value the contribution made by every member of the Apollo Tricoat family.

By the order of the Board

Sd/

Date: May 17, 2019

Place: Delhi

Rahul Gupta

Chairperson

## ANNEXURE – 'A'

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[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	Company Limited by Shares/Indian Non-Government Company
5	Address of the Registered office and contact details	37, Hargobind Enclave, Vikas Marg, Delhi-110092 Tel. 011-22373537 Email: info@apollotriccoat.com Website: www.apollotriccoat.com
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 1st Floor, Bharat TIN Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri Mumbai-400072 Tel. No. +91-22-6263 8200 Fax No. +91-22-6263 8299 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	36.13
2.	Manufacturing of Steel & Tubes	24311	63.87

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: N.A. (as on 31st March 2019)

## 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, 2018				No. of shares held at the end of the year As on March 31, 2019				% of Change during the year
	Demat	Physi- cal	Total	% of Total Shares	Demat	Physi- cal	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
(1) Indian									
(a) Individuals/HUF	65,63,973	-	65,63,973	25.54	14138351	-	14138351	51.04	25.50
(b) Central Government/ State Govt.(s)	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	2861209	-	2861209	10.33	10.33
(d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	65,63,973	-	65,63,973	25.54	16999560	-	16999560	61.37	35.83
(2) Foreign									
(a) Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	65,63,973	-	65,63,973	25.54	16999560	-	16999560	61.37	35.83

Category of Shareholder	No. of shares held at the beginning of the year As on April 1, 2018				No. of shares held at the end of the year As on March 31, 2019				% of Change during the year
	Demat	Physi- cal	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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) FII's	-	-	-	-	-	-	-	-	-
(g) Foreign Portfolio Investors	1,18,000	-	1,18,000	0.46	1,05,000	-	1,05,000	0.38	(0.08)
(h) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	1,18,000	-	1,18,000	0.46	1,05,000	-	1,05,000	0.38	(0.08)
(2) Non-institutions									
(a) Bodies Corporate	1223052	-	1223052	4.76	1120119	-	1120119	4.04	(0.72)
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	4882820	17250	4900070	19.06	4608248	2250	4610498	16.64	(2.42)
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12346808	-	12346808	48.04	4497303	-	4497303	16.24	(31.80)
(c) Any Other (specify)									
(i) Clearing Members/House	264046	-	264046	1.03	164712	-	164712	0.59	(0.43)
(ii) NRI (Rept & Non Rept)	259051	-	259051	1.01	202808	-	202808	0.73	(0.28)
(iii) Trust	25000	-	25000	0.10	-	-	-	-	(0.10)
<b>Sub-Total (B)(2)</b>	<b>1,90,00,777</b>	<b>17250</b>	<b>1,90,18,027</b>	<b>74.00</b>	<b>10593190</b>	<b>2250</b>	<b>10595440</b>	<b>38.25</b>	<b>(35.75)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1,91,18,777</b>	<b>17250</b>	<b>1,91,36,027</b>	<b>74.46</b>	<b>10698190</b>	<b>2250</b>	<b>10700440</b>	<b>38.63</b>	<b>(35.83)</b>
TOTAL (A)+(B)	18387000	113000	18500000	100.00	27697750	2250	27700000	100.00	-
(C) Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Sub-Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2,56,82,750</b>	<b>17250</b>	<b>2,57,00,000</b>	<b>100.00</b>	<b>27697750</b>	<b>2250</b>	<b>2,77,00,000</b>	<b>100.00</b>	<b>-</b>

\* The paid up equity shares increased from 2,57,00,000 to 2,77,00,000 shares during the year pursuant to conversion of 20,00,000 warrants in to equal number of equity shares to Mr. Rahul Gupta, person under Promoter Category.

## ii. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2018			Shareholding at the end of the year As on March 31, 2019			% 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	65,63,973	25.54	-	41,08,321	14.83	-	(10.71)
2.	Sh. Rahul Gupta*	80,30,030	31.25	-	100,30,030	36.21	-	4.96
3.	Shri Lakshmi Metal Udyog Limited**	-	-	-	28,61,209	10.33	-	10.33
	<b>Total</b>	<b>14594003</b>	<b>56.79</b>	<b>-</b>	<b>1,69,99,560</b>	<b>61.37</b>	<b>-</b>	<b>4.58</b>

\* Note: Shri Rahul Gupta categorized as Promoter of the Company w.e.f. May 4, 2018.

\*\*Shri Lakshmi Metal Udyog Limited ("SLMUL") has been categorised under Promoter category w.e.f February 1, 2019

## iii. Change in Promoter's Shareholding

S. No.	Shareholder's Name	Shareholding at the beginning of the year As on April 1, 2018		Shareholding at the end of the year As on March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sh. Saket Agarwal	65,63,973	25.54	41,08,321	14.83
2	Sh. Rahul Gupta*	80,30,030	31.25	100,30,030	36.21
3	Shri Lakshmi Metal Udyog Limited**	-	-	28,61,209	10.33
<b>Total</b>		<b>14,594,003</b>	<b>56.79</b>	<b>169,99,560</b>	<b>61.37</b>

\* Note: Shri Rahul Gupta categorized as Promoter of the Company w.e.f May 4, 2018.

\*\*Shri Lakshmi Metal Udyog Limited ("SLMUL") has been categorised under Promoter category w.e.f February 1, 2019

## 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, 2018		Shareholding at the end of the year As on March 31, 2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Sh. Dinesh Pareekh~	1217661	4.74	717661	2.59
2.	Ms. Sangeeta Pareekh~	750829	2.92	750829	2.71
3.	Sh. Gurmeet Singh*	500000	1.95	1546	0.01
4.	Ms. Sonia Jyoti~	328000	1.28	378000	1.36
5.	Sh. Vikash Gupta~	283698	1.10	251432	0.91
6.	Motilal Oswal Financial Services Limited~	132500	0.52	130000	0.47
7.	Jyotivardhan Jaipuria*	131750	0.51	-	-
8.	Mangal Keshav Capital Limited*	131000	0.51	40199	0.15
9.	Atul Saluja HUF~	130120	0.51	130120	0.47
10.	Sh. Davos International Fund*	103000	0.40	100000	0.36
11.	Ms. Reena Singhal~	-	-	950000	3.43
12.	Mr. Lakshay Singhal~	-	-	550000	1.99
13.	Integrated Master Securities P Ltd~	-	-	252600	0.91
14.	S.C. Khaeja~	-	-	100000	0.36

\*Ceased to be in the list of top ten shareholders as on March 31, 2019.

~The same is reflected above as these shareholders are in the list of top ten shareholders as on March 31, 2019.

## 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, 2018)		Shareholding at the end of the year (as on March 31, 2019)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shri Rahul Gupta, Managing Director	8030000	31.25	10030030	36.21

**V. INDEBTEDNESS**

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

(Rs in Lacs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount as on April 1, 2018	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due as on April 1, 2018				
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	3000.00	-	-	3000.00
Reduction				
Net Change	3000.00			3000.00
Indebtedness at the end of the financial year				
i) Principal Amount as on March 31, 2019	3000.00	-	-	3000.00
ii) Interest due but not paid				
iii) Interest accrued but not due as on March 31, 2019	2.83	-	-	2.83
<b>Total (i+ii+iii)</b>	<b>3002.83</b>	<b>-</b>	<b>-</b>	<b>3002.83</b>

**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:

(Rs in Lacs)

S. No.	Particulars of Remuneration	Sh. Rajeev Kohli* (Independent Director)	Bharat Bhushan Sahny (Independent Director)	Ms. Gunjan Agarwal* (Non Executive Director)	Sh. Anil Kumar Bansal** (Independent Director)	Ms. Megha Gupta** (Non Executive Director)	Sh. Saket Agarwal* (Executive Director)
1	Fees for attending the Board/ committee meetings	0.20	1.20	0.10	5.00	0.40	0.20
2	Commission	-	-	-	-	-	-
3	Others	-	-	-	-	-	-
	<b>Total</b>	<b>0.20</b>	<b>1.20</b>	<b>0.10</b>	<b>5.00</b>	<b>0.40</b>	<b>0.20</b>

\* Sh. Rajeev Kohli, Mr. Saket Agarwal &amp; Ms. Gunjan Agarwal were ceased to be director of the Company w.e.f. June 12, 2018.

\*\*Sh. Anil Kumar Bansal &amp; Ms. Megha Gupta were appointed as Director of the Company w.e.f. June 11, 2018.

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

(Rs in Lacs)

S. No.	Particulars of Remuneration	Ms. Surbhi Arora Company Secretary	Sh. Nandlal Bansal* Chief Financial Officer	Total
1	Gross Salary	7.75	8.55	16.30
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		
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	StockOption/Sweat Equity/Commission	-		
3	Others, please specify	-	-	
	<b>Total (A)</b>	<b>7.75</b>	<b>8.55</b>	<b>16.30</b>

Ceiling as per the Act (@10% of profit calculated under Section 198 of the Companies Act, 2013)

\* Sh. Nandlal Bansal appointed as Chief Financial Officer of the Company w.e.f. November 1, 2018

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

By the order of the Board

Sd/

**Rahul Gupta**  
Chairperson

Date: May 17, 2019

Place: Delhi

## ANNEXURE – B

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, Kuldeep Dahiya, Proprietor of Kuldeep Dahiya & 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, 2019 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, 2019 and made according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder; (as amended from time to time)
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder; (as amended from time to time)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (as amended from time to time)
- 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; (as amended from time to time)
- 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 (Listing Obligations and Disclosure Requirement) Regulations, 2015. (as amended from time to time)
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time)
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time)
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time)
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable to the Company during the audit period
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2008; Not applicable to the Company during the audit period
  - g) 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; (as amended from time to time)

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(as amended): Not applicable to the Company during the audit period
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period
- vi. I, further report that after considering to the compliance system prevailing in the Company, and after carrying out test check 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) Factories Act, 1948
  - (b) Environment (Protection) Act, 1986
  - (c) The Water (Prevention & Control of Pollution) Act, 1974
  - (d) Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013
  - (e) Air (Prevention & Control Pollution) Act, 1981
  - (f) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - (g) Payment of Wages Act, 1936
  - (h) Payment of Gratuity Act, 1972
  - (i) Contract Labour (Regulation & Abolition) Act, 1970
  - (j) Industrial Disputes Act, 1947
  - (k) Minimum Wages Act, 1948
  - (l) Payment of Bonus Act, 1965
  - (m) Industrial Employment (Standing Orders) Act, 1946
  - (n) Trade Union Act, 1926
  - (o) Workmen Compensation Act, 1923
  - (p) Industries (Development & Regulation) Act, 1951
  - (q) Employees State Insurance Act, 1948

and all other Labour Laws, Rules and Regulations applicable to the company.

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

- (i) Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.
- (ii) Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

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

- **The Company has paid the fine of Rs. 1,180/- on 30th November, 2018 for Non compliance of Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of late submission of investor grievance for the quarter ended September, 2018.**
- **The Company was required to spend at least 2% of its Average Net profit of the three immediately preceding financial years in every financial year in pursuance of its Corporate Social Responsibility obligation. However, I have been informed by the management that during the audit period under review considering growth requirements/challenges, the company could not focus on spending on CSR Projects.**

I further report that

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

Adequate 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.

