



Apollo TriCoat

THREE STEPS AHEAD

September 7, 2020

To,
The Department of Corporate Services
BSE Limited
Floor 25, P J Towers
Dalal Street, Mumbai-400 001
Scrip Code: 538566

Sub: Re: Annual Report for the Financial Year 2019-20

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2019-20, being sent to those members by email whose email addresses are registered with the Company/Depository participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report is also uploaded on the website of the Company at www.apollotriccoat.com.

This is for your kind information and records.

Thanking you

Yours faithfully

For Apollo TriCoat Tubes Limited


Surbhi Arora
Company Secretary
M. No. A33370



Encl: a/a

Apollo TriCoat Tubes Limited (Formerly Known as Best Steel Logistics Ltd.)

CIN: L74900DL1983PLC014972

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Unit-I: Plot No. 53, Part-I, 4th Phase, Industrial Area, Sy. No. 28-33, Kurandahalli Village, Kasaba Hobli, Malur, Taluk, Distt. Kolar - 563101 Karnataka, India

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

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WE'VE JUST BEGUN

APOLLO TRICOAT TUBES LIMITED
ANNUAL REPORT 2020



Apollo TriCoat
THREE STEPS AHEAD

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FOR YEARS...
WE IDEATED. WE DELIBERATED.
WE QUESTIONED. WE CHALLENGED.
WE TOILED. WE FAILED.
WE DEVELOPED. WE SEEDED.
WE TWEAKED. WE PERFECTED.

**IN THE FIRST FULL YEAR OF OUR BUSINESS
OPERATIONS, WE DID NOT ONLY BREAK
EVEN, WE GENERATED A POSITIVE
BOTTOMLINE.**

**AND YET,
WE'VE
ONLY JUST
BEGUN.**

We started the business in

MARCH
2019.

We launched

FIVE
INNOVATIVE
CONCEPTS.

We Created a

120 STRONG
DISTRIBUTOR
BASE.

We reached out to

90 CITIES.

We registered a sales volumes of

123,080 TONNES

We achieved a capacity utilisation of

49%

We generated a topline of ₹

6,633 MILLION

We achieved an EBITDA of ₹

754 MILLION

We earned a Net Profit of ₹

423 MILLION

**YET, WE'VE
JUST BEGUN.**

Apollo TriCoat

AN INNOVATOR OF HOME IMPROVEMENT CONCEPTS DESIGNED TO MATCH THE NEW- AGE INDIAN.

50.86

SLMUL holding
(%)

3,226

Capital employed
(₹ million)

8,278

Market capitalisation
(₹ million)

14.01

Earnings per share (₹)

Headquartered in New Delhi, India, Apollo TriCoat is part of the APL Apollo Group. What makes Apollo different is its unusual approach to the business. The Company is not into conventional products, and remains focused on absorbing contemporary technology from various geographies to manufacture new-age products, which are often the first to be introduced to India.

The Company has its manufacturing facilities at Malur Industrial Area, Bengaluru, and in Dadri, Uttar Pradesh. A senior management team of seasoned professionals lead the Company's business operations and a 206-strong team of talented individuals.

The Company is listed on the BSE Limited.

VISION

- To Pioneer in developing technological advancement in the Indian tube industry.
- To continuously innovate the production process and review the quality control measures to provide best of products.
- To make mechanical engineering and information technology work closely to increase efficiency and effectiveness.

MISSION

- To be among India's most reliable tube making companies.
- To create a brand that would be known for its trustworthiness.
- To create an organisation with ethical and modern working culture.
- To enhance business visibility across newer markets.
- To create sustainable value for all stakeholders.

Product spread

A BASKET OF BRANDS

DOOR AND WINDOW SOLUTIONS



Positioned to replace wooden doors and windows with beautiful and elegant steel products.

CONDUIT



The first Indian company to introduce three coated tubular solution for electrical conduits. This product offers fire-proof conduit solutions which are preferred in skyscrapers and high-end housing projects.

HOME BEAUTIFICATION SOLUTIONS



Designed to beautify roofing, furniture, handrails and structures.

It is replacement of wood and concrete slabs which could be used for staircase, fencing and furniture applications.

Key numbers

WHERE WE STAND

21.2%

ROE

20.2%

ROCE

0.5X

Debt to equity ratio

1,995

Networth (₹ million)

250,000

Installed Capacity

WE'RE AT THE DOORSTEP OF A LARGE OPPORTUNITY.

**THE
ADDRESSABLE
MARKET OF THIS
NOVEL SOLUTION
IS ESTIMATED AT
₹40,000 CRORE**

Our doorframe, Apollo Chaukhat, received an overwhelming response since its launch in Q2 FY20. By the end of the first month itself, our capacity was completely booked.

Being significantly cheaper than wooden doorframes and with a considerably longer useable life, sales volume jumped from 6,612 tonnes in the second quarter to 8,604 tonnes

units in the last quarter of 2019-20. For the full year, we sold 28,066 tonnes of doorframes as against our label capacity of 50,000 TPA.

This was the result of a limited launch only in select towns and cities in North India alone.

INDIA AWAITS!



WE'VE DESIGNED OUR GROWTH CONTOURS.

75%+
CAPACITY
UTILISATION IN
THE FIRST YEAR
OF LAUNCH

Pitted against the conventional pipes, the aesthetically designed and superior home décor solutions – Apollo Signature and Apollo Elegant – have caught the fancy of the discerning customer.

Launched in Q1 FY20, these products have created waves in the markets. The impressive demand in the market drove us to run our manufacturing units at maximum utilisation.

In a short span of time, we are operating the respective units at maximum utilisation.

In 2019-20, the sales volume for Apollo Signature stood at 66,043 tonnes as against a capacity of 85,000 TPA, and that of Apollo Elegant was 21,869 tonnes as against a capacity of 25,000 TPA.

Despite confining the products to the North Indian markets so far, we feel we would run out of capacity in no time.

GROWTH NEARS!



WE'RE BUILDING A ROBUST PLATFORM.

Positioned as a replacement for wood, Apollo Plank has made a satisfying beginning in multiple home décor applications.

Launched in Q2 FY20, sales volume picked up from 320 tonnes in the second quarter of 2019-20 to more than 957 tonnes in the last quarter.

Having seeded the market with the innovative concept during most part of the year, we have been able to transform the perception of planks – from being unsafe to being secure and sturdy. We expect to cover significant ground when the prevailing economic adversities turn favourable.

FIRM STEPS!



Message from the Managing Director

**“I AM EXCITED
ABOUT THE
FUTURE AS THE
JOURNEY AHEAD
PROMISES TO BE
RIVETING.”**

THE LIFESTYLE
OF THE AVERAGE
INDIAN IS
TRANSFORMING
FOR THE BETTER.
AS INDIANS
ARE GETTING
INCREASINGLY
EXPOSED TO
GLOBAL TRENDS,
TECHNOLOGIES
AND PRODUCTS,
THEIR
ASPIRATION
FOR SUPERIOR
QUALITY IS
GROWING. WE
ARE LAUNCHING
PRODUCTS THAT
COMPLEMENT
THEIR EVOLVING
LIFESTYLE.



DEAR SHAREHOLDERS,

I write this message with a sense of satisfaction and optimism.

I derive satisfaction from what we achieved in fiscal 2019-20 because our performance was much better than what we had estimated at the year start.

We launched five products in the domestic markets. We are excited with success of our products namely Chaukhat, Plank, Elegant and Signature- they received an overwhelming customer response which is quite understandable owing to the significant value they offer over conventional products.

Apollo Chaukhat offer a string of advantages, especially in terms of durability – it has a longer life cycle than traditional wood and aluminium door frames. They are water and moisture proof, fire retardant and maintenance-free. They have outdoor adaptability as they are resistant to climatic conditions and weathering. They have high screw and nail holding capacity, easy sawing and cutting, and solvent-based joinery. They also offer benefits in terms of cost and lower maintenance. In the very first month of launching

doorframes, our capacities were completely booked.

Apollo Signature pipe with special embossing which makes it aesthetically superior from other products in the market. These pipes are used in Rooftops, Furniture, Pillars and Interior Designs. Not only the design but the steel itself has its own benefits, it requires zero maintenance after installation. Apollo Signature is getting strong response from coastal market high-end roofing structures. For these narrow sections, we operated at nearly 80% asset utilisation.

Apollo Steel Plank' is a new-age steel product in India which will replace the conventional wooden planks. This quality product will transform the perception of planks, from being unsafe to being secure and sturdy. Alongside this, it will also be a way out of deforestation as it has the potential to nearly eliminate green cover eradication to make planks. We toiled hard last year to educate fabricators. These efforts should pay rich dividends going forward.


This was extremely encouraging, especially when viewed from the

prism of a decelerating economic landscape. We grossed a revenue of Rs 6,633 million in 2019-20; reported a net profit of Rs 423 million and earned an EBITDA of Rs 6,124 per tonne. The financial performance would have been even better had it not been for the business disruption consequent to the Covid-19 pandemic.

Fiscal 2019-20 was seminal for the Company as we became part of the large and respected APL Apollo Group. This was significant as we were able to leverage its brand power and distribution strength in creating product awareness and expanding our market reach with speed.

While this is an impressive beginning, I am particularly excited about the future, as the journey ahead promises to be riveting. My optimism stems from an important reality.

The lifestyle of the average Indian is transforming for the better. As Indians are getting increasingly exposed to global trends, technologies and products, their aspiration for superior quality is growing. We are launching products that complement their evolving lifestyle. We hope to launch our flagship products



ILG pipes for greenhouse applications in the coming years, after undertaking a complete study to the prevailing market scenario. Also, we will work on seeding the market with our other innovative products in the pipeline which promise to align with the improving lifestyle of the average Indian. These unique solutions, once launched, will assist in growing the business and strengthening business profitability.

GOING FORWARD

Like all other nations, India is fighting against the spread of the Covid-19 pandemic. The result of this fight has led to a near economic paralysis. This has taken a significant toll on all Indian enterprises, small and large, and we are no exception to this trend.

The passage of time has only made experts realise that Covid-19 is here to stay. We have to align our lives and lifestyles to this new normal. Governments across the world, including India, have also accepted this reality

and relaxed lockdowns in a phased manner.

Businesses should see demand resurface within the next 6-8 months. Experts also feel that the resurgence would be significantly strong when the tide turns favourable. Hence, while the India attractiveness story remains intact, the timelines are expected to move a step forward.

Under these challenging circumstances, we will be adopting a dual strategy. For products which are already in the marketplace, we will extend their awareness and availability across new regions and markets to garner additional volumes. We will work on enhancing man-machine productivity and optimising their cost structures by enhancing shopfloor efficiencies. For new products, we will focus on creating awareness among the right customer segments to garner sufficient business volumes.

The combination of these strategies would help in

strengthening business profitability and enhance operational cash flow which will be prudently deployed between retiring debt and building organisational capabilities.


As we continue our journey of scaling new peaks, I would like to thank the Board for guiding me to execute my responsibilities in the best possible manner. I would like to extend my gratitude to each and every member of our team for their relentless efforts. I would also like to thank all our stakeholders, bankers and the government authorities for the support and assistance provided throughout our journey. I solicit your continued cooperation.

Warm regards,

RAHUL GUPTA

Managing Director





MANAGEMENT DISCUSSION AND ANALYSIS

**REAL ESTATE
SECTOR IN
INDIA IS
EXPECTED TO
REACH US\$
1 TRILLION
BY 2030. BY
2025, IT WILL
CONTRIBUTE
13% TO THE
COUNTRY'S
GDP.**

OUR ECONOMIC ENVIRONMENT

Performance: The global economy continued its downward slide in 2019, pushed to the edge by multiple factors that cumulatively held back economic progress – these factors include a sharp deterioration in manufacturing activity and global trade, higher tariffs and prolonged trade policy uncertainty damaging investment and demand for capital goods. The continued contraction of the global automotive industry also played spoil sport. As such, the global economy recorded its lowest growth (2.9%) of the decade in 2019.

In keeping with the larger trend, India's GDP growth slid for another year to 4.2% in 2019-20 from 6.1% in 2018-19. On the output front, agri and mining sectors seem to have held forts. On the expenditure front, government spending seems to have saved the day. Private consumption, manufacturing, gross fixed capital formation and net exports were very disappointing.

The per capita income at current prices during 2019-20 is estimated to be ₹1,34,226, showing a rise of 6.1% as compared to ₹1,26,521 during 2018-19.

Prospects: Covid-19 has emerged as a shock for the globe, more so a reset button that has requisitioned the world to take a deeper look at things taken for granted this far.

The irreparable economic and social loss inflicted by the pandemic, and consequent lockdowns across the globe to combat the contagion, has

pushed the world deep into recession. The IMF estimates a 3% contraction in the global GDP in 2020 – a figure which could deteriorate – given the possibility of a further decline in consumption, more job losses and the risk of a fresh wave of bankruptcies. Also, the United States-China trade war, political tensions in Hong Kong and other geopolitical risks may have big implications for global supply chains and allocation of production going forward – this could decelerate the economy beyond the stated estimates.

India, once a shining star on the global horizon, has dulled. The path ahead appears to be even more challenging as India imposed the world's longest and most stringent lockdowns extending two months – it prioritized lives over livelihood. But, the economic engines have restarted as the lockdown has been lifted in phase.

India, the resilient outlier, has in the past been alive and agile on turning the tide. Credible sources suggest that the engines of the economy should start chugging in the second half of the year, arresting the sharp economic erosion in the first half. But on an overall perspective the economy is expected to contract in 2020-21

OUR SECTORAL ENVIRONMENT

Apollo TriCoat is unique in its approach for its operations are pivoted on the ability to develop and deliver concept products to Indian enterprises and consumers. From a macro perspective

though, Apollo TriCoat is into home décor products. Hence, to appreciate the prospects of the Company, it would be relevant to get an insight into the prospects of the real estate sectors.

Real estate: The real estate sector was reeling under huge stress even before COVID-19 struck the economy. Markets were already at a bottom and the last five years saw the sector getting further impacted by reforms like Demonetisation, GST & RERA. This pressure was amplified due to the credit squeeze, high leverage, rising non-performing assets in the construction finance and also due to the overall economic slowdown.