I further report that

- I. During the year under review, an open offer for 7956000 equity shares at a price of Rupees 120/- each has been made by Mr. Rahul Gupta (Acquirer) along with Mr. Sameer Gupta (PAC) in order to acquire 26.09 % of the fully diluted Equity share capital of Apollo Tricoat Tubes limited (Formerly Known as Best Steel Logistics Limited).
- II. During the year under review, Mr. Rahul Gupta has been reclassified into Promoter Category from Public Category in terms of Regulation 31A (8) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.
- III. During the year under review, Mr. Rahul Gupta was appointed as Managing Director of the Company w.e.f May 4, 2018 for a term of five (5) years.
- IV. During the year under review, Apollo Tricoat Tubes limited (Formerly Known as Best Steel Logistics Limited) set up an manufacturing plants at Malur Industrial Area, Bangalore for manufacturing of Tri Coat Tubes in three variants Sure Coat, Dura Coat and Super Coat with the advanced Galvant Technology for the first time in India having total capacity of 50,000 MT.

Further, the newly set up unit of the Company situated in Malur, Karnataka, India has started its commercial production w.e.f. March 05, 2019.

- V. During the year under review, the Company has changed its name from Best Steel Logistics Limited to Apollo Tricoat Tubes limited with the approval of jurisdictional Registrar of Companies and BSE Limited.
- VI. During the year under review, the Company has obtained the approval of Shareholders by way of Postal ballot in respect of following matter:
  1. Change of name of the company from Best Steel Logistics Limited to Apollo Tricoat Tubes Limited.
  2. To amend the Memorandum of Association.
  3. To amend the Article of Association

(viii) During the year under review, Mr. Amreesh Mishra, was appointed as Chief financial officer and Key managerial personnel ("KMP") of the company w.e.f. June 11, 2018.

However, Mr. Amreesh Mishra has resigned as Chief financial officer and Key managerial personnel ("KMP") and in his place Mr. Nand lal Bansal was appointed as Chief financial officer of the Company w.e.f. November 1, 2018.

- VII. During the year under review, Shri Laksmi Metal Udyog Limited (SLMUL) made an open offer and pursuant to which SLMUL became promoter of Apollo Tricoat Tubes Limited (Formerly Known as Best Steel Logistics Limited) in compliance with the provisions of Regulation 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

During the offer period, SLMUL acquired 1,325,000 Equity Shares representing 5.16% of the paid-up share capital of Target Entity from open market and 1,536,209 Equity Shares representing 5.98% of the paid-up share capital of Target Entity as tendered under open offer, both aggregating to 2,861,209 Equity Shares representing 11.14% of the paid-up share capital of Apollo Tricoat Tubes Limited.

During the year under review, the SLMUL had entered into a Share Purchase Agreement with Mr. Rahul Gupta , promoter of Apollo Tricoat Tubes Limited for acquisition of 8030030 Equity shares of Rupees 120/- each and Options attached to 4300000 warrants at a price of Rupees 120/- per option of Apollo Tricoat Tubes Limited.

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 Kuldeep Dahiya & Associates

Sd/-

Kuldeep Dahiya

Proprietor

ACS No.: 34404

C P No.: 18930

Place: Ghaziabad

Date: May 17, 2019

## Annexure 1

To,  
The Members,  
Apollo Tricoat Tubes Limited  
(Formerly known as M/s. Best Steel Logistics Limited)  
37, Hargobind Enclave, Vikas Marg,  
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 **Kuldeep Dahiya & Associates**

Sd/-

**Kuldeep Dahiya**  
**Proprietor**

Place: Ghaziabad

Date: May 17, 2019

## ANNEXURE – C

**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 2018-19: Nil. Since non-executive directors have only been given sitting fees, therefore median remuneration is not given.
- ii. The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19: 10%
- iii. In the Financial Year, there was 8% increase in the median remuneration of employees;
- iv. There were 53 permanent employees on the rolls of the Company as on March 31, 2019;
- 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 2018-19 was 8%.
- vi. We affirm that the remuneration paid in the financial year 2018-19 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

## REPORT ON CORPORATE GOVERNANCE

### I. Philosophy of Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). The Company's corporate governance philosophy has been further strengthened through the Apollo Tricoat Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code").

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

### II. Board of Directors

- i. As on March 31, 2019, the Company has four Directors. Of the four Directors, three are Non-Executive Directors out of which two are Independent Directors. The profiles of Directors can be found on [www.apollotriccoat.com](http://www.apollotriccoat.com). The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors is related to each other except Sh. Rahul Gupta and Ms. Megha Gupta, being Ms Megha Gupta is wife of Sh. Rahul Gupta.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- iv. Eight Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 4, 2018; May 29, 2018; June 11, 2018; July 3, 2018; August 10, 2018; August 22, 2018; November 2, 2018 and February 14, 2019. The necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category of Directorship <sup>1</sup>	Number of Board meetings attended out of eight held during the FY 2019	Whether attended last AGM held on September 29, 2018	No. of Directorships in other Public Companies		No. of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Director	Chairman	Member	
Mr. Saket Agarwal*	Non-Independent, Executive	2	No	-	-	-	-	-
Mr. Rajeev Kohli*	Independent, Non-Executive	2	No	-	-	-	-	-
Mrs. Gunjan Agarwal*	Non-Independent, Non-Executive	1	No	-	-	-	-	-
Mr. Rahul Gupta**	Non-Independent, Executive	7	Yes	-	-	-	-	-
Mrs. Megha Gupta***	Non-Independent, Non-Executive	4	Yes	-	-	-	-	-
Mr. Bharat Bhushan Sahny	Independent, Non-Executive	6	Yes	-	1	1	3	Rama Steel Tubes Limited
Mr. Anil Kumar Bansal***	Non-Independent, Non-Executive	3	Yes	-	2	2	2	APL Apollo Tubes Limited

**NOTES:**

\* Relinquished the position of Director w.e.f. June 12, 2018 due to preoccupation somewhere else. He further confirmed that there is no other material reason other than provided.

\*\* Appointed as Managing Director w.e.f. May 4, 2018.

\*\*\* Appointed as Additional Directors w.e.f. June 11, 2018.

Video/tele-conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

- vi. During FY 2019, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- vii. During FY 2019, one meeting of the Independent Directors was held on February 14, 2019. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole, taking into account the views of executive directors and non-executive directors.
- viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.
- ix. Details of equity shares of the Company held by the Directors as on March 31, 2019 are given below:

Name	Category	Number of Equity Shares
Sh. Rahul Gupta	Managing Director	100,300,030

The Company has issued 43,00,000 warrants to Promoter Group and 5,00,000 warrants to Non-Promoter Group on March 15, 2018 out of which 20,00,000 warrants of Promoter group has converted into equal no. of equity shares on February 14, 2019 and rest 23,00,000 warrants converted in to equal no. of equity shares on April 12, 2019.

Out of 500,000 warrants issued to Non-Promoter group, 22000 warrants has converted into equal no. of equity shares on May 17, 2019.

**III. Committees of the Board**

- (i) There are four Board Committees as on March 31, 2019, which comprises of statutory committees that has been formed, considering the need of the Company, details of which as are follows:

**1. Audit Committee**

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. The terms of reference include:

- Oversight of financial reporting process.

- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

Constitution of Audit Committee, detailed below:

S. No.	Name of Member	Category
1	Sh. Anil Kumar Bansal** (Chairman)	Independent, Non-Executive
2	Sh. Bharat Bhushan Sahny	Independent, Non-Executive
3	Sh. Rajeev Kohli*	Independent, Non-Executive
4	Sh. Saket Agarwal*	Non-Independent, Executive
5	Sh. Rahul Gupta**	Non-Independent, Executive

\* Relinquished the position of Director and consequently ceased to be a member of this Committee w.e.f. June 12, 2018.

\*\* Appointed as the member of the Committee w.e.f. June 11, 2018.

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

- ◆ Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
- ◆ Committee invites such of the executives (particularly the head of the finance function), representatives of the statutory auditors and internal auditors, as it considers appropriate, to be present at its meetings.
- ◆ The Company Secretary acts as the Secretary to the Audit Committee.
- ◆ The Compliance Officer is the Officer to ensure compliance and effective implementation of the Insider Trading Code.
- ◆ Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.
- ◆ The previous AGM of the Company was held on September 29, 2018 and was attended by Sh. Anil Kumar Bansal, Chairman of the Audit Committee.
- ◆ All recommendation of the Committee have been accepted

## 2. Nomination and Remuneration Committee

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act. The terms of reference include:

- Recommend to the Board the setup and composition of the Board and its committees.
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.
- Oversee familiarization programs for Directors.

Constitution of Nomination & Remuneration Committee, detailed below:

S. No.	Name of Member	Category
1	Mr. Bharat Bhushan Sahny (Chairman)***	Independent, Non-Executive
2	Mr. Rajeev Kohli*	Independent, Non-Executive
3	Ms. Gunjan Agarwal*	Non-Independent, Non-Executive
4	Ms. Megha Gupta**	Non-Independent, Non-Executive
5	Mr. Anil Kumar Bansal**	Independent, Non-Executive

\* Relinquished the position of Director and consequently ceased to be a member of this Committee w.e.f. June 12, 2018.

\*\* Appointed as the member of the Committee w.e.f. June 11, 2018.

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

\*\*\* Appointed as Chairman w.e.f. June 11, 2018.

- Three Nomination and Remuneration Committee meetings were held during the year under review.
- The Company does not have any Employee Stock Option Scheme.
- Details of Performance Evaluation Criteria for Independent Directors and Remuneration Policy are provided herein below.

### 3. Stakeholders Relationship Committee

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. The terms of reference include:

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc.

Constitution of Stakeholders Relationship Committee members, as below:

S. No.	Name of Member	No. of meetings attended
1	Mrs. Megha Gupta* (Chairperson)	Non-Independent, Non-Executive
2	Sh. Bharat Bhushan Sahny***	Independent, Non-Executive
3	Sh. Rajeev Kohli**	Independent, Non-Executive
4	Sh. Gunjan Agarwal**	Non-Independent, Non-Executive
5	Sh. Rahul Gupta*	Non-Independent, Executive

\* Appointed as a Member of this Committee w.e.f. June 11, 2018.

\*\* Relinquished the position of Director and consequently ceased to be member of this Committee w.e.f. June 12, 2018.

\*\*\* Appointed as a Chairman of the Committee w.e.f. June 11, 2018.

- One meeting of the Stakeholders' Relationship Committee was held during the year under review.
- The Company has always valued its customer relationships. This philosophy has been extended to investor relationship as the Company focuses on servicing the needs of various stakeholders viz. investors, analysts, brokers and the general public.
- Details of Investor complaints and Compliance Officer are provided herein below.

### 4. Corporate Social Responsibility Committee

Committee is constituted in line with the provisions of Section 135 of the Act. The terms of reference of the Committee include:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the implementation of the CSR Policy.

Constitution of Corporate Social Responsibility Committee, as below:

S. No.	Name of Member	No. of meetings attended
1	Mrs. Megha Gupta* (Chairperson)	Non-Independent, Non-Executive
2	Sh. Rahul Gupta*	Non-Independent, Executive
3	Sh. Bharat Bhushan Sahny*	Independent, Non-Executive

\* This Committee was formulated on June 11, 2018 for complying the provisions as applicable from FY 2018-19.

- One meeting of the CSR Committee was held during the year under review.

(ii) Stakeholders Relationship Committee – other details

a. Name, designation and address of the Compliance officer:

Ms. Surbhi Arora  
Company Secretary & Compliance Officer  
Apollo Tricoat Tubes Limited  
36, Kaushambi, Near Anand Vihar Terminal,  
Delhi-NCR-201010  
Telephone: +91-120-4041400

b. Details of investor complaints received and redressed during FY 2019 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	1	1	Nil

(iii) Nomination and Remuneration Committee – other details

#### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgment.

#### Remuneration Policy:

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1, each year. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director and each Executive Director.

The Company pays sitting fees to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Remuneration policy is available on [www.apollotriccoat.com](http://www.apollotriccoat.com).

(iv) Number of Committee meetings held and attendance records

Name of the Committees	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Preferential Allotment Committee
No. of meetings held	4	3	1	1	1
Date of Meetings	May 29, 2018; August 10, 2018; November 2, 2018; February 14, 2019	May 4, 2018; June 11, 2018; November 2, 2018	February 14, 2019	February 14, 2019	February 14, 2019
Number of meetings attended					
Sh. Saket Agarwal*	1	-	-	-	-
Sh. Rahul Gupta#	3	-	1	1	1
Sh. Rajeev Kohli~	1	1	-	-	-
Sh. Bharat Bhushan Sahny^	4	2	-	1	-
Ms. Gunjan Agarwal@	-	-	-	-	-
Ms. Megha Gupta*	-	1	1	1	1
Sh. Anil Kumar Bansal%	3	1	1	-	-

\* Sh. Saket Agarwal relinquished the position as Director of the Company and consequently as a member of the Audit Committee w.e.f. June 12, 2018.

# Sh. Rahul Gupta appointed as Member of Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Preferential Allotment Committee w.e.f. June 11, 2018.

~ Sh. Rajeev Kohli relinquished the position as Independent Director of the Company and consequently as a member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee w.e.f. June 12, 2018.

^ On June 11, 2018, the Committees has been re-constituted, pursuant to which Sh. Bharat Bhushan Sahny became the member of Audit Committee and Corporate Social Responsibility Committee and Chairman of Nomination & Remuneration Committee w.e.f. June 11, 2018.

@ Ms. Gunjan Agarwal relinquished the position as Director of the Company and consequently as a member of the Nomination & Remuneration Committee and Stakeholders Relationship Committee w.e.f. June 12, 2018.

\*Ms. Megha Gupta appointed as Member of Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Preferential Allotment Committee w.e.f. June 11, 2018.

% Sh. Anil Kumar Bansal appointed as Member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee w.e.f. June 11, 2018.

(v) General Body Meetings

1. General Meeting

(i) Annual General Meeting ("AGM")

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
2017-18	36	Saturday, September 29, 2018 at 4:00 PM	IMA-East Delhi, Building 35-X, Institutional Area, Karkardooma, Delhi-110092	- Appointment of Sh. Rahul Gupta as Managing Director of the Company.
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.

(ii) Extra-Ordinary General Meeting ("EGM"):

No extra-ordinary general meeting of the members was held during financial year 2019.

2. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated July 3, 2018 for Change of name of the Company; Alteration/Amendment of object clause of Memorandum of Association of the Company; alteration/amendment of existing articles of Article of Association of the Company, which was duly passed and the results of which were announced on August 6, 2018. Sh. Deepak Lath (Membership No. FCS 5309) of M/s Lath Deepak & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote voting process in a fair and transparent manner.

Procedure of Postal Ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with rules framed thereunder.

Further, as on date, no Special resolution is proposed to be passed by the Company through Postal Ballot at the ensuing Annual General Meeting.

(vi) A certificate has been received from Anjali Yadav & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
APOLLO TRICOAT TUBES LIMITED  
37, HARGOBIND ENCLAVE,  
VIKAS MARG, DELHI - 110092

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Apollo Tricoat Tubes Limited having CIN:L7490DL1983PLC014972 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of director	DIN	Date of appointment in Company
1.	Bharat Bhushan Sahny	00014334	30/09/2014
2	Anil Kumar Bansal	06752578	11/06/2018
3	Rahul Gupta	07151792	04/05/2018
4	Megha Gupta	07869141	11/06/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates  
Practicing Company Secretaries

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

Place: Delhi  
Date: 17th May, 2019

## (vii) Other Disclosures:

Particulars	Regulations	Details	Website link of details/policy
Related Party Transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	<p>There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.</p> <p>Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.</p>	<a href="http://www.apollotriccoat.com/pdfs/RELATED-PARTY-TRANSACTION-POLICY.pdf">http://www.apollotriccoat.com/pdfs/RELATED-PARTY-TRANSACTION-POLICY.pdf</a>
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (C) 10(b) to the SEBI Listing Regulations	Due to technical issue, the Company has paid the fine of Rs. 1,180/- on 30th November, 2018 for Non compliance of Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of late submission of investor grievance for the quarter ended September, 2018.	-
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	<a href="http://www.apollotriccoat.com/pdfs/VIGIL-MECHANISM-POLICY.pdf">http://www.apollotriccoat.com/pdfs/VIGIL-MECHANISM-POLICY.pdf</a>
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<p>*The auditors' report on financial statements of the Company are unqualified.</p> <p>*Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.</p>	-
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures.	<a href="http://www.apollotriccoat.com/pdfs/MATERIALITY-POLICY.pdf">http://www.apollotriccoat.com/pdfs/MATERIALITY-POLICY.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	<a href="http://www.apollotriccoat.com/pdfs/ARCHIVAL-POLICY.pdf">http://www.apollotriccoat.com/pdfs/ARCHIVAL-POLICY.pdf</a>
Reconciliation of ShareCapital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018	A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	-
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	<a href="http://www.apollotriccoat.com/pdfs/CODE-OF-CONDUCT.pdf">http://www.apollotriccoat.com/pdfs/CODE-OF-CONDUCT.pdf</a>
Subsidiary Company	Regulation 24 of SEBI Listing Regulations	The Company has no Subsidiary as on March 31, 2019	-

Particulars	Regulations	Details	Website link of details/policy
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	<a href="http://www.apollotriccoat.com/pdfs/POLICY-ON-BOARD-OF-DIVERSITY-POTENTIAL.pdf">http://www.apollotriccoat.com/pdfs/POLICY-ON-BOARD-OF-DIVERSITY-POTENTIAL.pdf</a>
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	<a href="http://www.apollotriccoat.com/pdfs/POLICY-ON-FAMILIRASATION.pdf">http://www.apollotriccoat.com/pdfs/POLICY-ON-FAMILIRASATION.pdf</a>
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018		The details have been disclosed in the Corporate Governance Report forming part of the Annual Report.	

## (viii) 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](http://www.apollotriccoat.com). The financial results during 2018-19 are published in The Pioneer. The Company has also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/analysts after the declaration of the quarterly, half-yearly and annual results are submitted to BSE Limited (BSE) as well as uploaded on the Company's website. A Management Discussion and Analysis Report is a part of this Annual Report.

## (ix) General Shareholders' Information

## i. Annual General Meeting for FY 2019

Date : September 28, 2019  
Time : 10:00 A.M  
Venue : JP Hotel & Resorts, 6B, IP Extension, Patpaarganj, Near Max Hospital, Delhi-110092

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

## ii. Financial Year : 2018-19

## iii. Financial Calendar

Period	Board Meetings
Unaudited results for first quarter ended June 30, 2019	On or before August 14, 2019
Unaudited results for second quarter/ half year ended September 30, 2019	On or before November 14, 2019
Unaudited results for third quarter/ nine months ended December 31, 2019	On or before February 14, 2020
Audited results for the fourth quarter and year ended March 31, 2020	On or before May 30, 2020

iv. Date of Book Closure/Record Date : As mentioned in the Notice of this AGM

v. Listing on Stock Exchanges : BSE Limited  
25th Floor, P. J. Towers, Dalal Street,  
Mumbai 400 001  
Phone: +91 22 2272 1233; Fax: +91 22 2272 1919  
Website: [www.bseindia.com](http://www.bseindia.com)

vi. Stock Codes/Symbol : BSE: 538566  
Listing fees as applicable has been paid.

vii. International Securities Identification Number (ISIN) allotted to the Company's shares : INE919P01029

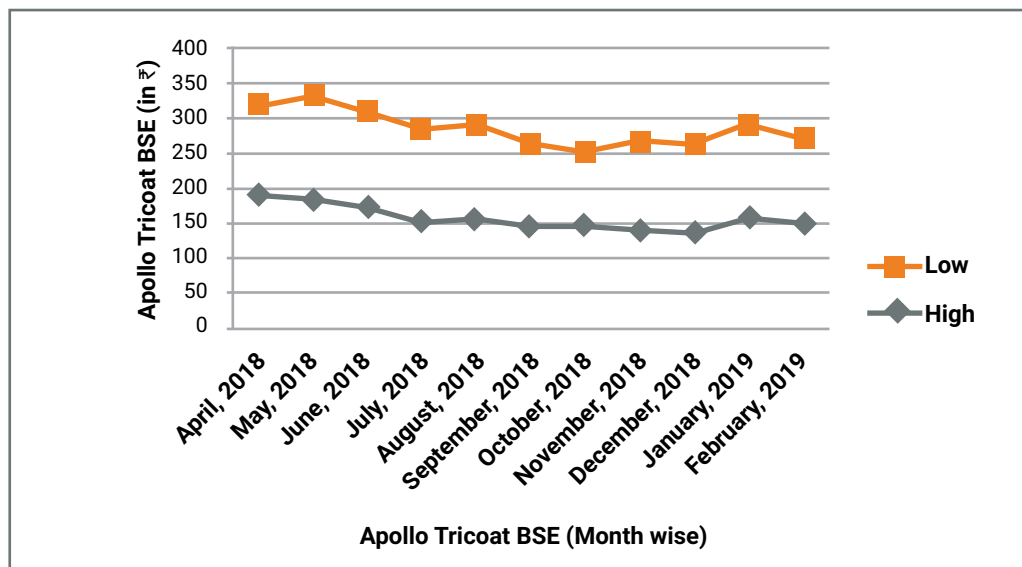
viii. Corporate Identification Number (CIN) of the Company : L74900DL1983PLC014972

- ix. Depositories : National Securities Depository Limited  
Central Depository Services (India) Limited
- x. 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  
E-mail: investor@bigshareonline.com
- xi. Place for acceptance of documents : Documents will be accepted at the above address  
between 11:00 AM and 4:00 PM (Monday to Friday)

For the convenience of the shareholders, documents will also be accepted at the following offices of Bigshare Services Pvt Ltd.:

- Bigshare Services Private Limited  
302, Kushal Bazar, 32-33, Nehru place  
New Delhi-110019  
Tel No. 011-42425004  
Email Id: bssdelhi@bigshareonline.com
- xii. Share Transfer System : Share transfer and related operations for Apollo  
TriCoat Tubes Limited is 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.
- xiii. Dematerialization of Shares (Equity): The Company shares are compulsorily traded in & liquidity dematerialized form  
BSE. Equity shares of the Company representing 99.99 percent of the Company's  
equity share capital are dematerialized as on March 31st, 2019.
- xiv. Outstanding ADRs/GDRs : The Company has not issued any GDRs/ADRs in the past and hence as on March  
31, 2019, the Company does not have any outstanding GDRs/ADRs.
- xv. Warrants and other convertible : 28,00,000 warrants were outstanding for conversion  
into equal no. of equity shares as on March 31,  
2019. Out of 28,00,000 warrants, 500,000 warrants  
are of Non-Promoter Category and 23,00,000  
warrants are of Promoter Category.
- xvi. Market Price Data:  
High, Low (based on daily closing prices) and number of equity shares traded during every month in the year 2018-19 on BSE:

Month & Year	High	Low	Total number of equity shares traded
April, 2018	191.00	129.40	23,40,185
May, 2018	186.35	148.00	7,83,175
June, 2018	174.00	138.00	12,85,824
July, 2018	154.00	130.60	5,81,085
August, 2018	156.00	135.00	4,16,723
September, 2018	144.80	118.30	3,68,178
October, 2018	145.90	107.00	28,60,450
November, 2018	140.00	128.00	12,65,217
December, 2018	138.00	126.10	3,86,648
January, 2019	159.00	131.00	19,28,612
February, 2019	149.35	124.00	5,06,498
March, 2019	172.00	128.25	8,58,563



xvii. Shareholding as on March 31, 2019 :

a. Distribution of equity shareholding as on March 31, 2019:

Number of Shares	Number of Shareholders	Percentage to shareholders	Number of Shares	Percentage to total capital
Up to 100	1207	31.51	60,288	0.22
101-500	1216	31.74	3,58,138	1.29
501-1000	486	12.69	3,91,683	1.41
1001-5000	661	17.25	15,36,335	5.55
5001-10000	132	3.45	9,60,411	3.47
10001-20000	56	1.46	8,34,114	3.01
20001-30000	28	0.73	6,97,493	2.52
30001 - 40000	13	0.34	4,77,520	1.72
40001-50000	6	0.16	2,69,073	0.97
50001-100000	14	0.37	10,04,743	3.63
100001 & above	12	0.31	2,11,10,202	76.21
<b>TOTAL</b>	<b>3831</b>	<b>100.00</b>	<b>2,77,00,000</b>	<b>100.00</b>

b. Categories of equity Shareholding as on March 31, 2019:

Category	Number of equity shares held	Percentage to holding
Promoters	1,41,38,351*	51.04
Other Entity to the Promoter Group	28,61,209	10.33
Foreign Portfolio Investors – Corporate	1,05,000	0.38
Indian Public & Others	91,07,801	32.89
Bodies Corporate	11,20,119	4.04
Clearing Members	1,64,712	0.59
NRI's/Foreign Nationals	2,02,808	0.73
<b>TOTAL</b>	<b>2,77,00,000</b>	<b>100.00</b>

\* Mr. Saket Agarwal was the erstwhile promoter of the Company and subsequent to completion of takeover open offer by Mr. Rahul Gupta, the substantial shareholding and control of the Company is with Mr. Rahul Gupta. Mr. Saket Agarwal intended to be reclassified as public category shareholder in terms of the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, however, his shareholding is above 10%, accordingly he cannot be reclassified in public category yet.

## c. Top ten equity shareholders of the Company as on March 31, 2019:

S. No.	Name of the equity shareholders*	Number of equity shares held	Percentage of holding
1	Sh. Rahul Gupta	1,00,30,030	36.21
2	Sh. Saket Agrawal	41,08,321	14.83
3	M/s. Shri Lakshmi Metal Udyog Ltd	28,61,209	10.33
4	Ms. Reena Singhal	9,50,000	3.43
5	Ms. Sangeeta Pareekh	7,50,829	2.71
6	Sh. Dinesh Pareekh	7,17,661	2.59
7	Sh. Lakshay Singhal	5,50,000	1.99
8	Ms. Sonia Jyoti	3,78,000	1.36
9	M/s. Integrated Master Securities (P) Ltd.	2,52,600	0.91
10	Sh. Vikash Gupta	2,51,432	0.91
TOTAL		2,08,50,082	75.27

\* Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

## xviii. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

## xix. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

The Company has not paid dividend in any financial year hence, disclosure pursuant to above section not required to be give.

## xx. Plant locations:

The Company's manufacturing situated at:

- Plot No. 53, Part-1, Malur, Sy Nos 28 to 33, 4th Phase, Industrial Area, Kurandhalli Village, Malur, Taluk, Kolar, Karnataka-563130.
- Village Bisnoli, Khasra No. 527 to 530 and 569, Dujana Road, Tehsil, Dadri, Gautam Budh Nagar, UP-203207.

## xxi. Address for correspondence

**Registered Office:**

37, Hargobind Enclave, Vikas Marg, Delhi-110092

Telephone: +91-11-22373437

Designated email address for investor services: info@apollotricoat.com

Website: www.apollotricoat.com

**Corporate Office:**

36, Kaushambi, near Anand Vihar Terminal, Delhi-NCR-201010

Telephone: +91-120-4041400

Designated email address for investor services: info@apollotricoat.com

Website: www.apollotricoat.com

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means the Chief Financial Officer, Head - HR, Unit Heads, Head - Legal and the Company Secretary as on March 31, 2019.

**Rahul Gupta**

Managing Director

Delhi, May 17, 2019

## ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED MARCH 31, 2019

{Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014}

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company has framed the Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programmes for welfare and sustainable development of the society. The details of the CSR Policy has been posted on the website of the Company and the web-link for the same is <http://www.apollotriccoat.com/csr-policy.pdf>

2. **The Composition of the CSR Committee.**

As at March 31, 2019, the Corporate Social Responsibility Committee comprises of 3 members of the Board, 2 of which are Independent Directors. The Chairman of the Committee is an Independent Director. The composition of the CSR Committee is as under:

S. No.	Name of the Director	Category
1	Ms. Megha Gupta (Chairperson)	Non-Executive
2	Sh. Anil Kumar Bansal (Member)	Non-Executive Independent
3	Sh. Rahul Gupta (Member)	Executive

3. **Average net profit of the Company for last three financial years:**

The average Net Profit of three financial years preceding the reporting financial year (i.e. 2017-18, 2016-17 and 2015-16) calculated in accordance with Section 135 of the Companies Act, 2013 is Rs. 4.04 Crores.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 8.10 lakhs**

5. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: Rs. 8.10 lakhs.

(b) Amount unspent, if any: 8.10 lakhs.

(c) Manner in which the amount spent during the financial year: NA

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.** During the period under review, considering growth requirements/challenges, the company could not focus on spending on CSR Projects. Further, same has also been disclosed in the Board Report.

7. **The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

Date: May 17, 2019

Sd/-  
Megha Gupta  
(Chairperson)

Sd/-  
Rahul Gupta  
(Managing Director)

## 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 (Formerly known as M/s. Best Steel Logistics Limited) ("the Company") for the year ended 31st March, 2019 as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paras C, D, and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) of the said Company with the stock Exchange in India.

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

### Opinion

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.

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.

For **Anjali Yadav & Associates**  
**Practicing Company Secretaries**

**Anjali Yadav**  
Proprietor

FCS No.: 6628  
C P No.: 7257

Place: Ghaziabad  
Date: 17th May, 2019

# FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of

### **APOLLO TRICOAT TUBES LIMITED**

(Formerly known as "Best Steel Logistics Limited")

Report on the Financial Statements

### **Opinion**

We have audited the financial statements of APOLLO TRICOAT TUBES LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the facts and our professional judgement during the audit of financial statements of the current period, we have determined that there are no key audit matters to communicate in our report.

### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis,

Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. This other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be material misstated.

When we read the other information and if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance and take necessary action as per applicable laws and regulations.

### **Management's Responsibility for the Financial Statements**

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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. That Board of Directors' are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and

qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and 9ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For VAPS & Company

Chartered Accountants

ICAI Firm Registration Number: 003612N

Sd/-

Praveen Kumar Jain

Partner

Membership Number: 082515

Ghaziabad

May 17, 2019

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of APOLLO TRICOAT TUBES LIMITED of even date)

- i. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the standalone Ind AS financial statements, are held in the name of the Company.
- ii. According to the information available to us that physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies is noticed on physical verification between the physical stocks and the book records.
- 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.
- 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.
- 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.
- 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.
- vii. (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) There were no disputed amounts payable in respect of Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the company 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.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the company during the year for the purposes for which they were raised.
- 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.
- 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.
- 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.
- 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).

- 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 20,00,000 equity shares of ₹2/- each at a premium of ₹118/- per share by conversion of share warrants and the proceeds of the same have been utilized for the purpose for which it has been raised.
- 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

- 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.

For VAPS & Company  
Chartered Accountants  
ICAI Firm Registration Number: 003612N

Ghaziabad  
May 17, 2019

Sd/-  
Praveen Kumar Jain  
Partner  
Membership Number: 082515

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Apollo Tricoat Tubes Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of APOLLO TRICOAT TUBES LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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. 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 Companies Act, 2013.

### Auditor’s Responsibility

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.

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.

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

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 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 financial statements.

### Limitations of Internal Financial Controls Over Financial Reporting

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

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, 2019, 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 Number: 003612N

Sd/-  
Ghaziabad  
May 17, 2019

Sd/-  
Praveen Kumar Jain  
Partner  
Membership Number: 082515

## BALANCE SHEET

as at March 31, 2019

(Amount in ₹ lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	5	9,446.80	2,465.62
(b) Capital work-in-progress		5,978.56	706.77
(c) Intangible assets	6	26.22	-
(d) Financial assets			
(i) Other financial assets	7	85.33	1.03
(e) Other non-current assets	8	4,045.55	3,350.66
<b>Total non-current assets</b>		<b>19,582.46</b>	<b>6,524.08</b>
<b>(2) Current assets</b>			
(a) Inventories	9	788.75	79.34
(b) Financial assets			
(i) Trade receivables	10	153.16	683.96
(ii) Cash and cash equivalents	11	4.48	759.76
(iv) Other financial assets	12	594.73	96.96
(c) Other current assets	13	1,031.39	5,133.53
<b>Total current assets</b>		<b>2,572.51</b>	<b>6,753.55</b>
<b>Total assets</b>		<b>22,154.97</b>	<b>13,277.63</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	554.00	514.00
(b) Other equity	15	12,746.01	10,721.21
<b>Total equity</b>		<b>13,300.01</b>	<b>11,235.21</b>
<b>Liabilities</b>			
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	2,906.22	-
(b) Provisions	17	5.14	0.47
(c) Deferred tax liabilities (net)	18	48.00	15.72
(d) Other non-current liabilities	19	898.50	-
<b>Total non-current liabilities</b>		<b>3,857.86</b>	<b>16.19</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	2,547.36	-
(ii) Trade payable	21		
-total outstanding dues of micro and small enterprises			
-total outstanding dues other than above		38.03	48.99
(iii) Other financial liabilities	22	615.33	5.27
(b) Other current liabilities	23	1,771.71	1,703.41
(c) Provisions	24	0.15	0.04
(d) Current tax liabilities (net)	25	24.52	268.52
<b>Total current liabilities</b>		<b>4,997.10</b>	<b>2,026.23</b>
<b>Total equity and liabilities</b>		<b>22,154.97</b>	<b>13,277.63</b>

See accompanying notes to the financial statements  
In term of our report attached