To add to the woes, India's real estate sector –both the residential as well as the commercial segment – has been considerably impacted by the Covid-19 pandemic. It has resulted in homebuyers putting on hold their decision to buy houses which led to a 30% decline in sales in the first quarter of 2020.

The industry will need to reconsider pre-crisis priorities and accelerate new strategic initiatives to adapt to a “next normal.” While the office sector is expected to lead the recovery cycle in the real estate sector, the green shoots of recovery in residential sector will be in

tandem with overall economic growth

Residential market's revival hinges on intensity and duration of the pandemic. As consumer sentiments improve post the lockdown period, sales in the affordable and mid segments are expected to show initial green shoots of recovery towards the end of 2020,

Over the medium term: Real estate sector in India is expected to reach US\$ 1 trillion by 2030. By 2025, it will contribute 13 per cent to the country's GDP. Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 525 million by 2025.

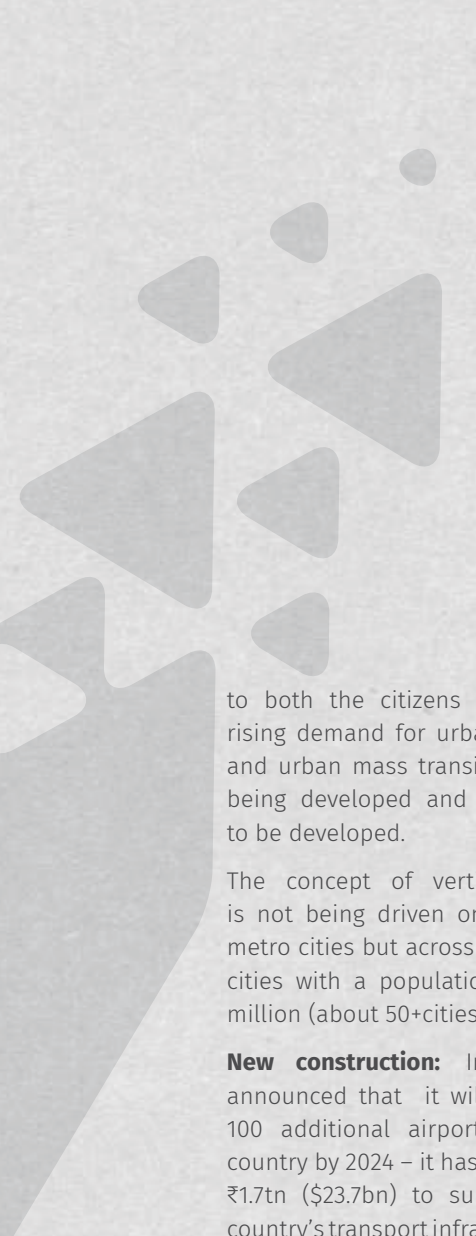
Affordable housing: The affordable housing segment has grown at a rapid pace with the backing of the Central Government through its flagship initiative of Pradhan Mantri Awas Yojana (PMAY). Deducting of reverse repo rate, extension of RERA deadline and the recapitalization of NBFCs alongside earmarking INR 10,000 crores for the National Housing Bank (NHB) will ensure a smoother flow of capital to HFCs thereby expanding credit support to developers. All these steps will influence buyer sentiment and increase the changes of higher purchasing power. This segment has always had a great demand and post Covid-19 it will increase

manifold as fence-sitters will buy them.

The government further reinforced the affordable housing segment by extending the Credit Linked Subsidy Scheme (CLSS) for the middle-income group up to March 2021. Additionally, it opened a new investment class in the form of an affordable rental accommodation scheme for migrant workers and urban poor. Another trend which shall help in increasing demand for affordable homes is that of reverse migration. It shall spur housing demand in Tier-2 and Tier-3 cities giving developers the option to expand their projects to these markets as well.

High-rises – the next normal: Data from ANAROCK Property Consultants showed that with an increasing pressure on Indian cities to grow vertically, the share of high-rises has reached unprecedented heights in 2019. Of total 1,816 housing projects that were launched during the year across top 7 cities, over 52% were high-rises with ground plus 20 floors structure. This trend is only expected to increase going forward.

Considering the limited availability of land in urban areas, the ministry of housing and urban affairs has advocated for compact, dense and vertical urban densification. It believes that vertical growth is beneficial



to both the citizens given the rising demand for urban spaces and urban mass transit systems being developed and proposed to be developed.

The concept of verticalization is not being driven only in the metro cities but across all Indian cities with a population of one million (about 50+ cities).

New construction: India has announced that it will develop 100 additional airports in the country by 2024 – it has allocated ₹1.7tn (\$23.7bn) to support the country's transport infrastructure.

Greenhouses: In the middle of an industrial building in the Andheri East neighbourhood of Mumbai is a farm. It is spread across 1,000 sq ft and grows 2,500 plants. It is no ordinary farm.

It is an example of a newly popular and successful type of urban farming—hydroponics which is gaining credence as India along with the world is waking up to agricultural practices which are environment-friendly and guarantee healthy produce.

Hydroponic farming is setting up roots all across India. And is expected to grow at a frantic pace over the medium term. Consider this: India is currently importing more than 85% of its exotic vegetables, creating a growth rate of 15-20% per year. Certainly, hydroponics can help

fuel this growth given the farming expertise that exists in India.

ABOUT THE COMPANY

Apollo TriCoat Tubes Limited is a subsidiary of Shri Lakshmi Metal Udyog Limited, which is a wholly-owned subsidiary of APL Apollo Tubes Ltd., one of India's leading branded steel tube manufacturers. The Company has manufacturing facilities at Malur, Bangalore and Dadri, Uttar Pradesh. It has a basket of seven products, all of which are first-time launches in India.

OPERATIONAL PERFORMANCE

Fiscal 2019-20 was an important milestone in the Company's journey as it commenced manufacturing operations of its two products – the doorframes and planks.

Apollo Chaukaht, its steel doorframes positioned as a replacement of wood, received an overwhelming customer response as its capacity was fully booked in the first month after its launch. It also launched Apollo Plank, a steel solution pitted against wooden products, which registered healthy demand.

Overall its four products, Chaukaht, Signature, Elegant and Plank, ramped up reasonably well and operated at 70%-80% utilization.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

Apollo TriCoat is a family of 402 (including contractual) members. These people are the cornerstone of passion and perseverance that have enabled the Company to challenge the status quo at every step and go beyond the perceived boundaries.

The HR department sourced best-in-class working professionals for various positions while setting up the Tube Mill Project. The successful commissioning of three Tube Mills and one GP Line and Wide Slitter within the defined time frame was possible because of the persistent hard work of the people.

The HR team discusses the manpower strategy with the operations team and sets a deadline for the hiring process. The department has roped in consultants for cherry-picking the best talent and it also values employee references in the recruitment process. The HR in hindsight plays the key role of aligning with the business plan through understanding the operations and executing recruitment in close coordination with stakeholders.

Training & Upskilling

The HR department has begun focusing on the implementation of training interventions across

the group. A two-day workshop was held in April 2019 on Communication Skill and Team Building Interventions for the technical workforce at Malur.

The training was delivered through group activities, motivational videos and deconstruction of each session through guided introspection and reflection for creating a lasting effect. The HR is also focusing on team bonding and a setting up a cohesive workforce at the Malur plant through a process of implementing training across three segments – the junior management, consisting of engineers, shift in-charges, the middle management, consisting of AM/managers/senior managers, and the senior management, comprising senior functional heads and plant heads.

The main focus that the HR will now work on is to create a training calendar by identifying the training need analysis and also have an outbound training proposal.

Performance Management

The HR is working to build a strategy for putting in place a robust PMS system in this financial year through the process of MBO (management by objectives). It is working on a proposal of framing

the key responsibility areas (KRA) and objectives of employees in the staff level (senior executives and above) and following it up with the evaluation of their KRAs at the end of the financial year.

The prime focus will be in setting up the goals and assessing the performance through its careful monitoring in close coordination with key stakeholders. Emphasis will also be made to sensitise the employees (HODs and team leaders) on the importance of having an effective performance management system that will be transparent through the mechanism of regular feedbacks for enabling the improvement in the overall performance of the employees.

HR Systems Automation

The human resource department has undertaken and completed the process of implementation of HR Systems Automation through Adrenaline Software across the Company. In the first phase, the HR has implemented a set of modules during the current financial year.

- Phase I: HR Foundation, consisting of organisational structure, job structure, employee information, payroll module (compensation management), workforce administration (absence, time

and attendance management, shift and scheduling, asset management, travel management and claims reimbursement). This was made functional by the first week of September 2019.

- Phase II: In this phase, talent acquisition and PMS modules incorporation in the Adrenaline Software will be targeted after the implementation of Phase I. The HR aims to bring in the system of employee-friendly HR practices through automation processes.

Employee Engagement

The HR wing took care to celebrate special days for Apollo TriCoat family members. Birthday celebrations are a must across the rank and file at the Company. Other special days like the International Women's Day and Independence Day are also observed with a lot of fanfare. Festivals are also observed across the Company's various facilities to foster employee connect.

The department is working on a reward and recognition programme to be implemented in the current financial year with the objective of motivating the employees. The HR is also working to fix an annual welfare budget and getting it approved by the senior management for

subsequently rewarding best performers across the group.

FINANCIAL PERFORMANCE

FY2019-20 can be considered to be the first step towards an illustrious journey for Apollo TriCoat, one that will introduce technology-based, environment friendly products that promise to make success sustainable.

In the first year of operations, the Company registered a topline of ₹66,325 lakhs and registered a Net Profit of ₹4,226 lakhs; the EBITDA per tonne was ₹6,124 in 2019-20.

Shareholders' Fund stood at ₹19,955 lakhs as on March 31, 2020 while total borrowings was at ₹11,256 lakhs on that day; the debt-equity ratio was at 0.6x at the end of FY2019-20.

The Company reported a Net Cash from Operations amounting to ₹8,334 lakhs for 2019-20.

INTERNAL CONTROL & ITS ADEQUACY

The internal control mechanism at Apollo TriCoat is structured to ensure complete compliance of internal financial controls with various policies, practices and statutes in accordance with its growth and complexity of operations.

The system assesses all aspects of risks associated with the Company's activities and its corporate profile. It also covers scientific and development risks, partner interest risks, and commercial and financial risks.

Internal auditors of the Company carry out extensive audits throughout the year across all locations and functional areas and submit their reports to the Audit Committee.

In a move of upgrading the standard of governance and encouraging transparency, your Company has appointed M/s Walker Chandiot & Co LLP as Statutory Auditors for the



5 coming financial years and E&Y as Internal Auditors of the Company.

A legal compliance programme, supported by a robust online system, covers the manufacturing units. It includes statutes such as industrial and labour laws, taxation laws, corporate and securities laws, and health, safety and environmental regulations.

RISK MANAGEMENT

The risk management framework at Apollo TriCoat is designed to make the business model stronger and make profitable business growth more sustainable.

The strategy is devised on the central axis of the Company's

risk appetite calculated on the basis of various criteria. These factors are worked out on sectoral circumstances, liquidity conditions and the Company's earnings target within the accepted volatility limits. They provide a reference for its operating functions.

Apollo TriCoat has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risk mitigation measures of the Company are placed periodically before the Board for review.

IN A MOVE OF UPGRADING THE STANDARD OF GOVERNANCE AND ENCOURAGING TRANSPARENCY, YOUR COMPANY HAS APPOINTED M/S WALKER CHANDIOT & CO LLP AS STATUTORY AUDITORS FOR THE 5 COMING FINANCIAL YEARS AND E&Y AS INTERNAL AUDITORS OF THE COMPANY.



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.



SHRI ROMI SEHGAL

Whole Time Director

Shri Romi Sehgal has made an excellent contribution to the Steel and Tubes Industry for more than three and a half decades, right from designing and manufacturing of Tube Mills to putting up Greenfield projects, successful commissioning of projects and ensuring uninterrupted optimum production from factories. He is a Science graduate and has worked at Managerial and Leadership positions in reputed companies such as Atlas Steel Tubes Limited, Atma Steel Tubes Limited, Bharat Steel Tubes Limited and for 13 Years in Gallium Industries Limited, which is a manufacturer of Steel Tube equipment in collaboration with Kusahabe Elect. and Mech. Co, Japan.



MRS. MEGHA GUPTA

Non-Executive 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.


MS. NEERU ABROL

*Non-Executive
Independent Director*

A Chartered Accountant, Ms. Abrol has about four decades of rich professional experience in various sectors and positions. She worked for 26 years with Steel Authority of India Ltd at various critical management positions which have provided her with indepth knowledge of the steel industry and its work flow. She is also the former Chairperson and Managing Director and Director Finance of National Fertilizers Ltd. Ms. Abrol is currently serving as Director at TCNS Clothing Co Limited, APL APOLLO Tubes Ltd, Apollo Pipes Ltd, Stecol International Pvt Ltd and other companies. She is also associated with a couple of NGOS. She is recipient of multiple awards over her illustrious career including twice 'Business Achiever' by ICAI, 'Outstanding Woman Manager in Public Sector Enterprises' by SCOPE.


SH. ANIL KUMAR BANSAL

*Non-Executive
Independent Director*

A former 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 serving as the Director of Rockland Finstock Limited, IFCI Venture Capital Funds Limited, GVFL Trustee Co Pvt. Ltd and APL Apollo Tubes Ltd. He is also former director of Canara HSBC Oriental Bank of Commercelfe Insurance Company Limited, CARE Ratings Limited and NABARD.


SH. BHARAT BHUSHAN SAHNY

*Non-Executive
Independent 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.