For **VAPS & Co.**

Firm Reg. No. 003612N  
Chartered Accountants

**Praveen Kumar Jain**

Partner

Membership No. 082515

Place : Ghaziabad

Date : May 17, 2019

For and On Behalf of the Board of **Apollo Tricoat Tubes Ltd.**

**Sd/-**

**Rahul Gupta**  
Managing Director

**Sd/-**

**Nandlal Bansal**  
Chief Financial Officer

**Sd/-**

**Megha Gupta**  
Director

**Sd/-**

**Surbhi Arora**  
Company Secretary  
Membership No. A33370

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I</b> Revenue from operations	26	716.79	19,110.27
<b>II</b> Other Income	27	423.50	28.38
<b>III Total income (I + II)</b>		<b>1,140.29</b>	<b>19,138.65</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	28	686.46	17,548.58
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(52.30)	(79.34)
(c) Employee benefits expense	30	24.81	54.91
(d) Finance costs	31	1.32	188.24
(e) Depreciation and amortisation expense	32	49.87	17.10
(f) Other expenses	33	60.21	424.67
<b>Total expenses</b>		<b>770.37</b>	<b>18,154.16</b>
<b>V Profit before tax (III - IV)</b>		<b>369.92</b>	<b>984.49</b>
<b>VI Tax expense:</b>			
(a) Current tax		72.78	284.97
(b) Deferred tax charge	18	32.28	1.55
<b>Total tax expense</b>	34	<b>105.06</b>	<b>286.52</b>
<b>VII Profit for the year (V-VI)</b>		<b>264.86</b>	<b>697.97</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
(a) Remeasurements of post employment benefit obligation		-	-
(b) Income tax relating to above item		-	-
<b>Other Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>264.86</b>	<b>697.97</b>
<b>X Earnings per equity share of Rupees 2.00 each</b>	32		
(a) Basic (in Rupees)		0.96	3.71
(b) Diluted (in Rupees)		0.87	3.66

See accompanying notes to the financial statements  
In term of our report attached

For **VAPS & Co.**  
Firm Reg. No. 003612N  
Chartered Accountants  
**Praveen Kumar Jain**  
Partner  
Membership No. 082515

Place : Ghaziabad  
Date : May 17, 2019

For and On Behalf of the Board of **Apollo Tricoat Tubes Ltd.**

**Sd/-**  
**Rahul Gupta**  
Managing Director

**Sd/-**  
**Nandlal Bansal**  
Chief Financial Officer

**Sd/-**  
**Megha Gupta**  
Director

**Sd/-**  
**Surbhi Arora**  
Company Secretary  
Membership No. A33370

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash Flow from operating activities</b>		
Profit before exceptional item and tax	369.92	984.49
<b>Adjustments For</b>		
Depreciation and amortisation expense	49.87	17.10
Finance Costs	1.32	188.24
Interest Income		
- Fixed Deposits	(17.82)	(28.38)
- Others	(183.91)	-
<b>Operating Profit before working capital changes</b>	<b>219.38</b>	<b>1,161.45</b>
<b>Changes in Working Capital:</b>		
<b>Adjustment for (increase)/decrease in operating assets:</b>		
Inventories	(709.41)	(79.34)
Trade receivables	530.80	(437.86)
Current loans and other financial assets	(497.77)	(7,447.64)
Non-current loans and other financial assets	(84.30)	-
Other current assets	4,102.14	-
Other non-current assets	<b>13.95</b>	-
<b>Adjustment for increase/(decrease) in operating liabilities:</b>		
Trade payables	-	<b>1,736.99</b>
Other current liabilities	(175.70)	-
Other current financial liabilities	610.06	-
Other non-current financial liabilities	-	-
Other non current liabilities	898.50	-
Provisions	<b>4.79</b>	<b>(6.44)</b>
<b>Cash generated from/(used in) Operations</b>	<b>4,912.44</b>	<b>(5,072.84)</b>
Net Income Tax paid	(131.70)	(284.97)
<b>Net Cash flow from/(used in) operating activities (A)</b>	<b>4,780.75</b>	<b>(5,357.81)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment, including capital advances	(12,988.03)	(707.76)
Interest Income	<b>201.73</b>	<b>28.38</b>
<b>Net cash flow (used in) investing activities (B)</b>	<b>(12,786.30)</b>	<b>(679.38)</b>

## STATEMENT OF CASH FLOWS (CONT...)

for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	31/03/2018	31/03/2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) of Non-current borrowings (Secured)	2,906.22	(3,176.25)
Proceeds from Current borrowings (Secured)	2,547.36	-
Proceeds from issue of equity share capital	1,800.00	8,640.00
Proceeds from issue of Share Warrant	-	1,440.00
Finance Costs	(1.32)	(188.23)
<b>Net cash flow from financing activities (C)</b>	<b>7,252.26</b>	<b>6,715.52</b>
<b>NET DECREASE/ INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>(753.30)</b>	<b>678.32</b>
Cash and cash equivalents at the beginning of the year	759.76	81.44
<b>Cash and cash equivalents at the end of the year</b>	<b>4.48</b>	<b>759.76</b>
<b>Cash and cash Equivalents comprises</b>		
Cash in Hand	2.78	4.73
<b>Balance with Scheduled Banks</b>		
-In current Accounts	1.70	755.03
-In Fixed Deposit Accounts with original maturity of less than 3 months	-	-
<b>Total Cash and Cash Equivalents</b>	<b>4.48</b>	<b>759.76</b>

(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  
**Praveen Kumar Jain**  
Partner  
Membership No. 082515

Place : Ghaziabad  
Date : May 17, 2019

For and On Behalf of the Board of **Apollo Tricoat Tubes Ltd.**

**Sd/-**  
**Rahul Gupta**  
Managing Director

**Sd/-**  
**Nandlal Bansal**  
Chief Financial Officer

**Sd/-**  
**Megha Gupta**  
Director

**Sd/-**  
**Surbhi Arora**  
Company Secretary  
Membership No. A33370

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

### (a) Equity share capital

( Amount in ₹ lakhs)

Particulars	Amount
<b>As at March 31, 2018</b>	514.00
Changes during the year ended March 31, 2019	<b>40.00</b>
<b>As at March 31, 2019</b>	<b>554.00</b>

### (b) Other equity

( Amount in ₹ lakhs)

Particulars	Reserves and surplus			Other Com- prehensive Income	Total
	Securities Premium Reserve #	Money received against Share Warrant	Retained Earnings *	Remeas- urement of defined benefit plan^	
<b>Balance as at March 31, 2017</b>	-	-	<b>90.30</b>	<b>(3.13)</b>	<b>87.17</b>
For the year	8,496.00	1,440.00			9,936.00
Profit for the year ended March 31, 2018	-	-	697.97	-	697.97
Other comprehensive income for the year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>8,496.00</b>	<b>1,440.00</b>	<b>697.97</b>		<b>10,633.97</b>
<b>Allocations/Appropriations:</b>					
Dividend paid	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Securities premium on issue of shares	-	-	-	-	-
Transfers to Debenture Redemption Reserve	-	-	-	-	-
Transferred (to)/from General Reserve	-	-	-	-	-
	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>8,496.00</b>	<b>1,440.00</b>	<b>788.27</b>	<b>(3.13)</b>	<b>10,721.14</b>
Profit for the period ended March 31, 2019	-	-	264.86	-	264.86
Other comprehensive income for the year, net of tax	-	-	-	-	-
Share issue during the year	2,360.00	(600.00)	-	-	1,760.00
<b>Total comprehensive income for the year</b>	<b>2,360.00</b>	<b>(600.00)</b>	<b>264.86</b>	<b>-</b>	<b>2,024.86</b>
<b>Balance as at March 31, 2019</b>	<b>10,856.00</b>	<b>840.00</b>	<b>1,053.13</b>	<b>(3.13)</b>	<b>12,746.01</b>

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  
**Praveen Kumar Jain**  
Partner  
Membership No. 082515

Place : Ghaziabad  
Date : May 17, 2019

For and On Behalf of the Board of **Apollo Tricoat Tubes Ltd.**

**Sd/-**  
**Rahul Gupta**  
Managing Director

**Sd/-**  
**Nandlal Bansal**  
Chief Financial Officer

**Sd/-**  
**Megha Gupta**  
Director

**Sd/-**  
**Surbhi Arora**  
Company Secretary  
Membership No. A33370

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Corporate Information

Apollo Tricoat Tubes Limited (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the Trading of Steel and Related Products. The Company is a public company listed on BSE Limited. The registered office of the Company is in New Delhi.

### 2. Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the presentation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of Preparation

##### (i) Compliance with Ind AS

The Financial statements (FS) of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended by notification dated March 31, 2016] and other provisions of the Act.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP.

These financial statements are authorised for issue on May 17, 2019 in accordance with a resolution of the Board of Directors. Board of Directors permits the revision to the financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Companies Act, 2013.

The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off upto two decimal points to the nearest Lakhs (as per the requirement of Schedule III), unless otherwise stated.

##### (ii) Historical Cost Convention

The Financial Statements have been prepared on a historical cost basis, except the following:

Certain financial assets and liabilities which are measured at fair value / amortised cost

Defined Benefit Plans- plan assets measured at fair value

##### iii) 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

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### 2.2 Property, Plant & Equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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 any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

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

##### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of assets, based on internal assessment and independent technical evaluation done by the Management expert which are equal to, except in case of Plant and Machinery, Furniture and Fixtures and Vehicles where useful life is lower than life prescribed under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

## NOTES TO THE FINANCIAL STATEMENTS

Assets	Estimated useful life (Years)
Building	30
Computers	3-5
Plant and Machinery	20
Furniture and Fixtures	10
Office Equipment	3-5
Vehicles	8

The property, plant and equipment acquired under finance leases and other leasehold improvements are depreciated over the assets' useful life or over the shorter of the assets' useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The asset's useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount of the asset. These are included in profit or loss within other income.

Assets costing less than or equal to ₹5,000 are fully depreciated pro-rata from date of acquisition.

### 2.3 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangibles assets have a finite life and are subsequently carried at cost less any accumulated amortization and accumulated impairment losses if any.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

#### Amortisation methods and estimated useful lives

Assets	Estimated useful life (Years)
Enterprise resource planning software	5

Assets costing less than or equal to ₹ 5,000 are fully amortized pro-rata from date of acquisition.

### 2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes/ duties collected on behalf of the government.

#### (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, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discounts, volume rebates. Excise Duty is a levy on manufacture irrespective of ultimate sale of goods and hence the recovery of excise duty flows to the company on its own account. Accordingly, revenues from sale of goods are stated gross of excise duty, GST, sales tax and value added tax (VAT) are not received by the company on its own account but collected on behalf of the government and accordingly, are excluded from revenue.

#### (b) Sale of Services

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

#### (c) Interest income

Interest income is recognised using the time proportion basis, based on the underlying interest rates.

#### (d) Rental Income

Rental income is recognised on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

### 2.5 Inventories

Inventories are valued at the lower of cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials, goods in transit, packing materials and stores and spares are valued at cost computed on moving weighted average basis, after providing for obsolescence, if any. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and

## NOTES TO THE FINANCIAL STATEMENTS

taxes, where applicable. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 2.6 Fair Value Measurement

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For changes that have occurred between levels of hierarchy during the year, the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the

fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For changes that have occurred between levels of hierarchy during the year, the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.7 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

### 2.8 Financial Instruments

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

## NOTES TO THE FINANCIAL STATEMENTS

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 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) 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.

### **(h) 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.

## **2.9 Leases**

## NOTES TO THE FINANCIAL STATEMENTS

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on straight line basis over the term of the relevant lease.

## 2.10 Employee Benefit

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and performance incentives.

### (i) Short-term obligations

Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet. The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### (ii) Other long-term employee benefit obligations

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service.

They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iii) Post-employment obligations

#### Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefit plan

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised

## 2.11 Income Taxes

Tax Expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and current tax.

### Current Income Taxes

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management

## NOTES TO THE FINANCIAL STATEMENTS

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.

### Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

### 2.12 Share Capital and Securities Premium Reserve

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 securities premium reserve.