COMPANY INFORMATION

BOARD OF DIRECTORS

Sh. Rahul Gupta

Managing Director
DIN: 07151792

Sh. Romi Sehgal

Whole Time Director
DIN: 03320454
(Appointed w.e.f February 1, 2020)

Ms. Neeru Abrol

Non-Executive Independent Director
DIN: 01279485
(Appointed w.e.f January 20, 2020)

Sh. Anil Kumar Bansal

Non-Executive Independent Director
DIN: 06752578

Mrs. Megha Gupta

Non-Executive Director
DIN: 07869141

Sh. Bharat Bhushn Sahny

Non-Executive Independent Director
DIN: 00014334

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 Dhaliya & Associates
Company Secretaries
102 & 104, 18/2, Jain Bhavan,
WEA Pusa Lane, Karol Bagh,
New Delhi-110005

Internal Auditor

Ernst & Young LLP, India
8th Floor, DLF Cyber Greens,
Block D & E, DLF Cyber City,
Sector 24, Gurugram, Haryana-122002

BANKERS

Indusind Bank Limited
HDFC Bank Limited
Citibank

REGISTERED OFFICE

37, Hargobind Enclave, Vikas Marg,
Delhi-110092
Tel. No. +91-110-41070148
Website: 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

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 AND FINANCIAL STATEMENTS

BOARD'S REPORT

To the Members of,
Apollo TriCoat Tubes Limited

The Board of Directors hereby presents 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, 2020

1. Financial Performance

The summarized financial results of your Company are given in the table below: (₹ in lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Income from Operations	66,325.06	716.79
Other income	113.97	423.50
Total revenue	66,439.03	1,140.29
Total expenses (excluding Int. and depreciation)	58,901.21	719.18
Earning before Depreciation, Int., Tax (EBIDTA)	7537.82	421.11
Depreciation	1,012.91	49.87
Profit Before Interest & Tax	6524.91	371.24
Interest	601.10	1.32
Profit before Tax	5,923.81	369.92
Taxation	1,697.49	105.06
Profit for the year	4,226.32	264.86

THE COMPANY PROPOSES TO MAKE EXPANSION AT BOTH ITS PLANTS WITH A PROJECTED CAPITAL EXPENDITURE OF ₹ 20 CRORE EACH FOR THE CURRENT FINANCIAL YEAR.

2. Dividend

In order to augment resources, the Board of Directors of the Company has not recommended any Dividend for the financial year 2019-20.

3. Performance Review

During the financial year 2019-20, the Company earned a revenue of ₹ 66,439 lakhs, making a huge

jump over the previous year. Its net profit for year under review stood at ₹4,226 lakhs.

The Company increased its production substantially and diversified into more innovative product lines during the year under review. It began commercial production at its two plants – Malur (Karnataka) and Dujana

(Uttar Pradesh) in the same period. The Malur unit has a production capacity of 1,75,000 MTPA and the Dujana facility has 75,000-MT capacity. In September 2019, it launched two products – Apollo Steel Plank and Apollo Signature – taking its major product count to five.

In June 2019, the Company became the subsidiary of Shri Lakshmi Metal Udyog Limited which is wholly owned subsidiary of APL Apollo Tubes Limited, one of India's leading branded steel tube manufacturers.

4. Impact of COVID 19:

The Covid-19 menace and the containment measures like lockdown taken up by the administration have taken a massive toll on businesses across the world. Despite an impressive run through the year, the lockdown imposed late in March hit our revenues, because this is usually a period of high dispatches for us. The Company suspended production from 25 March 2020 and partially resumed operations on 28 April 2020. The lockdown affected sale of our products as all outlets remained shut. Constraints in inter-state and intrastate movement of finished goods also hit sales.

5. Estimation of Covid-19 Impact on Operations

With the opening up of the domestic market after lockdown, we expect business to improve gradually and will move upwards from second quarter of FY20-21.

6. Projects & Expansion Plans

The Company proposes to make expansion at both its plants with a projected capital expenditure of ₹20 crore each for the current financial year. The proposed capital expansion would improve efficiency and production capacity. It is hoped that the Company will be able to sustain its improved performance in the current year despite the Covid-19 setback.

7. Management's Discussion and Analysis Report

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

8. Fixed Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from Public was outstanding as on date of the Balance Sheet.

9. Credit Rating

The CRISIL has assigned the rating of "AA-" for the Company's long term facilities and "A1+" for the Company's short term facilities.

10. 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-"A" 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 the following link: www.apollotriccoat.com.

11. Directors and Key Managerial Personnel

Mr. Rahul Gupta, Director retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the AGM Notice.

During the period under review, Mr. Romi Sehgal was appointed as Whole Time Director of the Company w.e.f. February 1, 2020 and Ms. Neeru Abrol was appointed as Independent Director w.e.f. January 20, 2020, and their appointments were subsequently approved by the members through postal ballot resolutions passed on April 21 2020.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have given the declarations that each of them meets 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 which may affect their status as an independent director during the year.

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, 2020 were: Mr Rahul Gupta, Managing Director, Shri Romi Sehgal, Whole Time Director, Ms. Surbhi Arora, Company Secretary and Mr Nandlal Bansal, Chief Financial Officer.

12. Number of meetings of the Board

The Board of directors met 4 (Four) times during the year under review. The details of the meetings of the Board are provided in the Corporate Governance Report, which is annexed hereto as **Annexure-“D”**

13. Board evaluation

The Board of Directors has made formal annual evaluation of its own performance, and as well as that of its committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under the Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its 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 the criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board also carried out evaluation of the performance of Individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due and reasonable care, skill and

diligence, etc. Further the independent directors evaluated the performance of all non-independent directors.

After such evaluation, the Board found the performance of its committees and the Directors to be satisfactory.

14. 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.

15. Internal Financial Controls system 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.

16. 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.

17. Auditors

Statutory Auditors & Auditors Report

Pursuant to the provisions of section 139 of the companies act, 2013 read with rules made thereunder, as amended from time to time, M/s VAPS & Co., Chartered Accountants, Delhi (FRN 003612N) were appointed as statutory Auditors of the Company to hold the office from the conclusion of the 37th Annual General Meeting held on September 28, 2019 until the conclusion of the 38th Annual General Meeting.

The Board of Directors in its meeting held on 24.08.2020 has considered the appointment of M/s Walker Chandiok and Co. LLP as Statutory Auditors of the Company to hold office from the conclusion of the 38th Annual General Meeting till the conclusion of the 43rd Annual General Meeting. The said firm has conveyed their willingness to be appointed as the Statutory Auditors and have also furnished a certificate confirming their eligibility to be so appointed in terms of the provisions of Section 141 of Companies Act, 2013.

The report of the Statutory Auditors on the standalone financial statements for the FY 2019-20 doesn't contain any qualification, reservation or adverse remark requiring any explanation on the part of the Board. The observations given therein read with the relevant notes are self-explanatory.

18. Secretarial audit report

The secretarial auditor's report for the FY 2019-20 does not contain any qualifications, reservations, or adverse remarks or disclaimer. The auditor's report is annexed hereto as **Annexure-"B"**

19. Loans, Guarantees and Investments

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

20. Transaction with related Parties

All the related party transactions (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 undertaken 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. Further the Company did not undertake any transaction falling within the purview of Section 188(1) of Companies

Act, 2013 and thus disclosure in Form AOC-2 is not required.

21. 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, Mr. Rahul Gupta and Mr. Bharat Bhushan Sahny as its members.

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

22. Managerial Remuneration and particulars of employees

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

23. 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 2019-20.

24. Issue of shares and Warrants

On April 12, 2019, 23,00,000 warrants were converted into equal number of equity shares by Mr. Rahul Gupta, Promoter and on May 17, 2019 and September 13, 2019, 44,000 and 3,56,000 warrants respectively, were converted in to equal number of equity shares by Non-Promoter Group.

Pursuant to the said conversion of warrants into equity shares, the paid-up share capital of the Company was increased from Rs. 5.54 Crores (comprising 2,77,00,000 of Rs. 2/- Each) to Rs. 6.08 crores (comprising 3,04,00,000 of Rs. 2/- Each).

Further, on September 15, 2019, 1,00,000 warrants issued earlier to Non-Promoter Group, lapsed because of failure to deposit the balance amount due for conversion of the warrants into equity shares and thus upfront warrant subscription amount paid on subscription of these Convertible Warrants were forfeited by the Company.

25. 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:

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- II. 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;
- III. 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;
- IV. they have prepared the annual accounts on a going concern basis;
- V. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- VI. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

• Conservation 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 and hence finding alternative and cheaper sources of power is a top priority. The Company is in the process of negotiations with vendors for installation of solar power system, which will be beneficial for the environment and the Company.

- **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. These are 'State of the 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 sales.

- **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, have longer life and are easy to install.

- **Foreign Exchange Earnings and Outgo**

There is no foreign exchange earnings and outgo during the financial year 2019-20.

27. 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.

Summary of sexual harassment issues raised, attended and dispensed during FY 2019-20:

No. of complaints received: Nil

No. of complaints disposed off: Nil

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

28. 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.

29. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company confirms compliance with the applicable requirements of the mandatory Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

30. OTHER DISCLOSURES AND REPORTING

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

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

g. Risk Management Policy

h. Applicability of Cost Audit and maintenance of records

31. 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.

Date: August 24, 2020

Place: Ghaziabad

By the order of the Board

Rahul Gupta
Managing Director

ANNEXURE –‘A’
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[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 1 st 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.	Designer Roofing, Fencing, Steel Furniture	24311	54 %
2.	Steel-Door frames	25111	23 %
3.	Designer Hand Railing	24311	18 %
4.	Others	24311	5%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Shri Lakshmi Metal Udyog Limited	U85110DL1994PLC224835	Holding	50.86	2(46)
2	*APL Apollo Tubes Limited	L74899DL1986PLC023443	Ultimate Holding	-	2(46)

* Shri Lakshmi Metal Udyog Limited is wholly Owned Subsidiary of APL Apollo Tubes Limited, thus APL Apollo Tubes Limited is ultimate holding company of Apollo Tricoat Tubes Limited.

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, 2019				No. of shares held at the end of the year As on March 31, 2020				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
(1) Indian									
(a) Individuals/HUF	1,41,38,351	-	1,41,38,351	51.04	35,48,321	-	35,48,321	11.67	(39.37)

Category of Shareholder	No. of shares held at the beginning of the year As on April 1, 2019				No. of shares held at the end of the year As on March 31, 2020				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Central Government/ State Govt.(s)	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	28,61,209	-	28,61,209	10.33	1,54,60,000	-	1,54,60,000	50.86	40.53
(d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)	1,69,99,560	-	1,69,99,560	61.37	1,90,08,321	-	1,90,08,321	62.53	1.16
(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)	1,69,99,560	-	1,69,99,560	61.37	1,90,08,321	-	1,90,08,321	62.53	1.16
(B)Public shareholding									
(1) Institutions									
(a) Mutual Funds/ UTI	-	-	-	-	421,615	-	421,615	1.39	1.39
(b) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(f) Alternate Investment Funds	-	-	-	-	1,40,000	-	1,40,000	0.46	0.46
(g) FIIs	-	-	-	-	24	-	24	-	-
(h) Foreign Portfolio Investors	1,05,000	-	1,05,000	0.38	12,83,551	-	12,83,551	4.22	3.84
(i) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	1,05,000	-	1,05,000	0.38	18,45,190	-	18,45,190	6.07	5.69
(2) Non-institutions									
(a) Bodies Corporate	11,20,119	-	11,20,119	4.04	11,62,774	-	11,62,774	3.82	(0.22)
(b) Individuals& HUFs									
(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	46,07,748	2,750	46,10,498	16.64	46,79,970	2,750	46,67,720	15.35	(1.29)
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	44,97,303	-	44,97,303	16.24	31,59,274	-	31,59,274	10.39	(5.85)
(c) Any Other (specify)	-	-	-	-	-	-	-	-	-
(i) Clearing Members/House	164,712	-	1,64,712	0.59	1,25,670	-	1,25,670	0.41	(0.18)
(ii) NRI (Rept. & Non Rept.)	2,02,808	-	2,02,808	0.73	3,92,357	-	3,92,357	1.29	0.56
(iii) Trust	-	-	-	-	34,915	-	34,915	0.11	0.11
(iv) Firm	-	-	-	-	3,779	-	3,779	0.01	0.01
Sub-Total (B)(2)	1,05,92,690	2,750	1,05,95,440	38.25	95,43,739	2,750	95,46,489	31.40	(6.85)
Total Public Shareholding (B)= (B)(1)+(B)(2)	1,06,97,690	2,750	1,07,00,440	38.63	1,13,88,929	2,750	1,13,91,679	37.47	(1.16)
TOTAL (A)+(B)	2,76,97,250	2,750	2,77,00,000	100.00	3,03,97,250	2,750	3,04,00,000	100	-
(C) Shares held by Custodians for GDRs & ADRs									
Sub-Total (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	2,76,97,250	2,750	2,77,00,000	100.00	3,03,97,250	2,750	3,04,00,000	100	-

* The paid up equity shares increased from 2,77,00,00 to 3,04,00,000 shares during the year pursuant to conversion of 27,00,000 warrants in to equal number of equity shares.

ii. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2019			Shareholding at the end of the year As on March 31, 2020			% 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*	41,08,321	14.83	-	35,48,321	11.67	-	(3.16)
2.	Sh. Rahul Gupta	100,30,030	36.21	-	-	-	-	(36.21)
3	Shri Lakshmi Metal Udyog Limited	28,61,209	10.33	-	1,54,60,000	50.86	-	40.53
Total		1,69,99,560	61.37	-	1,90,08,321	62.53	-	1.16

*currently classified as 'promoter', but having met the eligibility criteria prescribed under Regulation 31 A of SEBI-LODR, has made an application for re-classification of category to 'public' which is under process

iii. Change in Promoter's Shareholding

S. No.	Particulars	Shareholding		Cumulative shareholding	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sh. Saket Agarwal*				
	At the beginning of the year i.e. April 1, 2019	41,08,321	14.83	41,08,321	14.83
	Increase/(Decrease) in Shareholding during the year	(5,60,000)	(1.84)	35,48,321	11.67
	At the end of the year i.e. March 31, 2020			35,48,321	11.67
2	Sh. Rahul Gupta				
	At the beginning of the year i.e. April 1, 2019	1,00,30,030	36.21	1,00,30,030	36.21
	Increase/(Decrease) in Shareholding during the year	(1,00,30,030)	(36.21)	-	-
	At the end of the year i.e. March 31, 2020			-	-
3	M/s Shri Lakshmi Metal Udyog Limited	28,61,209	10.33	28,61,209	10.33
	Increase/(Decrease) in Shareholding during the year	1,25,98,791	45.48	1,54,60,000	50.86
	At the end of the year i.e. March 31, 2020			1,54,60,000	50.86

*currently classified as 'promoter', but having met the eligibility criteria prescribed under Regulation 31 A of SEBI-LODR, has made an application for re-classification of category to 'public' which is under process

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, 2019		Shareholding at the end of the year As on March 31, 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Fidelity Funds - India Focus Fund~			8,44,476	2.78
2.	Sh. Dinesh Pareekh*	7,17,661	2.59	12,661	0.04
3.	Ms. Sangeeta Pareekh	7,50,829	2.71	6,50,829	2.14
4.	Ashish Kacholia~	-	-	5,17,434	1.70
5.	IIFL Focused Equity Fund~	-	-	4,21,615	1.39
6.	Dhoot Instruments Private Limited~	-	-	2,98,000	0.98
7.	Suresh Kumar Agarwal~	-	-	2,16,547	0.71
8.	Rohit Gupta~	-	-	2,00,000	0.66
9.	Fidelity India Fund~	-	-	1,72,735	0.57
10.	Ms. Sonia Jyoti	3,78,000	1.36	2,50,000	0.82
11.	Sh. Vikash Gupta	2,51,432	0.91	1,45,332	0.48
12.	Motilal Oswal Financial Services Limited*	1,30,000	0.47	85,000	0.28

S. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year As on April 1, 2019		Shareholding at the end of the year As on March 31, 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
13.	Atul Saluja HUF*	1,30,120	0.47	1,21,979	0.40
14.	Ms. Reena Singhal*	9,50,000	3.43	38,000	0.13
15.	Mr. Lakshay Singhal*	5,50,000	1.99	90,000	0.30
16.	Integrated Master Securities P Ltd*	2,52,600	0.91	12,000	0.04
17.	S.C. Khaeja*	1,00,000	0.36	-	-

*Ceased to be in the list of top ten shareholders as on March 31, 2020.

~The same is reflected above as these shareholders are in the list of top ten shareholders as on March 31, 2020.

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

S. No.	Particulars	Shareholding		Cumulative shareholding	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sh. Anil Kumar Bansal				
	At the beginning of the year i.e. April 1, 2019	-	-	-	-
	Increase/(Decrease) in Shareholding during the year	500	0	500	0.002
	At the end of the year i.e. March 31, 2020			500	0.002
2	Sh. Rahul Gupta				
	At the beginning of the year i.e. April 1, 2019	1,00,30,030	36.21	1,00,30,030	36.21
	Increase/(Decrease) in Shareholding during the year	(1,00,30,030)	(36.21)	-	-
	At the end of the year i.e. March 31, 2020			-	-
3	Sh. Romi Sehgal				
	At the beginning of the year i.e. April 1, 2019	6,969	0.03	6,969	0.03
	Increase/(Decrease) in Shareholding during the year	-	-	6,969	0.02
	At the end of the year i.e. March 31, 2020			6,969	0.02

Note: Sh. Bharat Bhushan Sahny, Ms. Neeru Abrol and Ms. Megha Gupta, Directors and Sh. Nandlal Bansal, Chief Financial Officer and Ms. Surbhi Arora, Company Secretary of the Company were not holding any shares in the Company at the beginning of the year i.e. on April 1, 2019 and at the end of the year i.e. as on March 31, 2020 and hence there was no increase/decrease in their shareholding during the financial year 2019-20.

V. INDEBTEDNESS

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

(₹ In Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount as on April 1, 2019	3,000.00	-	-	3,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due as on April 1, 2019	2.83	-	-	2.83
Total (i+ii+iii)	3,002.83	-	-	3,002.83
Change in Indebtedness during the financial year				
Addition	8,000.00	-	-	8,000.00
Reduction	202.83	-	-	202.83
Net Change	7,797.17	-	-	7,797.17
Indebtedness at the end of the financial year				
i) Principal Amount as on March 31, 2020	10,800.00	-	-	10,800.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due as on March 31, 2020	-	-	-	-

Total (i+ii+iii)	10,800.00	-	-	10,800.00
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VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Sh. Rahul Gupta Managing Director	Sh. Romi Sehgal Whole Time Director*	Total
1	Gross Salary	120.00	24.49	144.49
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	Stock Option/Sweat Equity/Commission	-	-	-
3	Others, please specify	-	-	-
Total (A)		120.00	24.49	144.49

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

* Sh. Romi Sehgal was appointed as Whole Time Director w.e.f. February 1, 2020.

B. Remuneration to other directors:

(₹ In Lakhs)

S. No.	Particulars of Remuneration	Sh. Anil Kumar Bansal (Independent Director)	Ms. Megha Gupta (Non Executive Director)	Mr. Bharat Bhushan Sahny (Independent Director)	Ms. Neeru Abrol* (Independent Director)
1	Fees for attending the Board/ committee meetings	8.50	0.55	0.65	-
2	Commission	-	-	-	-
3	Others	-	-	-	-
Total		8.50	0.55	0.65	-

* Ms. Neeru Abrol was appointed as Independent Directors w.e.f. January 20, 2020

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

(₹ In Lakhs)

S. No.	Particulars of Remuneration	Ms. Surbhi Arora Company Secretary	Sh. Nandlal Bansal Chief Financial Officer	Total
1	Gross Salary	9.21	20.49	29.70
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	Stock Option/Sweat Equity/Commission	-	-	-
3	Others, please specify	-	-	-
Total (A)		9.21	20.49	29.70

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

By the order of the Board

Date: August 24, 2020

Place: Ghaziabad

Rahul Gupta
Managing Director

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

ANNEXURE – B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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

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 by **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, 2020 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, 2020 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 ('SCRA') 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 Requirements) 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, 2018 (as amended from time to time)
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time)
 - 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) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable to the Company during the audit period
 - h) 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)
 - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended) - Not applicable to the Company during the audit period
 - j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as amended from time to time) - Not applicable to the Company during the audit period
 - k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- vi. 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 the applicable laws such as:-
- (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:-

1. During the year under review:

a. The company was served with a notice from BSE Limited (stock exchange) vide Notice: LIST/ COMP/ Reg. 27(2) & Reg. 17 to 21/Dec-19/538566/283/2019-20 on February 03, 2020 for non-compliance with the provisions of Reg. 17(1) of SEBI (Listing obligations & disclosure requirements) Regulations, 2015 for quarter ended December 31, 2019 proposing a penalty of INR. 542800/- (Rupees Five lakh Forty Two Thousand and Eight Hundred only) on company.

In this regard, Apollo Tricoat Tubes Limited (The Company) had submitted its reply on February 11, 2020 wherein it had requested the stock exchange to review the same since the compliance had already been made. The same is reportedly under consideration of the Exchange.

b. The company was served with a notice from BSE Limited (stock exchange) vide e-mail on July 2, 2020, for non compliance with the provisions of Reg. 17(1) of SEBI (Listing obligations & disclosure requirements) Regulations, 2015 for quarter ended March 31, 2020 proposing a penalty of INR. ₹1,82,900/- (Rupees One Lakh Eighty Two Thousand Nine Hundred) on company.

In this regard, Apollo Tricoat Tubes Limited (The Company) had submitted its reply on July 06, 2020 wherein it had requested the stock exchange to review the same since the compliance had already been made. The same is reportedly under consideration of the Exchange.

2. 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 the company, not only plans to engage in CSR activities on its own but also in discussions with charitable organisations and NGOs so as to identify the rightful beneficiaries and areas where the resources can be effectively deployed and the company is committed to spending more on CSR activities in the coming years and fulfilling its commitment.

I further report that:-

Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit and the same has been subject to review by the Statutory Auditors and others designated professionals.

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance of provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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, 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, 2300000 (Twenty three lakh) equity shares of ₹2/- (Two) each were allotted on April 12, 2019 at a premium of ₹118/- (One Hundred Eighteen) each to promoters on preferential basis pursuant to conversion of warrants.

Further, it is hereby informed that the above mentioned shares are listed and permitted to trade on BSE limited w.e.f May 28, 2019.

- (ii) During the year under review, 44000 (Forty four thousand) equity shares of ₹2/- (Two) each were allotted on May 17, 2019 at a premium of Rs. 118/- (One Hundred Eighteen) each to non- promoters on preferential basis pursuant to conversion of warrants.

Further, it is hereby informed that the above mentioned shares are listed and permitted to trade on BSE limited w.e.f July 12, 2019.

- (iii) During the year under review, the Company commenced commercial production of "door frames with advanced Italian technology" at its Greenfield manufacturing facility in Dujana, Uttar Pradesh.

- (iv) During the year under review, pursuant to regulation 169 of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 (as amended from time to time) the company has forfeited 100000 convertible warrants convertible into equivalent number of equity shares of Rupees 2/- each, allotted to Mrs. Bhanu Garg (Non-promoter) because of failure to deposit the balance amount due for conversion of the warrants into equity shares.

- (v) During the year under review, pursuant to sub- clause (ii) of clause 87 of section 2 of the Companies Act, 2013 Shri Lakshmi Metal Udyog limited CIN: U85110DL1994PLC224835 became the holding company of the "Apollo Tricoat Tubes Limited" (The Company).

- (vi) During the year under review, 356000 (Three lakh and fifty six thousand) equity shares of ₹2/- (Two) each were allotted on September 13, 2019 at a premium of ₹118/- (One Hundred Eighteen) each to non-promoters on preferential basis pursuant to conversion of warrants.

Further, it is hereby informed that the above mentioned shares are listed and permitted to trade on BSE limited w.e.f October 25, 2019.

- (vii) During the year under review, Ms. Neeru Abrol, (DIN: 01279485) was appointed as an Additional Independent Director, (Non- Executive Category) of the company w.e.f. January 20, 2020.

- (viii) During the year under review, Mr. Romi Sehgal, (DIN: 03320454) was appointed as Whole Time Director, (Executive Category) of the company w.e.f. February 01, 2020.
- (ix) During the year under review, the Company conducted a postal ballot vide postal ballot notice dated March 16, 2020 for obtaining shareholders approval in respect of following business items:-
- For approval of Apollo Tricoat Tubes Limited Employee Stock Option Scheme – 2019.
 - For approval of grant of stock options to the employees of holding company and subsidiary company(ies) under Apollo Tricoat Tubes Limited Employee Stock Option Scheme – 2019.
 - For approval of grant of employee stock options by way of secondary acquisition under Apollo Tricoat Tubes Limited Employee Stock Option Scheme – 2019.
 - For provisioning of money by the company for purchase of its own shares by the trust / trustees for the benefit of employees under Apollo Tricoat Tubes Limited Employee Stock Option Scheme – 2019.
 - For appointment of Mr. Romi Sehgal as a Director of the Company.
 - For appointment of Mr. Romi Sehgal as a Whole Time Director of the Company.
 - For appointment of Ms. Neeru Abrol as an Independent Director of the Company

The above proposals were subsequently approved by the members vide resolution passed through postal ballot on April 22, 2020.

- (x) During the year under review, the company informed the BSE Limited that being a responsible corporate citizen, the company had taken various measures and safeguards for protecting its employees, workmen and their families from spread of COVID19 pandemic.

Further, the company also informed that the operations and manufacturing activities at all offices and plants had also been temporarily closed in order to contain the spread of COVID19 pandemic.

The operations were subsequently resumed by complying with the guidelines issues by the Government of India and the respective State Governments.

For **Kuldeep Dahiya & Associates**
Company Secretaries

Place: Sonapat
Date: August 24, 2020
UDIN: A034404B000606910

Kuldeep Dahiya
Proprietor
ACS No.: 34404
C P No.: 18930

NOTE

The adverse impact of the global pandemic COVID-19 had resulted into restricted movement. Therefore, my basis of examination for issuing Secretarial Audit Report for the financial year 2019-20 was based on the information/documents provided by the Company in the electronic mode.

However, due to the unavoidable adverse circumstances the physical verification/ inspection of the

certain specified documents/ policies cannot be carried out and therefore, the Management declarations/ Departmental Declarations has been taken wherever required.

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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kuldeep Dahiya & Associates
Company Secretaries

Place: Sonapat
Date: August 24, 2020
UDIN: A034404B000606910

Kuldeep Dahiya
Proprietor
ACS No.: 34404
C P No.: 18930

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 the remuneration of each director to the median remuneration of the employees of the Company for the FY 2019-20: The ratio of the remuneration of Shri Rahul Gupta, Managing Director to the median remuneration of the employees of the Company is 40:1. Sitting Fees paid to the Directors has not been considered as remuneration.
- ii. The percentage increase in remuneration of each director, chief financial officer, company secretary during the financial year 2019-20: Shri Nand Lal Bansal, Chief Financial Officer, 8%, Ms. Surbhi Arora, Company Secretary, 8%. Shri Rahul Gupta, Managing Director was paid remuneration of Rs. 1.20 Crore in current Financial Year.
- iii. The percentage increase in the median remuneration of employees for the financial year 2019-20 is 8%
- iv. The number of permanent employees on the rolls of the company as on March 31, 2020 is 206.
- v. The average increase in the managerial remuneration for the FY 2019-20 is 8% and the average increase in the salary of employees other than managerial personnel for the FY 2019-20 is 8%. Managerial Personnel includes Chairman, Managing Director, Executive Director, Chief Financial Officer and Company Secretary.
- vi. We affirm that the remuneration paid in the financial year 2019-20 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

ANNEXURE-D

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

a. Composition of Board

- i. As on March 31, 2020, the Company's board comprises of 6 (six) Directors. Out of the six Directors, 4 (four) are Non-Executive Directors in which 3 (three) are Independent Directors. The profiles of Directors is available at 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 10 (ten) public companies. None of the Independent Directors serves as an independent director on more than 7 (seven) listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other except Mr. Rahul Gupta and Ms. Megha Gupta, who are related as spouse to each other.
- 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.

b. Board Meetings

4 (Four) Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The board meetings were held on: May 17, 2019; July 22, 2019; October 15, 2019 and January 20, 2020 respectively. The necessary quorum was present for all the meetings.