### 2.13 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.

### 2.14 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.

### 2.15 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

## NOTES TO THE FINANCIAL STATEMENTS

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.

### 2.16 Government Grant

Government grants are recognised where there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the company recognises as expense the related cost for which the grants are intended to compensate.

### 3. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### a) Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### i) Contingencies:

Contingent liabilities may arise from the ordinary course of business in relation to claims against the company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### ii) Recognition of Deferred tax Assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### i) Useful lives of tangible/in tangible assets :

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

#### ii) Defined benefit obligation :

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### iii) Inventories :

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

#### iv) Fair Value measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be

## NOTES TO THE FINANCIAL STATEMENTS

measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### 4. Recent accounting pronouncements

#### 4.1 Ind AS 115 - Revenue from Contracts with Customers

In March, 2018 the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after April 1, 2018. This standard replaces existing revenue recognition rules with a single comprehensive model to use in accounting for revenue arising from contract with customers. Under IND AS 115, revenue is recognised when the entity transfers control of promised goods or services to customers. An entity is required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows, if any arising from contracts with customers. The Company intends to adopt the new standard effective April 1, 2019.

To identify the potential impact of the standard on the Company's financial statements, the Company has analysed contracts of the relevant revenue streams of the Company.

The impact of the new standard is identified to be not materially affecting the current recognition and measurement of revenues, though there would be significant additional disclosure requirements for the Company's to comply with.

#### 4.2 Other recently issued accounting pronouncements and not effective for the year ended March 31, 2019:

- a) Amendments to Ind AS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- b) Amendments to Ind AS 19: Employee Benefits
- c) Ind AS 116: Leases

Application of above pronouncements are not expected to have any significant impact on the Company's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 5 : Property, Plant and Equipment

( Amount in ₹ lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Plant & Machinery	Office Equip-ment	Vehicles	Vehicles under Finance Lease	Total
<b>Year Ended 31 March 2017</b>								
<b>Gross Carrying Amount</b>								
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	-	-	-	-	-	-	-	-
<b>Closing Gross carrying amount</b>	<b>2,025.14</b>	<b>328.72</b>	<b>18.21</b>	<b>100.33</b>	<b>0.36</b>	<b>0.08</b>	-	<b>2,472.84</b>
<b>Accumulated Depreciation</b>								
Depreciation charge during the year	-	5.04	0.50	2.31	0.22	0.05	-	8.12
Disposals	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>5.04</b>	<b>0.50</b>	<b>2.31</b>	<b>0.22</b>	<b>0.05</b>	-	<b>8.12</b>
<b>Net carrying value as on 31-March-2017</b>	<b>2,025.14</b>	<b>323.67</b>	<b>17.71</b>	<b>98.02</b>	<b>0.14</b>	<b>0.03</b>	-	<b>2,464.72</b>
<b>Year ended 31-March-18</b>								
<b>Gross Carrying Amount</b>								
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
Closing Gross carrying amount	2,025.14	338.72	25.93	100.33	0.62	0.08	-	2,490.82
<b>Accumulated Depreciation</b>								
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
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>15.53</b>	<b>2.21</b>	<b>6.97</b>	<b>0.41</b>	<b>0.08</b>	-	<b>25.20</b>
<b>Net carrying amount as on 31-March-18</b>	<b>2,025.14</b>	<b>323.19</b>	<b>23.72</b>	<b>93.36</b>	<b>0.22</b>	<b>-</b>	-	<b>2,465.62</b>
<b>Year ended March 31, 2019</b>								
<b>Gross Carrying Amount</b>								
Opening Gross carrying amount	2,025.14	338.72	25.93	100.33	0.62	0.08	-	2,490.82
Additions	-	467.68	6.28	6,495.35	32.88	15.45	11.58	7,029.21
Closing Gross carrying amount	2,025.14	806.40	32.21	6,595.68	33.50	15.53	11.58	9,520.03
<b>Accumulated Depreciation</b>								
Opening accumulated depreciation	-	15.53	2.21	6.97	0.41	0.08	-	25.20
Depreciation charge during the period	-	11.82	2.90	30.17	2.02	0.66	0.44	48.01
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>27.35</b>	<b>5.11</b>	<b>37.16</b>	<b>2.43</b>	<b>0.74</b>	<b>0.44</b>	<b>73.23</b>
<b>Net carrying amount as on 31 March, 2019</b>	<b>2,025.14</b>	<b>779.05</b>	<b>27.10</b>	<b>6,558.52</b>	<b>31.07</b>	<b>14.79</b>	<b>11.14</b>	<b>9,446.80</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6 : Intangible Assets

(Amount in ₹ lakhs)

Particulars	Amount
<b>Year Ended March 31, 2018</b>	
<b>Gross Carrying Amount</b>	
Opening Gross carrying amount	0.05
Additions	-
Disposals	-
<b>Closing Gross carrying amount</b>	<b>0.05</b>
<b>Accumulated Depreciation</b>	
Opening accumulated depreciation	0.04
Depreciation charge during the year	0.01
Disposals	-
<b>Closing accumulated depreciation</b>	<b>0.05</b>
<b>Net carrying value as on 31-March-2018</b>	<b>-</b>
<b>Year Ended March 31, 2019</b>	
<b>Gross Carrying Amount</b>	
Opening Gross carrying amount	-
Additions	28.08
Disposals	-
<b>Closing Gross carrying amount</b>	<b>28.08</b>
<b>Accumulated Depreciation</b>	
Opening accumulated depreciation	-
Depreciation charge during the year	1.86
Disposals	-
<b>Closing accumulated depreciation</b>	<b>1.86</b>
<b>Net carrying value as on 31-March-2019</b>	<b>26.22</b>

### Note 7 : Other Financial Assets (Non- current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Security deposit	85.33	1.03
<b>Total</b>	<b>85.33</b>	<b>1.03</b>

### Note 8 : Other Non-Current Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
(a) Capital advances	2,693.55	1,984.71
(b) Operating lease prepayments	1,352.00	1,365.95
<b>Total</b>	<b>4,045.55</b>	<b>3,350.66</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 9 : Inventories

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw material (including stock-in-transit)	589.21	-
Finished goods (including stock-in-transit)	114.93	79.34
Stores and spares	67.90	-
Rejection and scrap	16.71	-
<b>Total</b>	<b>788.75</b>	<b>79.34</b>

### Note 10 : Trade Receivables

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
(ii) Other than related parties	153.16	683.96
<b>Total</b>	<b>153.16</b>	<b>683.96</b>

### Note 11 : Cash & Cash Equivalents

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	2.78	4.73
Balances with banks -Current accounts	1.70	755.03
<b>Total</b>	<b>4.48</b>	<b>759.76</b>

### Note 12 : Other Financial Assets (Current)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Accrued interest on fixed deposits	17.82	-
Claim receivables	96.96	96.96
Balances in Fixed Deposit accounts with original maturity less than 12 months	479.95	-
<b>Total</b>	<b>594.73</b>	<b>96.96</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 13 : Other Current Assets

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Prepaid expenses	2.19	0.39
Operating lease prepayments	13.95	13.95
Balances with government authorities		
- Goods and service tax credit receivable	966.18	84.30
Payment under protest		
(i) Excise duty	-	
(ii) Sales Tax Appeal	13.12	13.12
Advance to suppliers	19.02	21.36
Advance to Employees	0.51	0.41
Others	16.42	5,000.00
<b>Total</b>	<b>1,031.39</b>	<b>5,133.53</b>

### Note 14 : Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>(a) Share capital</b>				
(i) Authorised capital				
Equity shares of ₹2 each	3,25,00,000	6,50,00,000	3,25,00,000	6,50,00,000
	<b>3,25,00,000</b>	<b>6,50,00,000</b>	<b>3,25,00,000</b>	<b>6,50,00,000</b>
(ii) Issued capital				
Equity shares of ₹2 each	2,77,00,000	5,54,00,000	2,57,00,000	5,14,00,000
	<b>2,77,00,000</b>	<b>5,54,00,000</b>	<b>2,57,00,000</b>	<b>5,14,00,000</b>
(iii) Subscribed and fully paid up capital				
Equity shares of ₹2 each with voting rights	2,77,00,000	5,54,00,000	2,57,00,000	5,14,00,000
	<b>2,77,00,000</b>	<b>5,54,00,000</b>	<b>2,57,00,000</b>	<b>5,14,00,000</b>

#### (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares Held	Amount (₹)	Number of Shares Held	Amount (₹)
Equity shares with voting rights				
Outstanding at the beginning of the year	2,57,00,000	5,14,00,000	1,85,00,000	3,70,00,000
Add: Issued during the year	20,00,000	40,00,000	72,00,000	1,44,00,000
Outstanding at the end of the year	<b>2,77,00,000</b>	<b>5,54,00,000</b>	<b>2,57,00,000</b>	<b>5,14,00,000</b>
	<b>2,77,00,000</b>	<b>5,54,00,000</b>	<b>2,57,00,000</b>	<b>5,14,00,000</b>

## NOTES TO THE FINANCIAL STATEMENTS

### (c) Detail of shareholder holding more than 5% shares of the Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares Held	% of holding	Number of Shares Held	% of holding
Saket Agarwal	41,08,321	14.83	65,63,973	25.54
Rahul Gupta	1,00,30,030	36.21	80,30,000	31.25
Shri Lakshmi Metal Udyog Limited	28,61,209	10.33	80,30,000	31.25

### (d) Rights, Preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 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 15 : Other Equity

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium reserve	10,856.00	8,496.00
General reserve	1,053.13	788.27
Share Warrants outstanding account	840.00	1,440.00
Other Comprehensive income	(3.13)	(3.13)
<b>Total</b>	<b>12,746.01</b>	<b>10,721.14</b>

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(1) Securities premium reserve</b>	8,496.00	8,496.00
Balance at the beginning of the year	2,360.00	-
Add: addition during the year	10,856.00	8,496.00
Balance at the end of the year		
<b>(2) General reserve</b>		
Balance at the beginning of the year	788.27	90.30
Add: addition during the year	264.86	697.97
Balance at the end of the year	1053.13	788.27
<b>(3) Share Warrants outstanding account</b>		
Balance at the beginning of the year	1440	1,440
Less: share issued during the year	(600)	-
Balance at the end of the year	840.00	1,440
<b>(4) Other Comprehensive income</b>		
Balance at the beginning of the year	(3.13)	(3.13)
Balance at the end of the year	(3.13)	(3.13)

### Description of the purposes of each reserve within Equity

# **Securities premium:** The amount received in excess of face value of the equity shares is recognised in securities premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

## NOTES TO THE FINANCIAL STATEMENTS

\* Retained Earnings: It represents unallocated / undistributed profits of the company. The same is available for distribution.

^ Remeasurements of defined benefit plans: Remeasurements of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income).

### Note 16 : Borrowings (Non- current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Term Loan:</b>		
- From bank		
Secured (refer note below)	2,900.00	-
<b>(b) Vehicle Loan:</b>		
- From bank		
Secured by way of hypothecation of vehicles (refer note below)	6.22	-
<b>Total</b>	<b>2,906.22</b>	<b>-</b>

Particulars	As at March, 2019		As at March 31, 2018	
	Non Current borrowings	Current Maturities of non-current borrowings	Non Current borrowings	Current Maturities of non-current borrowings

#### Term Loan from bank are secured as follows :

By First Pari Passu charge on residential immovable property situated at G08 Maharani Bagh and all the movable fixed assets & current assets (present and future) of the Company and second pari passu charge over the Land and Building at Dujana & Bengaluru (Company's warehouse). The loan is further guaranteed by personal guarantee of Mr. Sanjay Gupta & Corporate guarantee of APL Infrastructure Pvt. Ltd. Applicable rate of interest is 1 year MCLR+0.10% p.a. The loan outstanding as at balance sheet date is repayable in 12 installments commencing from 09 Nov, 2019 and ending 09 May, 2025.