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, 2020 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 10 (ten) committees or Chairman of more than 5 (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 Stakeholder's Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category of Directorship ¹	Number of Board meetings attended out of 4 (four) held during the FY 2020	Whether attended last AGM held on September 28, 2019	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	Member#	Chairman#	
Mr. Rahul Gupta**	Non-Independent, Executive	4	Yes	-	-	-	-	-
Mrs. Megha Gupta***	Non-Independent, Non-Executive	4	Yes	-	-	-	-	-
Mr. Bharat Bhushan Sahny	Independent, Non-Executive	4	Yes	-	1	3	1	Rama Steel Tubes Limited
Ms. Neeru Abrol**	Independent, Non-Executive	NA	NA	-	5	5	2	- Apollo Pipes Limited - TCNS Clothing Co. Limited - APL Apollo Tubes Limited
Mr. Romi Sehgal***	Whole Time Director	NA	NA	-	4	-	-	APL Apollo Tubes Limited

Mr. Anil Kumar Bansal	Independent, Non-Executive	4	Yes	-	3	4	3	APL Apollo Tubes Limited
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NOTES:

** Appointed as Additional Directors w.e.f. January 20, 2020.

*** Appointed as Whole Time Director w.e.f. February 1, 2020.

#only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee. Video/tele-conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

- During FY 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- During FY 2019-20, one meeting of the Independent Directors was held on January 20, 2020. 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.
- The Board periodically reviews the compliance reports of all laws applicable to the Company.
- Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	Number of Equity Shares
Mr Romi Sehgal	Whole Time Director	6969
Mr. Anil Kumar Bansal	Director	500

c. Appointment of Directors

The Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations. As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website at www.apollotriccoat.com/investors. Details of Directors proposed for appointment/ re-appointment at the 38th Annual General Meeting (AGM) is provided in the notice convening the 38th AGM.

d. Policy for Selection and Appointment of Directors:

The Board Governance, Nomination and Compensation Committee has adopted a policy which, inter alia, deals with the manner of selection of Directors as described herein below.

Criteria of Selection of Independent Directors and Key Skills, Expertise, and Core Competencies of the Board.

The Board of the Company comprises of eminent personalities and leaders in their respective fields. These Directors are nominated based on well-defined selection criteria. The Board Governance, Nomination and Compensation Committee considers, inter alia, key qualifications, skills, expertise and competencies, whilst recommending to the Board the candidature for appointment as Independent Director. In case of appointment of Independent Directors, the Board Governance, Nomination and Compensation Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively.

The Board Governance, Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013. In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

In the opinion of the Board and the Board Governance, Nomination and Remuneration Committee, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which are available with the Board, are as follows:

Skill/expertise/competence	Names(s) of directors having the respective skill/ expertise/ competence
Finance	Shri Anil Kumar Bansal, Ms. Neeru Abrol, Shri Rahul Gupta
Law	Ms. Neeru Abrol
Sales & Marketing	Shri Rahul Gupta, Shri Romi Sehgal
Operations	Shri Rahul Gupta, Shri Romi Sehgal, Ms. Neeru Abrol
Research	Shri Bharat Bhushan Sahny, Ms. Neeru Abrol, Ms. Megha Gupta
Corporate Governance	Shri Anil Kumar Bansal, Ms. Neeru Abrol
Education	Shri Rahul Gupta, Shri Anil Kumar Bansal, Ms. Neeru Abrol Ms. Megha Gupta
Community Service	Shri Bharat Bhushan Sahny, Ms. Megha Gupta

e. Familiarization Programme and Training for Independent Directors

The Company has an orientation process/familiarization programme for its Independent Directors that includes:

- Briefing on their role, responsibilities, duties, and obligations as a member of the Board.
- Nature of business and business model of the Company, Company's strategic and operating plans.
- Matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

As a process when a new independent director is appointed, a familiarization programme as described above is conducted by the senior management team and whenever a new member is appointed to a Board Committee, information relevant to the functioning of the Committee and the role and responsibility of Committee members is informed.

Each of our Independent Directors have attended such orientation process/familiarization programme when they were inducted into the Board and these programs. The details of the familiarization programme are also available on the website of the Company at www.apollotriccoat.com.

f. Board Evaluation

Details of methodology adopted for Board evaluation have been provided as part of the Board's Report

g. Remuneration Policy and Criteria of Making Payments to Directors, Senior Management and Key Managerial Personnel

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.

III. Committees of the Board

- (i) There are 4 (four) Board Committees as on March 31, 2020, which comprises of statutory committees that has been formed considering the need of the Company, details of which are as 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	Mr. Anil Kumar Bansal (Chairperson)	Independent, Non-Executive
2	Mr. Bharat Bhushan Sahny	Independent, Non-Executive

3	Mr. Rahul Gupta	Non-Independent, Executive
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- 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 28, 2019 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 the Member	Category
1	Mr. Bharat Bhushan Sahny (Chairperson)	Independent, Non-Executive
2	Ms. Megha Gupta	Non-Independent, Non-Executive
3	Mr. Anil Kumar Bansal	Independent, Non-Executive

- 3 (Three) Nomination and Remuneration Committee meetings were held during the year under review.
- The Company did not have any Employee Stock Option Scheme during the year under review.

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 etc.

Constitution of Stakeholders Relationship Committee members, as below:

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

- 1 (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 as follows.

a. Details of investor complaints received and redressed during FY 2019- 20 are as follows:

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

b. 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
 Email: info@apollotricoat.com

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 the Member	Catagory
1	Ms. Megha Gupta (Chairperson)	Non-Independent, Non-Executive
2	Mr. Rahul Gupta	Non-Independent, Executive
3	Mr. Bharat Bhushan Sahny	Independent, Non-Executive

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

The term of references of these committees are available on the website www.apollotriccoat.com.

(ii) 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	2
Date of Meetings	May 17, 2019; July 22, 2019; October 15, 2019 and January 20, 2020	May 17, 2019; October 15, 2019 and January 20, 2020	January 20, 2020	January 20, 2020	April 12, 2019 September 13, 2019
Number of meetings attended					
Sh. Rahul Gupta	4	NA	1	1	1
Sh. Bharat Bhushan Sahny	4	3	NA	1	NA
Ms. Megha Gupta	NA	3	1	1	1
Sh. Anil Kumar Bansal	4	3	1	NA	NA

iv. Shareholder Information

(i) Annual General Meeting (“AGM”)

Pursuant to the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020, issued by the Ministry of Corporate Affairs, the 38th Annual General Meeting (AGM) for the year ended March 31, 2020 is scheduled to be held on September 29, 2020 at 2 PM IST through Video Conferencing.

Detailed instructions for participation are provided in the notice of the 38th AGM. The proceedings of the 38th AGM will be available through VC to the shareholders as on the cut-off date i.e. September 22, 2020.

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

Financial Year	AGM No.	Day, Date & Time	Venue	Special Resolution passed
2018-19	37	Saturday, September 28, 2019 10:00 A.M	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	- Revision in remuneration payable to Mr. Rahul Gupta, Managing Director of the Company. - Re-appointment of Mr. Bharat Bhushan Sahny as an Independent Director of the Company.
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	-

(ii) Extra- Ordinary General Meeting (“EOGM”):

No extra-ordinary general meeting of the members was held during the financial year 2019-20.

(iii) No special resolution was passed by means of Postal ballot during the year under review. However, the company had conducted a postal ballot vide notice dated March 16, 2020; for which the scrutinizer submit his report on April 23, 2020.

(iv) 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. (Kindly refer page no. 61)

(v) 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>	http://www.apollotriccoat.com/pdfs/RELATED-PARTY-TRANSACTION-POLICY.pdf
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	Regulation 17(1) of the SEBI Listing Regulations	<p>Non-Compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director.</p> <p>During the year under review, the company was served with a notice from BSE limited (stock exchange) on February 03, 2020 for non-compliance with the provisions of Reg. 17(1) of SEBI (Listing obligations & disclosure requirements) Regulations, 2015, wherein the stock exchange had imposed a penalty on company.</p> <p>In this regard, the Company on January 20, 2020 has complied with the Regulation 17(1) of SEBI Listing Regulations and had submitted the reply on February 11, 2020 wherein the company had requested the stock exchange to waive-off the penalty by withdrawing their letter.</p>	NA
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.	http://www.apollotriccoat.com/pdfs/VIGIL-MECHANISM-POLICY.pdf
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.	http://www.apollotriccoat.com/pdfs/MATERIALITY-POLICY.pdf
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.	http://www.apollotriccoat.com/pdfs/ARCHIVAL-POLICY.pdf
Reconciliation of Share Capital 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.	

Particulars	Regulations	Details	Website link of details/policy
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, 2020. 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.	http://www.apollotriccoat.com/pdfs/CODE-OF-CONDUCT.pdf
Subsidiary Company	Regulation 24 of SEBI Listing Regulations	The Company has no Subsidiary as on March 31, 2020	
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.	http://www.apollotriccoat.com/pdfs/POLICY-ON-BOARD-OF-DIVERSITY-POTENTIAL.pdf
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.	http://www.apollotriccoat.com/pdfs/POLICY-ON-FAMILIRASATION.pdf
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.	

Means of Communication

i. Publication of quarterly/half yearly/nine monthly/annual results:

Quarterly and annual financial results are normally published in Pioneer, Jansatta and Financial Express. etc. and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the web-site of the Company "www.apollotriccoat.com".

ii. Press release:

To provide information to investor, monthly production figures and other press release are sent to the stock exchanges as well as displayed on the Company's website i.e. www.apollotriccoat.com before it has been released to the media.

iii. Presentations to analysts:

Four presentations were made to analysts/investors during the financial year 2019-20. The same are available on the Company's website. The presentations broadly covered operational and financial performance of the Company and industry outlook.

Fees Paid to Statutory Auditors

The details of total fees for all services paid by the Company to the statutory auditor network firm/network entity of which the statutory auditor is a part, are as follows:

(₹ in lakhs)

Type of Services	FY 19-20	FY 18-19
Audit fees	1.00	1.00
Taxation matters	1.00	1.00
Others	0.50	-
Total	2.50	2.00

General Shareholders' Information

Financial Year : 2019-20

Financial Calendar (tentative and subject to change)

Period	Board Meetings
Unaudited results for first quarter ended June 30, 2020	Held on July 27, 2020
Unaudited results for second quarter/ half year ended September 30, 2020	On or before November 14, 2020
Unaudited results for third quarter/ nine months ended December 31, 2020	On or before February 14, 2021
Audited results for the fourth quarter and year ended March 31, 2021	On or before May 30, 2021

Date of Book Closure/Record Date	: As mentioned in the Notice of this AGM
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
Stock Codes/Symbol	: BSE: 538566 Listing fees as applicable has been paid.
International Securities Identification Number (ISIN) allotted to the Company's shares	: INE919P01029
Corporate Identification Number (CIN) of the Company	: L74900DL1983PLC014972
Depositories	: National Securities Depository Limited Central Depository Services (India) Limited
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
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 Private Limited.:

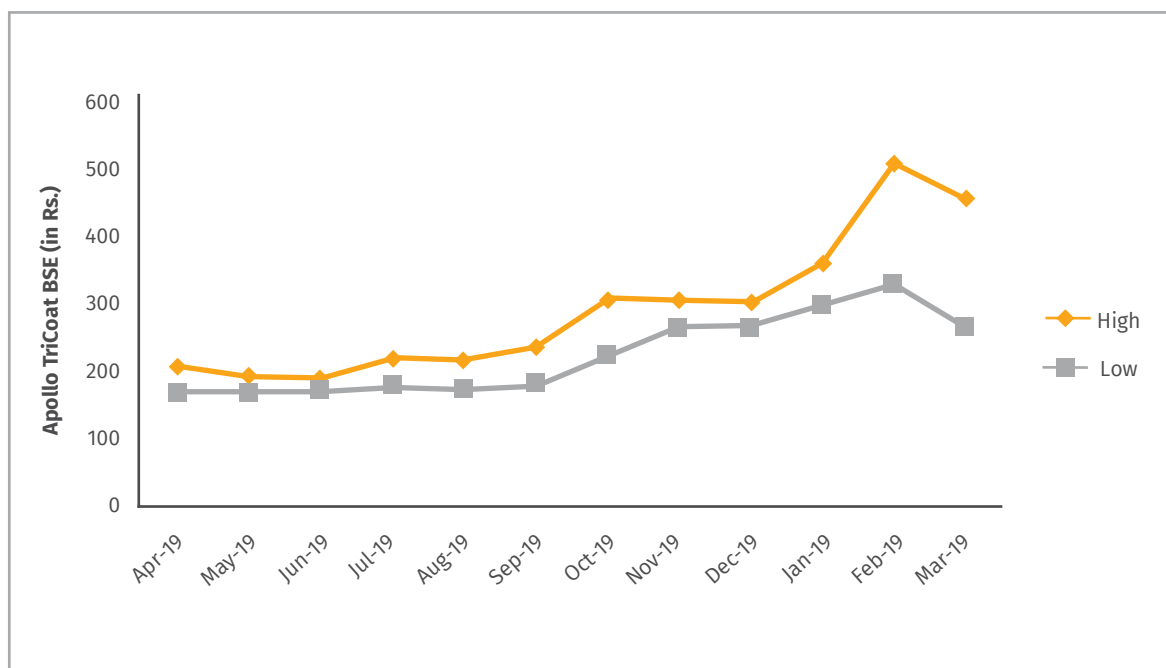
- Bigshare Services Private Limited
302, Kushal Bazar, 32-33, Nehru place
New Delhi-110019
Tel No. 011-42425004
Email Id: bssdelhi@bigshareonline.com

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.
Dematerialization of & liquidityShares (Equity)	: The Company shares are compulsorily traded in dematerialized form BSE. Equity shares of the Company representing 99.99 percent of the Company's equity share capital are dematerialized as on March 31, 2020.
Outstanding ADRs/GDRs	: The Company has not issued any GDRs/ADRs in the past and hence as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs.
Warrants and other convertible	: NIL

Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during every month in the year 2019-20 on BSE:

Month & Year	High	Low	Total number of equity shares traded
April, 2019	203.8	166.5	800,223
May, 2019	191.1	166.55	515,160
June, 2019	189	170	703,284
July, 2019	214.9	177	1,035,810
August, 2019	212.45	173	526,607
September, 2019	232	180.1	1,021,145
October, 2019	303.7	221.1	2,974,995
November, 2019	301.6	260.5	491,952
December, 2019	298.9	260.1	1,257,342
January, 2020	354.9	295.2	2,939,521
February, 2020	503	326	2,571,173
March, 2020	450	264.25	1,766,246



Shareholding as on March 31, 2020 :

a. Distribution of equity shareholding as on March 31, 2020:

Number of Shares	Number of Shareholders	Percentage to shareholders	Number of Shares	Percentage to total capital
Up to 500	6875	82.73	654982	2.16
501-1000	542	6.52	423593	1.39
1001-2000	350	4.21	527342	1.73
2001-3000	139	1.67	352012	1.16
3001-4000	113	1.36	406370	1.34
4001-5000	41	0.50	185843	0.61
5001-10000	113	1.36	850624	2.80
10000 & above	137	1.65	26999234	88.81
TOTAL	8310	100	30400000	100

b. Categories of equity Shareholding as on March 31, 2020:

Category	Number of equity shares held	Percentage to holding
Promoters	1,54,60,000	50.86
Other Entity to the Promoter Group*	35,48,321	11.67
Public Individual	71,67,394	23.59
Foreign Portfolio Investors / Financial Institutions/ Alternate Investment Fund	14,23,575	4.68
Bodies Corporate	11,62,774	3.82
HUF	6,59,600	2.17
Mutual Fund	4,21,615	1.39
Non Resident Indian	3,92,357	1.29
Clearing Member/Trust/Firm	1,64,364	0.53
TOTAL	3,04,00,000	100

*Sh. Saket Agarwal is currently classified as 'promoter', but having met the eligibility criteria prescribed under Regulation 31 A of SEBI-LODR, has made an application for re-classification of category to 'public' which is under process

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.