2,900.00	100.00	-	-
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#### Vehicle Loan from bank are secured as follows :

Vehicle Loan is secured by way of hypothecation of respective vehicle and repayable in 37 monthly installments commencing from 15 Des, 2018. As on 31 March, 2019 there were 33 installments outstanding. Applicable rate of interest is 9.10% p.a.

6.22	3.13	-	-
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#### Sensitivity Analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit & Loss		Equity, Net of Tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
<b>Interest on term loans from banks</b>				
For the year ended 31 March 2019	15.00	(15.00)	10.83	(10.83)
For the year ended 31 March 2018				

## NOTES TO THE FINANCIAL STATEMENTS

### Note 17 : Provisions (Non- current)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences	2.21	0.47
Provision for gratuity	2.93	-
<b>Total</b>	<b>5.14</b>	<b>0.47</b>

### Note 18 : Deferred tax liabilities / assets (net)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(i) Deferred Tax Liabilities on account of :</b>		
- Property, Plant & Equipment & Intangible Assets	122.25	15.72
<b>Total Deferred Tax Liabilities (A)</b>	<b>122.25</b>	<b>15.72</b>
<b>(ii) Deferred Tax Assets on account of :</b>		
- Provision for Employee Benefit Expenses	1.47	-
- Minimum Alternate Tax Credit	72.78	-
<b>Total Deferred Tax Assets (B)</b>	<b>74.25</b>	<b>-</b>
<b>Disclosed as Deferred Tax Liabilities (Net)[A-B]</b>	<b>48.00</b>	<b>15.72</b>

### Note 19 : Other Non-Current Liabilities

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income (refer note below)	898.50	-
	<b>898.50</b>	<b>-</b>

#### Note:

Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme (Refer note 37)

### Note 20 : Borrowings (Current)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Loan repayable on demand</b>		
- From bank (Secured)		
Cash credit	2,547.36	-
<b>Total</b>	<b>2,547.36</b>	<b>-</b>

Note : 18

### Note 21: Trade Payables

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding dues to Micro and small enterprises	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	38.03	48.99
<b>Total</b>	<b>38.03</b>	<b>48.99</b>

## NOTES TO THE FINANCIAL STATEMENTS

The amount due to Micro and small enterprises as defined in "The Micro, Small and Medium Enterprises Development act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The principal amount remaining unpaid to supplier as at the end of the year	-	-
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-

### Note 22 : Other Financial Liabilities (Current)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposit	100.00	-
Current maturities of long term debts	103.13	-
Capital creditors	230.16	-
Interest accrued on borrowings	2.83	-
Employee benefits payable	29.35	3.00
Other Payable	149.86	2.27
<b>Total</b>	<b>615.33</b>	<b>5.27</b>

### Note 23 : Other Current Liabilities (Current)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	23.51	3.41
Advance from others	1,700.00	1,700.00
Advance from employees	0.73	-
Deferred Income (refer note below)	47.47	-
<b>Total</b>	<b>1,771.71</b>	<b>1,703.41</b>

Note:

Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme (Refer note 37)

### Note 24 : Provisions ( Current)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences	0.15	0.04
<b>Total</b>	<b>0.15</b>	<b>0.04</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 25 : Current tax liabilities (net)

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for tax (net of advance tax 53.25 lakhs, March 31, 2018 13.27 lakhs)	24.52	268.52
	<b>24.52</b>	<b>268.52</b>

### Note 26 : Revenue from Operations

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	716.79	18,805.19
Sale of Service	-	305.08
Total	716.79	19,110.27

**Note:** 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. In accordance with 'Ind-AS 18 : Revenue' and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations for applicable periods.

### Note 27 : Other Income

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income - fixed deposit with banks	17.82	28.38
Interest income - others	183.91	-
Other Income	221.77	-
<b>Total</b>	<b>423.50</b>	<b>28.38</b>

### Note 28 : Cost of Material Consumed

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Inventories of raw material at the beginning of the year	-	-
Add : Purchases	1,343.57	17,548.58
Less : Inventories of raw material at the end of the year	657.11	-
<b>Total</b>	<b>686.46</b>	<b>17,548.58</b>

### Note 29 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year:		
Finished goods	114.93	79.34
Scrap	16.71	-
	131.64	79.34
Inventories at the beginning of the year:		
Finished goods	79.34	-
Scrap	-	-
	79.34	-
<b>Total</b>	<b>(52.30)</b>	<b>(79.34)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 30 : Employee benefits expense

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	10.66	49.15
Contribution to provident and other funds	7.68	3.45
Gratuity	2.93	-
Staff welfare expenses	3.54	2.31
<b>Total</b>	<b>24.81</b>	<b>54.91</b>
During the year, the Company recognized an amount of ₹17.58 lakhs (Year ended March 31, 2018 ₹7.46 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below		
- Short term employee benefits	16.30	7.05
- Post employment benefits	0.86	0.37
- Other long term employee benefits	0.42	0.04
<b>Total</b>	<b>17.58</b>	<b>7.46</b>

### Note 31 : Finance costs

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense :		
- Term Loan	-	160.10
Other borrowing cost	1.32	28.14
<b>Total</b>	<b>1.32</b>	<b>188.24</b>

### Note 32 : Depreciation and Amortisation Expense

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant & equipments	48.01	17.10
Amortisation on intangible assets	1.86	-
<b>Total</b>	<b>49.87</b>	<b>17.10</b>

### Note 33 : Other Expense

( Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Freight outward	13.22	-
Power and fuel	8.82	23.84
Advertisement and sales promotion	0.22	0.59
Rent expense	2.00	4.80
Travelling and conveyance	0.66	2.17
Legal and professional charges	14.15	11.21
Repair Maintenance - Others	1.01	2.70
Insurance expenses	0.24	-
Rates and taxes	2.34	3.03
Security services	0.65	17.63
Bad debts	-	303.48
Director Sitting Fee	5.75	1.00
Amortisation of leasehold prepayments	-	2.18

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Miscellaneous expenses	11.15	52.04
<b>Total</b>	<b>60.21</b>	<b>424.67</b>

**Legal & Professional charges include auditor's remuneration as follows:**

**To Statutory Auditors**

For Audit (including quarterly reviews)	1.00	0.50
For Taxation Matters	1.00	0.50

### Note 34 : Income Tax Expense

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current Tax</b>		
Current Tax on profits for the year	77.77	281.79
Adjustments for current tax of prior periods	(4.99)	3.18
<b>Total Current Tax Expense</b>	<b>72.78</b>	<b>284.97</b>
<b>Deferred Tax</b>		
(Decrease)/Increase in deferred tax liabilities	32.28	1.56
<b>Total Tax Expense</b>	<b>105.06</b>	<b>286.53</b>

**Reconciliation of Tax expense and the accounting profit multiplied by India's Tax Rate for the year ended March 31, 2019:**

Particulars	Amount
Profit before Income Tax Expense	369.92
Enacted Tax Rates in India	27.82%
Computed Expected Income Tax Expense	102.91
Current Tax Expense (as per MAT Provisions)	77.77
Effective Tax Rate	21.02%

### Note 35 : Earning Per Share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>a) Basic</b>		
Net Profit after Tax attributable to shareholders (₹ in lakhs)	2,64,85,520	6,97,97,240
Equity Shares outstanding at the beginning of the year	2,57,00,000	1,85,00,000
Add: Weighted average number of shares issued during the year	2,52,055	3,35,342
Weighted Average number of equity shares used to compute basic earning per share	2,59,52,055	1,88,35,342
Basic Earnings (in rupees) per share of ₹2/- each (March 31, 2018: ₹2/- each)	1.02	3.71
<b>b) Diluted</b>		
Net Profit after Tax attributable to shareholders	2,64,85,520	6,97,97,240
Weighted Average number of equity shares of ₹2/- each (March 31, 2018: ₹2/- each) outstanding at the end of the year	2,59,52,055	1,90,58,904
Diluted Earnings (in Rupees) Per Share of ₹2/- each (March 31, 2018: ₹2/- each)	1.02	3.66

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.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 36 : Disclosure in respect of operating leases as per IND AS 17 'Leases'

#### (A) Operating Lease

- (i) The company has entered into long term agreement 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, 2019 aggregating ₹136,594,869 ( as at March 31, 2018: 137,989,981) is included in other non current / current assets.
- (ii) The Company has entered into lease arrangements for lease of offices for a period of 36 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.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(ii) Information related to leases		
Total of minimum lease payments		
-Not later 1 year	2.04	1.33
-Later than 1 year and not later 5 years	2.38	
-Later than 5 years		
(iii) Lease Payment recognised in the statement of profit and loss for the year	2.00	1.80

#### (B) Finance Lease

The Company has taken certain vehicles and equipments under finance lease. There is an option to purchase the assets at the end of the lease terms. The obligation under finance leases are secured by the leased assets. There are no restrictions such as additional debt and further leasing imposed by the lease agreement.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 8.5% to 9.2%

For net carrying amount of assets acquired under finance lease as at March 31, 2019: Refer Note 1.1: Property, Plant and Equipment.

#### Finance Lease Liabilities

Particulars	As at	Total minimum lease payments outstanding	Future finance charges	Present Value of minimum lease payments
Not later than 1 Year	March 31, 2019	3.87	0.74	3.13
	March 31, 2018	-	-	-
Later than 1 Year and not later than 5 Years	March 31, 2019	6.76	0.54	6.22
	March 31, 2018	-	-	-
Later than 5 Years	March 31, 2019	-	-	-
	March 31, 2018	-	-	-

#### Included in the Financial Statements as

Particulars	As at March 31, 2019	As at March 31, 2018
-Current maturities of long term debts (Refer note 22)	3.13	-
-Non current borrowings ( Refer note 16)	6.22	-

### Note 37: Export Promotion Capital Goods (EPCG)

Export Promotion Capital Goods (EPCG) allows import of capital goods including spares for pre-production, production and post production at zero duty subject to an export obligation of 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from authorization issue date.

The company is availing this benefit and importing capital goods under the scheme at zero custom duty. The company has accounted for

## NOTES TO THE FINANCIAL STATEMENTS

the benefits received in accordance with the Ind AS 20- Accounting for Government Grants and Disclosure of Government Assistance.

The benefits (saving of custom duty) obtained from government are treated as a Government Grant, which has been accounted for as deferred benefit under other non-current liabilities in Note 16 and recognised as a cost of property, plant and equipment. As per the EPCG scheme, the company has an export obligation equivalent to 6 times of duty saved. The deferred benefit accounted for, shall be credited to statement of profit and loss on a pro-rata basis as and when the export obligation is fulfilled. Accordingly the Company is required to export of FOB value of at least ₹ 5696.94 lakhs (March 31, 2017- Nil) against which the Company has saved a duty of ₹949.49 lacs (March 31, 2017- Nil).