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 given.

Plant locations:

The Company's manufacturing units situated at:

- Plot No. 53, Part-1, Malur, Sy Nos28 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, GautamBudh Nagar, UP-203207.

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, behind Wave cinema, 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 (www.apollotriccoat.com).

I confirm that the Company has in respect of the year ended March 31, 2020, 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 and the Company Secretary as on March 31, 2020.

Date : August 24, 2020

Place : Ghaziabad

Rahul Gupta

Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The members of Apollo Tricoat Tubes Limited
(Formerly known as 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 March 31, 2020 as stipulated in Regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D, and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI 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 of the company. Our examination was limited to the review of procedures and implementation thereof, as 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 the representations made by the Directors and Management and after considering the relaxations granted in compliance timelines by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of corporate governance as stipulated above except non-compliance with the provisions of Regulation 17(1) of SEBI Listing Regulations for the quarter ended December 31, 2019. However, necessary compliance in respect of the same has been done by the company on January 20, 2020.

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
Company Secretaries

Date: August 24, 2020
Place: Delhi
UDIN: F006628B000606953

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257
PR: 629/2019

NOTE:

The adverse impact of the global pandemic COVID-19 had resulted into restricted movement. Therefore, my basis of examination for issuing Compliance Certificate on Corporate Governance for the financial year 2019-20 was based on the information/documents provided by the Company in the electronic mode.

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:L74900DL1983PLC014972** 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) 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, 2020 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	28/02/2014
2	Anil Kumar Bansal	06752578	11/06/2018
3	Rahul Gupta	07151792	04/05/2018
4	Megha Gupta	07869141	11/06/2018
5	Romi Sehgal	03320454	01/02/2020
6	NeeruAbrol	01279485	20/01/2020

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
Company Secretaries

Anjali Yadav
 FCS No: 6628
 C P No.: 7257
 PR: 629/2019
 UDIN: F006628B000606953

Place : Delhi
 Date : August 24, 2020

Note:

The adverse impact of the global pandemic COVID-19 had resulted into restricted movement. Therefore, my basis of examination for issuing Certificate of Non-Disqualification of Directors for the financial year 2019-20 was based on the information/documents provided by the Company in the electronic mode.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74900DL1983PLC014972
2	Name of the Company	Apollo Tricoat Tubes Limited
3	Registered address	37, Hargobind Enclave, Vikas Marg, Delhi-110092
4	Website	www.apollotriccoat.com
5	E-mail id	info@apollotricoat.com
6	Financial year reported	2019-20
7	Sector(s) that the Company is engaged in	Manufacturing of Steel Tubes and Pipes Group 24311 Description – Manufacture of tubes, pipes and hollow profiles and of tube or pipe fittings of cast-iron/cast-steel Group 25111 Description – Manufacture of doors, windows and their frames and similar articles used on buildings As per National Industrial Classification – Ministry of Statistics and Programme Implementation
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Designer Roofing, Fencing, Steel Furniture 2. Steel-Door frames 3. Designer Hand Railing
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of international locations	None
	(b) Number of national locations	In India, Apollo Tricoat Tubes Limited has two main operational manufacturing locations, at Dujana, U.P. and Malur, Karnataka (near Bengaluru).
10	Markets served by the Company – Local/State/ National/International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	₹608 Lakhs
2	Total turnover	₹66,439 Lakhs
3	Total profit after taxes	₹4,226 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Management of the company is engaged in discussions with charitable organisations and NGOs so as to identify the rightful beneficiaries and areas where the resources can be effectively deployed and the company is committed to spending more on CSR activities in the coming years and fulfilling its commitment
5	List of activities in which expenditure in 4 above has been incurred:-	The major activities in which the CSR activities will be undertaken by the company include: • Health Care • Education • Livelihood enhancement • Environmental conservation

SECTION C: OTHER DETAILS

S. No.	Description	Information
1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No, the other entities eg., Suppliers, distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION
1. Details of Director/Directors responsible for BR
(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	Name	Shri Rahul Gupta
2.	Designation	Managing Director
3.	DIN	07151792

(b) Details of the BR head

1.	Name	Shri Nandlal Bansal
2.	Designation	Chief Financial Officer
3.	Telephone number	0120-4742700
4.	e-mail id	nandlalbansal@apollotriccoat.com

2. Principle-wise (as per NVGs) BR Policy/policies
(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Most of the policies are aligned to various standards like: ISO18001(Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health & Safety Management System)								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Apart from the Statutory policies, which are available on the website of the Company, other policies are available on the Tricoat's intranet and can be accessed by Company employees.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent evaluation of the audit/ working of this policy by an internal or external agency?	Please refer to Note below ¹								

* These Policies have been signed by MD

3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:

No Committee of the Board has been exclusively designated for dealing with this matter.

2. Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

This is the Company's first foray into publishing the Business Responsibility Report for the year under review.

SECTION E: PRINCIPLE-WISE PERFORMANCE

¹Note: The Company, being in the top1000 companies in terms of market capitalization, is complying with the requirement of business responsibility reporting in terms of SEBI amendment notification of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 26.12.2019. Business responsibility reporting is supposed to pertain to the activities undertaken during the entire year. Since the above notification came in the month of December, 2019 only, the company's reporting covers only the remaining part of the financial year and hence the reporting on various aspects and principles given below is limited to that extent.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company believes in upholding the values of transparency, accountability and good governance. The Company has formulated a Code of Conduct for Directors and senior management personnel and an effective vigil mechanism and Whistle Blower Policy. The Company also encourages its Suppliers / Contractors / NGO's / Others to practice the same in a fair manner.

2. How many stakeholder complaints have been received in the past financial year? What percentage was satisfactorily resolved by the management?

Only single complaint has been received during financial year 2019-20 and same has been replied to their satisfaction.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Designer Roofing, Fencing, Steel Furniture
- Steel-Door frames
- Designer Hand Railing

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): A. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company continues to lay major emphasis on conservation of energy and the measures taken during the previous years in the said regard were continued. Pipes & tubes manufactured by the Company are used by diverse consumer range and therefore it is not possible to measure the usage (energy, water) by them. Exact saving figures are not ascertainable.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. Most of the vendors/suppliers for key raw material of the Company have been chosen after ensuring that they have sustainable sourcing. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is in the process of revisiting its procurement policy to ensure the suppliers surrounding its workplaces are given due opportunities of participation.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so: Yes, the company has a mechanism in place for safe collection, reuse and recycling of products. The Company will improve its processes and mechanisms in order to align the same with the core elements of Principle 2.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees: 206
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 196
3. Please indicate the Number of permanent women employees: 1
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management? Nil
6. What percentage of your permanent employees is members of this recognized employee association? N.A.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
A	Child labour/forced labour/involuntary labour	Nil	Nil
B	Sexual harassment	Nil	Nil
C	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- A. Permanent Employees- 100%
- B. Permanent Women Employees- 100%
- C. Casual/Temporary/Contractual Employees- 100%
- D. Employees with Disabilities- N.A.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

Yes, the company has identified key stakeholder groups and mapped its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. village communities in the vicinity of the manufacturing plants and the contract/casual workers.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

The Company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. The Company will improve its practices and processes so as to ensure that all the stakeholders benefit from the value generated by the business.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company's policies, structures and procedures demonstrate respect for human rights of all the stakeholders impacted by its businesses. The Company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. The Company recognises and values the human rights of its employees and labour force and adequate systems have been put in place to ensure that their rights are not violated.

2. How many stakeholder complaints have been received in the past financial year. What percent was satisfactorily resolved by the management?

In the reporting period, no violations or complaints arose. Further the Company ensures that all persons, groups whose human rights are impacted by the business operations of the Company have access to effective grievance redressal.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs/others.

The Company is committed to improving health & safety of the society and protection of the environment, and the policy applies to the entire Company. Apollo Tricoat Tubes Limited also encourages its vendors and dealers to take health, safety and environment friendly measures for better future.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

The Company is contributing towards addressing global environmental issues by complying with ISO Certification i.e., ISO 9001, ISO 14001 & OHSAS 18001 under the Integrated Management System, in each and every process of the Company.

3. Does the Company identify and assess potential environmental risks?

Yes, the Company from time to time assesses various environmental risks associated with its activities and their likely impact. The purpose of this exercise is to establish and maintain procedures for identifying environmental/ Hazard aspects of activities. Company's operations are currently not affecting any eco-sensitive areas.

4. Does the Company have any project related to Clean Development Mechanism? None at present.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

Yes, the Company undertakes various energy efficiency measures at its manufacturing locations. In the longer term, the Company aims to reduce CO2 emissions and generate energy at a lower cost at its factories in India. This, is in-sync with the Company's approach towards building a sustainable ecosystem through efficient energy consumption and optimum utilization of natural resources such as solar power and wind energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all of the Company's emissions/waste generated during the reporting period were within the regulatory defined limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

No show cause/legal notices were received from the Pollution Control Boards (PCB) during the financial year under review and nothing is pending at the end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with

The Company is a member of various trade associations and chambers of commerce. Some of these associations include: -Confederation of Indian Industry (CII)- Federation of Indian Export Organisations (FIEO)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas.

The Company has used the above platforms of the above Trade Association/Chambers for advocating in the areas of economic reforms, social security, water Conservation etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has a well drafted CSR policy in line with Section 135/ Schedule VII of the Companies Act, 2013. On the basis of needs of the community around the projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The Company is in the process of evolving its CSR related activities so as to undertake the same on a stand alone basis apart from the contributions made by the APL group as a whole.

3. Have you done any impact assessment of your initiative?

The same would be undertaken in due course of time.

4. What is your company's direct contribution to community development projects- Amount in Rupees and the details of the projects undertaken: The Company's CSR programmes are evolving at present and will be able to report on this aspect from the coming year.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

At present the community development initiatives of the Company are confined to the CSR activities undertaken by the APL group as a whole. The Company is committed to undertaking community development initiatives as part of its CSR ventures in the coming years.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year

No customer complaints/consumer cases were pending as at the end of financial year 2019-20.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company at present does not display any information other than as mandated. However, in future necessary improvements will be made in this regard.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

No court case has been filed against the Company regarding unfair trade practices and/or irresponsible advertising during the last five years or is pending as at the end of the financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company is focused on delivering value to its customers and, therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.

For and on behalf of Board of Directors

Date: August 24, 2020

Place: Ghaziabad

Rahul Gupta
Managing Director
(DIN: 07151792)

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED MARCH 31, 2020

{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 www.apollotriccoat.com

2. The Composition of the CSR Committee.

As at March 31, 2020, 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 Director	Category
1	Ms. Megha Gupta (Chairperson)	Non-Independent, Non-Executive
2	Mr. Rahul Gupta	Non-Independent, Executive
3	Mr. Bharat Bhushan Sahny	Independent, Non-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. 2018-19, 2017-18 and 2016-17) calculated in accordance with Section 135 of the Companies Act, 2013 is ₹. 525.62 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 10.51 Lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹ 10.51 Lakhs

(b) Amount unspent, if any: ₹ 10.51 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.

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of the society. CSR initiatives are on the focus areas approved by the Board benefitting the community. The CSR Committee and the Board have laid adequate

emphasis on identifying more avenues in and around the vicinity of Company's operational units where the activities can be undertaken on a sustainable basis.

The Company, not only plans to engage in CSR activities on its own but also is in discussions with charitable organisations and NGOs so as to identify the rightful beneficiaries and areas where the resources can be effectively deployed.

The Company is committed to spending more on CSR activities in the coming years and fulfilling its social commitment. The CSR activities are scalable with a few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

- 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: August 24, 2020

Megha Gupta
(Chairman of CSR Committee)

Rahul Gupta
(Managing Director)

INDEPENDENT AUDITOR'S REPORT

To the Members of

APOLLO TRICOAT TUBES 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, 2020, 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, 2020, and profits, 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.

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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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 materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information. We are required to report the fact. We have nothing to report in this regard.

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 (ii) 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 does not have any pending litigations as at 31st March ,2020.
 - ii. The Company is not required to make any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

For **VAPS & Company**

Chartered Accountants

ICAI Firm Registration Number: 003612N

Praveen Kumar Jain

Partner

Membership Number: 082515

UDIN: 20082515AAAABX3501

Place: New Delhi

Date: April 30, 2020

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 have 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 2 on fixed assets to the 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. Pursuant to the rules made by the Central Government of India, the company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, there had been no delays in depositing undisputed statutory dues, including Income Tax, Goods and Services tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Goods and Services tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Value Added Tax, Cess and other material statutory dues, as applicable, were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of any statutory dues which have not been deposited on account of any dispute.
- 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, the company has not obtained any loan or borrowing from government or financial institution.

- ix. In our opinion and according to the information and explanations given to us, 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 paid/ provided for managerial remuneration during the year in accordance with the provisions of Section 197 read with Schedule V to the Act.
- 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 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 converted 23,00,000 warrants into equity shares of ₹ 2.00 each at a premium of ₹ 118.00 per share on preferential basis to the persons belong to Promoter's Category 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 No-003612N

Praveen Kumar Jain
Partner
Membership No. 82515

Place: New Delhi
Date: April 30, 2020

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, 2020 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 obtained by us are 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 be come in adequate 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Praveen Kumar Jain
Partner
Membership No. 82515

Place: New Delhi
Date: April 30, 2020

BALANCE SHEET

as at March 31, 2020

(Amount in ₹ lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	28,811.16	9,446.80
(b) Capital work-in-progress		136.17	5,978.56
(c) Intangible assets	3	33.94	26.22
(d) Right of use assets	4	1,363.85	-
(e) Financial assets			
(i) Other financial assets	5	176.54	85.33
(f) Other non-current assets	6	1,052.28	4,045.55
Total non-current assets		31,573.94	19,582.46
(2) Current assets			
(a) Inventories	7	7,678.77	788.75
(b) Financial assets			
(i) Trade receivables	8	3,794.21	153.16
(ii) Cash and cash equivalents	9	476.14	4.48
(iii) Loans	10	12.89	-
(iv) Other financial assets	11	96.96	594.73
(c) Other current assets	12	1,971.61	1,031.39
Total current assets		14,030.58	2,572.51
Total assets		45,604.52	22,154.97
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	608.00	554.00
(b) Other equity	14	19,346.76	12,746.01
Total equity		19,954.76	13,300.01
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9,820.00	2,906.22
(ii) Lease Liabilities	16	3.60	-
(b) Provisions	17	28.37	5.14
(c) Deferred tax liabilities (net)	18	767.11	48.00
(d) Other non-current liabilities	19	1,686.93	898.50
Total non-current liabilities		12,306.01	3,857.86
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	456.48	2,547.36
(ii) Trade payable			
-total outstanding dues of micro and small enterprises		-	-
-total outstanding dues other than above	21	10,049.21	38.03
(iii) Lease Liabilities	22	5.40	-
(iv) Other financial liabilities	23	2,450.95	615.33
(b) Other current liabilities	24	219.84	1,771.71
(c) Provisions	25	9.98	0.15
(d) Current tax liabilities (net)	26	151.89	24.52
Total current liabilities		13,343.75	4,997.10
Total equity and liabilities		45,604.52	22,154.97

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

1-47

For **VAPS & Co.**
Firm Reg. No. 003612N
Chartered Accountants

Praveen Kumar Jain
Partner
Membership No. 082515

Place : Delhi
Date : April 30, 2020

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

Sd/-
Rahul Gupta
Managing Director
DIN : 07151792

Sd/-
Nandlal Bansal
Chief Financial Officer

Sd/-
Romi Sehgal
Whole Time Director
DIN : 03320454

Sd/-
Surbhi Arora
Company Secretary
Membership No. A33370

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(Amount in ₹ lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	27	66,325.06	716.79
II Other Income	28	113.97	423.50
III Total income (I + II)		66,439.03	1,140.29
IV Expenses			
(a) Cost of materials consumed	29	55,969.67	686.46
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(2,235.70)	(52.30)
(c) Employee benefits expense	31	1,211.73	24.81
(d) Finance costs	32	601.10	1.32
(e) Depreciation and amortisation expense	33	1,012.91	49.87
(f) Other expenses	34	3,955.51	60.21
Total expenses		60,515.22	770.37
V Profit before tax (III - IV)		5,923.81	369.92
VI Tax expense:			
(a) Current tax		977.85	72.78
(b) Deferred tax charge	18	646.86	32.28
(c) MAT Credit written off		72.78	-
Total tax expense	36	1,697.49	105.06
VII Profit for the year (V-VI)		4,226.32	264.86
VIII Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
(a) Remeasurements of post employment benefit obligation		(2.09)	-
(b) Income tax relating to above item		0.53	-
Other Comprehensive Income for the year		(1.56)	
IX Total Comprehensive Income for the year (VII+VIII)		4,224.76	264.86
X Earnings per equity share of Rupees 2.00 each			
(a) Basic (in Rupees)	37	14.01	0.96
(b) Diluted (in Rupees)	37	14.01	0.87

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

1-47

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

Place : Delhi
 Date : April 30, 2020

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

Sd/-
Rahul Gupta
 Managing Director
 DIN : 07151792

Sd/-
Nandlal Bansal
 Chief Financial Officer

Sd/-
Romi Sehgal
 Whole Time Director
 DIN : 03320454

Sd/-
Surbhi Arora
 Company Secretary
 Membership No. A33370

STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

(Amount in ₹ lakhs)

	Year ended March 31,2020	Year ended March 31,2019
A. Cash Flow from operating activities		
Profit before exceptional item and tax	5,923.81	369.92
Adjustments For		
Depreciation and amortisation expense	998.89	49.87
Finance Costs	600.82	1.32
Interest Income		
- Fixed Deposits	(17.73)	(17.82)
- Others	-	(183.91)
Finance charges on account of lease liability	0.28	
Operating Profit before working capital changes	7,506.07	219.39
Changes in Working Capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories	(6,890.03)	(709.41)
Trade receivables	(3,641.05)	530.80
Current loans and other financial assets	484.89	(497.77)
Non-current loans and other financial assets	(91.22)	(84.30)
Other current assets	(940.22)	4,102.14
Other non-current assets	1,641.35	13.95
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	10,011.18	-
Other current liabilities	(1,551.88)	(175.70)
Other current financial liabilities	1,835.61	610.06
Other non-current financial liabilities	-	-
Other non current liabilities	788.43	898.50
Provisions	33.06	4.79
Cash generated from/(used in) Operations	9,186.21	4,912.45
Net Income Tax paid	(852.59)	(131.70)
Net Cash flow from/(used in) operating activities (A)	8,333.61	4,780.75
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment, including capital advances	(14,536.46)	(12,988.03)
Interest Income	17.73	201.73
Net cash flow (used in) investing activities (B)	(14,518.72)	(12,786.30)

STATEMENT OF CASH FLOWS (CONTD...)

for the year ended March 31, 2020

(Amount in ₹ lakhs)

Particulars	Year ended March 31,2020	Year ended March 31,2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of Non-current borrowings (Secured)	6,913.78	2,906.22
Proceeds from Current borrowings (Secured)	(2,084.66)	2,547.36
Proceeds from issue of equity share capital	2,430.00	1,800.00
Proceeds from issue of Share Warrant	-	-
Finance Costs	(600.82)	(1.32)
Payments on account of lease liabilities	(1.53)	
Net cash flow from financing activities (C)	6,656.77	7,252.26
NET DECREASE/ INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)	471.66	(753.30)
Cash and cash equivalents at the beginning of the year	4.48	759.76
Cash and cash equivalents at the end of the year	476.14	4.48
Cash and cash Equivalents comprises		
Cash in Hand	1.38	2.78
Balance with Scheduled Banks		
-In current Accounts	474.76	1.70
-In Fixed Deposit Accounts with original maturity of less than 3 months	-	-
Total Cash and Cash Equivalents	476.14	4.48

- 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 : Delhi
 Date : April 30, 2020

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

Sd/-
Rahul Gupta
 Managing Director
 DIN : 07151792

Sd/-
Nandlal Bansal
 Chief Financial Officer

Sd/-
Romi Sehgal
 Whole Time Director
 DIN : 03320454

Sd/-
Surbhi Arora
 Company Secretary
 Membership No. A33370

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(a) Equity share capital

(Amount in ₹ lakhs)

Particulars	Amount
Opening balance as at April 1, 2018	514.00
Changes during the year ended March 31, 2019	40.00
Balance as at March 31, 2019	554.00
Changes during the year ended March 31, 2020	54.00
Balance as at March 31, 2020	608.00

(b) Other Equity

(Amount in ₹ lakhs)

Particulars	Reserves and surplus				Total
	Securities Premium	Money received against Share Warrant	Capital reserve	Surplus in Statement of profit & loss	
Opening balance as at April 1, 2018	8,496.00	1,440.00	-	785.14	10,721.14
Profit for the year 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
Balance as at March 31, 2019	2,360.00	(600.00)	-	264.86	2,024.86
Opening balance as at April 1, 2019	10,856.00	840.00	-	1,050.00	12,746.00
Profit for the year ended March 31, 2020	-	-	-	4,226.32	4,226.32
Other comprehensive income for the year, net of tax	-	-	-	(1.56)	(1.56)
Share issued during the year	3,186.00	(810.00)	-	-	2,376.00
Share warrants forfeited during the year	-	(30.00)	30.00	-	-
Balance as at March 31, 2020	14,042.00	-	30.00	5,274.76	19,346.76

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 : Delhi
Date : April 30, 2020

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

Sd/-
Rahul Gupta
Managing Director
DIN : 07151792

Sd/-
Nandlal Bansal
Chief Financial Officer

Sd/-
Romi Sehgal
Whole Time Director
DIN : 03320454

Sd/-
Surbhi Arora
Company Secretary
Membership No. A33370

NOTES TO THE FINANCIAL STATEMENTS

1. (i) Company background

Apollo Tricoat Tubes Limited (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The Company has two manufacturing unit one at Malur Bangalore, and second at Ghaziabad Uttar Pradesh. The Company is a public company listed on Bombay Stock Exchange (BSE). The registered office of the Company is in New Delhi.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on April 30, 2020.

(ii) Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

(a) Statement of compliance

The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time as notified under Section 133 of the Companies Act 2013, the relevant provision of the Companies Act 2013 ("the Act")

(b) Basis of Preparation

"The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the

Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows: **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and **Level 3** inputs are unobservable inputs for the asset or liability.

(c) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The following are the critical judgements,

NOTES TO THE FINANCIAL STATEMENTS

apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Useful lives of Property, plant and equipment ('PPE')

The Company reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. 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 and mortality rates. Due to 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.

Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The

Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Consolidated Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Fair value measurement of derivative and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

(d) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(e) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian

NOTES TO THE FINANCIAL STATEMENTS

rupee (INR), which is functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

(f) Revenue recognition

Effective April 1, 2018 the Company adopted Ind AS 115 'Revenue from contracts with Customers'. The revenue is recognised once the entity satisfied that performance obligation & control are transferred to the customers. The Company adopted Ind AS 115 using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. The effect of adoption of Ind AS 115 did not have any material impact on the financial statements of the Company.

(i) Sale of goods

"The Company derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.

(ii) Interest income

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

(iii) Commission income

Commission income is recognised when the services are rendered.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each year adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where

NOTES TO THE FINANCIAL STATEMENTS

appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in Other Comprehensive Income.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic

benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(h) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

The grant which is received to compensate the import cost of assets subject to an export obligation as prescribed in the export promotion capital goods scheme is recognised as income in the statement of profit and loss should be linked to fulfilment of associated export obligations.

The benefit of a government loan at a below-market rate of interest is treated as government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and are presented in the balance sheet as deferred income.

(i) Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the

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economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using

the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessee

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(j) Impairment of assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the assets does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

NOTES TO THE FINANCIAL STATEMENTS

assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

(k) Cash and cash equivalents and Cash Flow Statement

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Short term borrowings, repayments and advances having maturity of three months or less, are shown as net in cash flow statement.

(l) Inventories

Raw materials and stores, traded and finished goods

Inventories are valued at the lower of cost (First

in First Out -FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase, all charges in bringing the goods to the point of sale, including indirect levies, transit insurance and receiving charges. Finished goods include appropriate proportion of overheads and, where applicable.

Work in progress

Work in progress are valued at raw material cost plus appropriate share of labour and other overheads.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

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

(m) Property, plant and equipment and Capital work-in-progress

Freehold land is carried at historical cost. All other items of 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.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

The Company has a policy of capitalizing insurance spares having value more than or equal to Rupees 0.01 crore.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation methods, estimated useful lives and residual value

Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of the certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the

operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of various property, plant and equipment is as under:-

- (a) Buildings- 10 to 60 years
- (b) Roads- 10 years
- (c) Plant and machinery used in manufacturing of pipe 10-20 years
- (d) Other plant and machinery- 2 to 10 years
- (e) Vehicles- 8 years
- (f) Furniture and fixtures- 10 years
- (g) Office equipment- 2-5 years
- (h) Computer- 3 years

(n) Intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- (a) Computer software - 3 to 6 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(o) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the

NOTES TO THE FINANCIAL STATEMENTS

dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(p) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

(r) Employee benefits

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 non-monetary 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 earned leave and sick leave 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

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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 plans: 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 on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(t) 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.

(u) Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a

NOTES TO THE FINANCIAL STATEMENTS

financial liability or equity instrument of another entity.

A. Investments and other financial assets **(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income.

The classification criteria of the Company for debt and equity instruments is provided as under:

(a) Debt instruments

Depending upon the business model of the Company, debt instruments can be classified under following categories:

- Debt instruments measured at amortised cost
- Debt instruments measured at fair value through other comprehensive income
- Debt instruments measured at fair value through profit or loss

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) Equity instruments

The equity instruments can be classified as:

- Equity instruments measured at fair value through profit or loss ('FVTPL')
- Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

Equity instruments and derivatives are normally measured at FVTPL. However, on initial recognition, an entity may make an irrevocable election (on an instrument-by-instrument basis) to present in OCI the subsequent changes in the fair value of an investment in an equity instrument within the scope of Ind AS -109.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are

NOTES TO THE FINANCIAL STATEMENTS

recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Investment in equity shares

The Company subsequently measures all equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 46 details

how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected credit loss are measured through a loss allowance at an amount equal to the following:

- (a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other income.