### Note 38 : Information on Related Party Transactions as required by Ind AS 24 - 'Related Party Disclosures' for the year ended March 31, 2019

#### Details of related parties:

##### a) Key Managerial Personnel:

Name	Designation
Mr. Saket Agarwal	Managing Director !
Mrs. Gunjan Agarwal	Non Executive Director #
Mr. Rahul Gupta	Managing Director ^
Mrs. Megha Gupta	Non Executive Director *
Mr. Amresh Mishra	Chief Financial Officer **
Mr. Nandlal Bansal	Chief Financial Officer ##
Mrs. Surbhi Arora	Company Secretary

! Mr. Saket Agarwal resigned as Managing Director on 12 June, 2018.

# Mrs. Gunjan Agarwal resigned as Director on 12 June, 2018.

^ Mr. Rahul Gupta was appointed as Managing Director on 04 May, 2018.

\* Mrs. Megha Gupta was appointed as Director on 11 June, 2018.

\*\* Mr. Amresh Mishra relinquished office on 31 October, 2018.

## Mr. Nandlal Bansal was appointed as Chief Financial Officer of the company on 01 November, 2018.

##### b) Relatives of Key Managerial Personnel of Parent Company who are under the employment of the Parent Company:

Name	Relation
Mrs. Saroj Rani Gupta	Grandmother of Mr. Rahul Gupta
Mrs. Neera Gupta	Mother of Mr. Rahul Gupta

##### c) Entities where Directors/Relatives of Directors have control/significant influence:

APL Apollo Tubes Limited

Shri Lakshmi Metal Udyog Limited

APL Infrastructure Private Limited

Apollo Metalex Private Limited

Shree Ganesh Steel Tubes

## NOTES TO THE FINANCIAL STATEMENTS

### Transactions with Related Parties

(Amount in ₹ lakhs)

Particulars	Relationship	Year ended March 31, 2019	Year ended March 31, 2018
<b>Rent Income</b>			
APL Apollo Tubes Limited	Enterprises having significant influence	216.00	54.00
<b>Rent Expense</b>			
Shree Ganesh Steel Tubes	Enterprises having significant influence	0.30	0.90
Mrs. Neera Gupta	Relatives of Key Managerial Personnel	0.40	-
Mrs. Saroj Rani Gupta	Relatives of Key Managerial Personnel	0.40	-
Mr. Saket Agarwal	Key Managerial Personnel	-	0.90
APL Infrastructure Private Limited	Enterprises having significant influence	-	3.00
<b>Sale of Goods</b>			
APL Apollo Tubes Limited	Enterprises having significant influence	325.35	-
Apollo Metalex Pvt. Ltd.	Enterprises having significant influence	4.19	-
<b>Purchase of Property, Plant &amp; Equipment</b>			
APL Apollo Tubes Limited	Enterprises having significant influence	1,088.85	-
Shri Lakshmi Metal Udyog Limited	Enterprises having significant influence	477.68	-
<b>Purchase of Goods</b>			
Shri Lakshmi Metal Udyog Limited	Enterprises having significant influence	711.64	-
Apollo Metalex Pvt. Ltd.	Enterprises having significant influence	507.15	-
APL Apollo Tubes Limited	Enterprises having significant influence	141.41	7.72
<b>Reimbursement of Expenses</b>			
APL Apollo Tubes Limited	Enterprises having significant influence	108.13	-
Mr. Rahul Gupta	Key Managerial Personnel	16.00	-
<b>Advance received from supply of raw materials</b>			
APL Apollo Tubes Limited	Enterprises having significant influence	2,958.16	5,079.90
APL Infrastructure Pvt. Ltd.	Enterprises having significant influence	2,093.50	-
<b>Refund of advance received for supply of raw materials</b>			
APL Apollo Tubes Limited	Enterprises having significant influence	1,028.56	5,079.90
APL Infrastructure Pvt. Ltd.	Enterprises having significant influence	2,028.50	-
<b>Interest Expense</b>			
Shri Lakshmi Metal Udyog Limited	Enterprises having significant influence	1,003.72	-
<b>Salary</b>			
Mr. Nandlal Bansal	Key Managerial Personnel	8.55	-
Mrs. Surbhi Arora	Key Managerial Personnel	7.75	7.46

## NOTES TO THE FINANCIAL STATEMENTS

Particulars		As at March 31, 2019	As at March 31, 2018
<b>Trade Receivables</b>			
APL Apollo Tubes Limited	Enterprises having significant influence	525.83	58.32
Apollo Metalex Pvt. Ltd.	Enterprises having significant influence	18.76	
<b>Finance Arrangement</b>			
Mr. Rahul Gupta	Key Managerial Personnel	-	8,640.00
<b>Director Sitting Fees</b>			
Mr. Saket Agarwal	Key Managerial Personnel	0.09	0.25
Mrs. Gunjan Agarwal	Key Managerial Personnel	0.09	0.25
Mrs. Megha Gupta	Key Managerial Personnel	0.15	-

### Note 39 : Corporate Social Responsibility

The Corporate Social Responsibility (CSR) obligation as per section 135 of the Companies Act, 2013 for the year ended March 31, 2019 is ₹ 8.10 lakhs (March 31, 2018 : ₹ Nil).

### Note 40 : Contingent Liability

Contingent Liability of the company for the year ended March 31, 2019 is Nil (March 31, 2018 Nil)

### Note 41: Employee Benefit 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 risk 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 .

##### 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.

## NOTES TO THE FINANCIAL STATEMENTS

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, 2019 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.

The Company has classified the various benefits provided to employees as under:

### (A) Defined Contribution Plans

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognised the following amounts towards defined contribution plan in the Statement of Profit and Loss –

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	7.68	3.45

Included in 'Contribution to provident and other funds' under Employee Benefits Expense (Refer Note 30)

### B. Other Long Term Benefits & Defined Benefit Plans

(i) Change in present value of obligation		Gratuity	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of obligation as at the beginning of the period		-	-
Acquisition adjustment		-	-
Interest cost		-	-
Service cost		2.93	-
Past service cost including curtailment Gains/Losses		-	-
Benefits paid		-	-
Total Actuarial (Gain)/Loss on obligation		-	-
Present value of obligation as at the end of period		2.93	-

(ii) Liabilities recognized in the Balance Sheet		Gratuity	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Net defined benefit liability at the start of the period		-	-
Acquisition Adjustment		-	-
Total Service Cost		2.93	-
Net Interest cost (Income)		-	-
Re-measurements		-	-
Benefit paid directly by the enterprise		-	-
Net defined benefit liability at the end of the period		-	-
Net Asset/(Liability) recognized in Balance Sheet		2.93	-
Recognized under:			
Long Term Provision		2.93	-
Short Term Provision		-	-
		<b>2.93</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

Note: As per company's policy pertaining to Compensated Absence, an employee can accumulate and carry forward his leave balance in future periods. The company does not expect all employees to take the full amount of accrued leave or require payment within the next twelve months. Therefore, the payment obligation has been classified as current & non-current.

(iii) Expense recognized in the Statement of Profit and Loss		Gratuity	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Service cost		2.93	-
Interest cost		-	-
<b>Expense recognized in the Statement of Profit and Loss</b>		<b>2.93</b>	<b>-</b>

(iv) Principal Actuarial assumptions		Gratuity	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate per annum		7.82%	7.86%
Salary Escalation Rate per annum		8.00%	8.00%
Retirement age		60 Years	60 Years
Mortality tables		IALM [2006-2008]	IALM [2006-2008]

### (v) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

		Gratuity	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate			
Increased by 1%		(0.51)	-
Decreased by 1%		0.65	-
Salary Escalation Rate			
Increased by 1%		0.64	-
Decreased by 1%		(0.52)	-

### Note : 42 Financial Instruments

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
<b>Financial Assets</b>						
Trade Receivables	-	-	153.16	-	-	683.96
Cash and Bank Balances	-	-	4.48	-	-	759.76
Other Financial Assets	-	-	680.06	-	-	1.03
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>837.70</b>	<b>-</b>	<b>-</b>	<b>1,444.75</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	5,453.58	-	-	-
Trade Payables	-	-	-	-	-	48.99
Other Financial Liabilities	-	-	615.33	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>6,068.91</b>	<b>-</b>	<b>-</b>	<b>48.99</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 43 : Capital and Risk Management

#### 43.1) 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.

#### 43.2) Interest Rate Risk Management

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

#### 43.3) 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.

### 44. Capital management

#### (a) Risk management

The company being in a capital intensive industry ,its objective is to maintain a strong credit rating ,healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The company's capital requirement is mainly to fund its capacity expansion ,repayment of principal and interest on its borrowing and strategic acquisitions. the principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The company is not subject to any externally imposed capital requirements.

The company regularly considers other financing and refinancing opportunities to diversify its debt profile , reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other than cash and cash equivalents.

( Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current borrowing	2,906.22	-
Current maturities of non current borrowings	103.13	-
Current Borrowings	2,547.36	-
Less :- cash and cash equivalents	(4.48)	(759.76)
<b>Total Debts</b>	<b>5,552.23</b>	<b>(759.76)</b>
<b>Total equity</b>	<b>13,300.01</b>	<b>11,235.21</b>
<b>Gearing Ratio</b>	<b>0.42</b>	<b>-0.07</b>

Equity includes all capital and reserves of the company that are managed as capital

## NOTES TO THE FINANCIAL STATEMENTS

### (b) DIVIDENDS

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Final dividend for the year ended march 31, 2019 of rupees Nil (March 31,2018 -Rupees Nil)	-	-
Dividend not recongised at the end of the reporting	-	-
Dividend distribution tax	-	-

The board of directors did not recommended any dividend for the year ended March 31, 2019

### Note 45: Other Matters

During the year , Shri Lakshmi Metal Udyog Limited ('SLMUL'), has acquired by way of entering into a Share Purchase Agreement ('Agreement') for the acquisition of 80,30,030 Equity Shares and Options attached to 43,00,000 Warrants of the company which will together represent 40.43% of the fully diluted share capital of the company in terms of the provisions of Section 186 of the Companies Act, 2013 and relevant rules thereto. The acquisition / investment would be a Related Party Transaction in terms of the provisions of Section 188 of the Companies Act, 2013.

Pursuant to the said Agreement, SLMUL made an open offer which got completed on February 01, 2019 and SLMUL became promoter of the company in compliance with the provisions of Regulation 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. During the offer period, SLMUL acquired 13,25,000 Equity Shares representing 5.16% of the paid-up share capital of the company from open market and 15,36,209 Equity Shares representing 5.98% of the paid-up share capital of the company as tendered under open offer, both aggregating to 28,61,209 Equity Shares representing 11.14% of the paid-up share capital of the company.

Subsequent to the year end, in accordance with the Agreement, SLMUL has aquired balance equity share to complete the total acquisition of 50.64 % share in Company, which is subject to completion of requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulation,2018 as applicable."

### Note 46 :

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.

For **VAPS & Co.**  
Firm Reg. No. 003612N  
Chartered Accountants  
**Praveen Kumar Jain**  
Partner  
Membership No. 082515

Place : Ghaziabad  
Date : May 17, 2019

For and On Behalf of the Board of **Apollo Tricoat Tubes Ltd.**

**Sd/-**  
**Rahul Gupta**  
Managing Director

**Sd/-**  
**Nandlal Bansal**  
Chief Financial Officer

**Sd/-**  
**Megha Gupta**  
Director

**Sd/-**  
**Surbhi Arora**  
Company Secretary  
Membership No. A33370







**Apollo TriCoat**  
THREE STEPS AHEAD

**APOLLO TRICOAT TUBES LIMITED**

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

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CIN: L74900DL1983PLC014972