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(iv) Derecognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B. Financial Liabilities

(i) Classification

The Company classifies its financial liabilities in the following measurement categories:

- Financial liabilities measured at fair value through profit or loss
- Financial liabilities measured at amortized cost

(ii) Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognised at fair value.

Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

Financial liabilities measured at Amortized Cost :

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in the statement of profit or loss.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the financial liabilities using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

(iii) De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

NOTES TO THE FINANCIAL STATEMENTS

(t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(u) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative

financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(v) Segment information

The Company is engaged in the business of production of ERW steel tubes. As the Company's business activity primarily falls within a single business and geographical segment i.e. manufacture of steel tubes, there are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 : Property, Plant and Equipment

(Amount in ₹ lakhs)

	As at March 31, 2020		As at March 31, 2019					
Carryings amounts of :								
Freehold land		1,429.46		2,025.14				
Building		5,494.03		779.05				
Furniture and fixtures		69.86		27.10				
Plant and machinery		21,666.26		6,558.52				
Office equipment's		109.27		31.07				
Vehicles		42.28		14.79				
Vehicles under finance lease		-		11.14				
		28811.16		9446.80				
Particulars	Freehold Land	Buildings	Furniture & Fixtures	Plant & Machinery	Office Equipment	Vehicles	Vehicles under Finance Lease	Total
Year ended March 31, 2019								
Gross Carrying Amount								
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
Accumulated Depreciation								
Opening accumulated depreciation	-	15.53	2.21	6.97	0.41	0.08	-	25.20
Depreciation charge during the year	-	11.82	2.90	30.17	2.02	0.66	0.44	48.01
Closing accumulated depreciation	-	27.35	5.11	37.16	2.43	0.74	0.44	73.23
Net carrying amount as on 31-March-19	2,025.14	779.05	27.10	6,558.52	31.07	14.79	11.14	9,446.80
Period ended March 31, 2020								
Gross Carrying Amount								
Opening Gross carrying amount	2,025.14	806.40	32.21	6,595.68	33.50	15.53	11.58	9,520.03
Additions	-	4,232.03	47.95	15,952.78	95.30	31.30	-	20,359.34
Transfers (regrouping of assets)	(595.68)	-	-	-	-	-	-	(595.68)
Additions (regrouping of assets)		595.68						595.68
Reclassification on account of adoption of Ind AS 116							(11.58)	(11.58)
Closing Gross carrying amount	1,429.46	5,634.11	80.16	22,548.46	128.80	46.83	-	29,867.79
Accumulated Depreciation								
Opening accumulated depreciation	-	27.35	5.12	37.16	2.42	0.75	0.44	73.22
Depreciation charge during the year		112.73	5.18	845.04	17.11	3.80	-	983.85
Reclassification on account of adoption of Ind AS 116							(0.44)	(0.44)
Closing accumulated depreciation	-	140.08	10.30	882.20	19.53	4.55	-	1,056.63
Net carrying amount as on 31-March-20	1,429.46	5,494.03	69.86	21,666.26	109.27	42.28	-	28,811.16

NOTES TO THE FINANCIAL STATEMENTS

Note 3 : Intangible Assets

(Amount in ₹ lakhs)

Particulars	Amount
Net carrying value as on 31-March-2018	-
Year Ended March 31, 2019	
Gross Carrying Amount	
Opening Gross carrying amount	-
Additions	28.08
Disposals	-
Closing Gross carrying amount	28.08
Accumulated Depreciation	
Opening accumulated depreciation	-
Depreciation charge during the year	1.86
Disposals	-
Closing accumulated depreciation	1.86
Net carrying value as on 31-March-2019	26.22
Period ended March 31, 2020	
Gross Carrying Amount	
Opening Gross carrying amount	28.08
Additions	19.51
Disposals	-
Closing Gross carrying amount	47.59
Accumulated Depreciation	
Opening accumulated depreciation	1.85
Depreciation charge during the year	11.79
Disposals	-
Closing accumulated depreciation	13.64
Net carrying value as on 31-March-2020	33.94

Note 4 : Right of Use Assets

(Amount in ₹ lakhs)

Particulars	Category of ROU Asset			Total
	Land	Building	Vehicle	
Balance as at April 1, 2019				
Reclassified on adoption of Ind AS 116	-	-	-	-
Additions	1,365.95	4.04	11.14	1,381.13
Deletions	-	-	-	-
Depreciation	(14.03)	(1.87)	(1.38)	(17.27)
Balance as at March 31, 2020	1,351.92	2.17	9.76	1,363.85

NOTES TO THE FINANCIAL STATEMENTS

Note 5 : Other Financial Assets (Non- current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Security deposit	176.54	85.33
Total	176.54	85.33

Note 6 : Other Non-Current Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
(a) Capital advances	1,052.28	2,693.55
(b) Operating lease prepayments	-	1,352.00
Total	1,052.28	4,045.55

Note 7 : Inventories

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw material (including stock-in-transit)	4,526.32	589.21
Finished goods (including stock-in-transit)	2,217.43	114.93
Stores and spares	785.11	67.90
Rejection and scrap	149.91	16.71
Total	7,678.77	788.75

Notes :

(i) Cost of inventory recognised as expense during the year amounted to Rupees 54310.05 lakhs (March 31, 2019 : Rupees 634.17 lakhs).

(ii) Details of stock-in-transit

Finished goods	98.54	-
Rejection and scrap	-	-

Note 8 : Trade Receivables

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
(i) Related parties	227.34	-
(ii) Other than related parties	3,566.87	153.16
Total	3,794.21	153.16

The average credit period on sale of goods is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 10% of the total balance of trade receivables except as follows :-

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020
Customer A	1,356.55
Customer B	832.10
	2,188.65

% of total trade receivables 57.68%

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019
Customer A	80.48
Customer B	24.31
	104.79

% of total trade receivables 68.41%

(1) Ageing of trade receivables and credit risk arising there from is as below :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	3,639.81	-	3,639.81
0-90 days overdue	152.62	-	152.62
91-180 days overdue	0.81	-	0.81
181-270 days overdue	-	-	-
271-365 days overdue	1.16	-	1.16
More than 365 days overdue	-	-	-
	3,794.21	-	3,794.21

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	153.16	-	153.16
0-90 days overdue	-	-	-
91-180 days overdue	-	-	-
181-270 days overdue	-	-	-
271-365 days overdue	-	-	-
More than 365 days overdue	-	-	-
	153.16	-	153.16

NOTES TO THE FINANCIAL STATEMENTS

(2) Ageing wise % of expected credit loss

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Amounts not yet due	-	-
0-90 days overdue	-	-
91-180 days overdue	-	-
181-270 days overdue	-	-
271-365 days overdue	-	-
More than 365 days overdue	100%	100%-

Note 9 : Cash & Cash Equivalents

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	1.38	2.78
Balances with banks -current accounts	12.83	1.70
Balances with banks -cash credit accounts	461.93	-
Total	476.14	4.48

Note 10 : Loans (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Loans to employees	12.89	-
Total	12.89	-

Note 11 : Other Financial Assets (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
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
Total	96.96	594.73

Note 12 : Other Current Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Prepaid expenses	42.31	2.19
Operating lease prepayments	-	13.95
Balances with government authorities		
- Goods and service tax credit receivable	1,701.28	966.18
Payment under protest		
(i) Sales Tax Appeal	13.12	13.12
Advance to suppliers	212.24	19.02
Advance to Employees	2.66	0.51
Others	-	16.42
Total	1,971.61	1,031.39

NOTES TO THE FINANCIAL STATEMENTS

Note 13 : Equity Share Capital

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
(a) Share capital				
(i) Authorised capital				
Equity shares of ₹ 2 each	3,25,00,000	650	3,25,00,000	650
	3,25,00,000	650	3,25,00,000	650
(ii) Issued capital				
Equity shares of ₹ 2 each	3,04,00,000	608	2,77,00,000	554
	3,04,00,000	608	2,77,00,000	554
(iii) Subscribed and fully paid up capital				
Equity shares of ₹ 2 each with voting rights	3,04,00,000	608	2,77,00,000	554
	3,04,00,000	608	2,77,00,000	554
(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares Held	Amount (₹)	Number of Shares Held	Amount (₹)
Equity shares with voting rights				
Outstanding at the beginning of the year	2,77,00,000	554	2,57,00,000	514
Add: Issued during the year	27,00,000	54	20,00,000	40
Outstanding at the end of the year	3,04,00,000	608	2,77,00,000	554
	3,04,00,000	608	2,77,00,000	554

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

(Amount in ₹ lakhs)

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares Held	% of holding	Number of Shares Held	% of holding
Saket Agarwal	35,48,321	11.67	41,08,321	14.83
Rahul Gupta	-	-	1,00,30,030	36.21
Shree Laxmi Metal Udyog Limited (Holding Company)	1,54,60,000	50.86	28,61,209	10.33

(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.

NOTES TO THE FINANCIAL STATEMENTS

- (e) During the year ended 31 March, 2019, Shri Lakshmi Metal Udyog Limited ('SLMUL'), a wholly owned subsidiary of the APL Apollo Tubes Limited entered into a Share Purchase Agreement for the acquisition of 80,30,030 Equity Shares and Options attached to 43,00,000 Warrants of Apollo Tricoat Tubes Limited ('the Company') and triggered the Open offer in terms of the provisions of Regulation 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The open offer process got completed on February 01, 2019 and SLMUL became the promoter of the Company. During the offer period, SLMUL acquired 13,25,000 Equity Shares representing 5.16% of the paid-up share capital of the Company Entity 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.

During the year ended 31 March, 2020, SLMUL, completed the acquisition of 80,30,030 Equity Shares and Options attached to 43,00,000 warrants of the Company. Further, the warrants were converted into equity shares. On completion of transfer of shares on June 17, 2019, SLMUL, held 1,51,91,239 equity shares representing 50.56% of paid up share capital of the Company. Accordingly the Company became a subsidiary of SLMUL with effect from June 17, 2019. On September 13, 2019 SLMUL also acquired 30,000 Equity shares of the Company from open market.

On September 13, 2019, the Company allotted 3,56,000 Equity Shares to non promoter category pursuant to conversion of 3,56,000 fully convertible warrants as a result of which the paid up capital was increased from ₹6,00,88,000 to ₹6,08,00,000 (3,04,00,000 Equity shares of ₹2 each). During the quarter ended March 31, 2020, SLMUL further acquired 2,38,761 equity shares of the Company from the market. As on March 31, 2020, SLMUL held 1,54,60,000 equity shares representing 50.86% of paid up share capital of the Company.

Note 14 : Other Equity

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium	14,042.00	10,856.00
Surplus in Statement of profit and loss	5,274.76	1,053.13
Capital Reserve	30.00	-
Share Warrants outstanding account	-	840.00
Other Comprehensive income	-	(3.13)
Total	19,346.76	12,746.01

NOTES TO THE FINANCIAL STATEMENTS

Note 14 : Other Equity (Contd...)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(1) Securities premium reserve		
Balance at the beginning of the year	10856.00	8,496.00
Add: addition during the year	3,186.00	2,360.00
Balance at the end of the year	14,042.00	10,856.00
(2) Surplus in Statement of profit and loss		
Balance at the beginning of the year	1,053.13	788.27
Add: addition during the year	4,221.64	264.86
Balance at the end of the year	5,274.76	1,053.13
(3) Capital Reserve		
Balance at the beginning of the year	-	-
Add: addition during the year	30.00	-
Balance at the end of the year	30.00	-
(4) Share Warrants outstanding account		
Balance at the beginning of the year	840.00	1,440.00
Less: share issued during the year	(840.00)	(600.00)
Balance at the end of the year	-	840.00

Nature and purpose of Reserves

- (i) **Securities premium reserve:** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 ("the Companies Act").
- (ii) **Surplus in Statement of profit and loss:** It represents unallocated / undistributed profits of the company. The same is available for distribution.
- (iii) **Capital reserve:** Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.
- (iv) **Items of other comprehensive income :** It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.
- (v) The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

NOTES TO THE FINANCIAL STATEMENTS

Note 15 : Borrowings (Non- current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Term Loan:		
- From bank		
Secured (refer note below)	9,820.00	2,900.00
(b) Vehicle Loan:		
- From bank		
Secured by way of hypothecation of vehicles	-	6.22
Total	9,820.00	2,906.22

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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:				
Term loan facilities are secured by first charge through equitable mortgage of the company land and building situated at Dujana, Dadri, Gautam Buddha Nagar, Uttar Pradesh and second charge through equitable mortgage of the company land and building situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable fixed assets of the company situated at Dujana, Dadri, Gautam Buddha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the company, by personal guarantees of Mr. Sanjay Gupta and corporate guarantee of APL Apollo tubes Limited. The loan outstanding is repayable in 12 unequal half yearly installments commencing from May 2020 and ending in May 2025. Applicable ROI is 9.35%. Previous year :- Corporate guarantee given by APL Infrastructure Pvt. Ltd.	50.70	7.30	2,900.00	100.00
Term loan facilities are secured by first charge through equitable mortgage of the company land and building situated at Dujana, Dadri, Gautam Buddha Nagar, Uttar Pradesh and second charge through equitable mortgage of the company land and building situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable fixed assets of the company situated at Dujana, Dadri, Gautam Buddha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the company, by personal guarantees of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 20 quarterly installments commencing from March 2021 and ending in December 2025. Applicable ROI is 9.35%.	47.50	2.50	-	-
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 Dec, 2018. As on 31 March, 2019 there were 33 installments outstanding. Applicable rate of interest is 9.10% p.a.	-	-	6.22	3.13

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.

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹ lakhs)

Particulars	Profit & Loss		Equity	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loan from bank				
For the year ended 31 March 2020	54	(54)	38.98	(38.98)
For the year ended 31 March 2019	15	(15)	10.83	(10.83)

Note 16 : Lease Liabilities (Non- current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
On account of		
- Building	0.85	-
-Vehicle	2.75	-
Total	3.60	-

Note 17 : Provisions (Non- current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences	14.72	2.21
Provision for gratuity	13.65	2.93
Total	28.37	5.14

Note 18 : Deferred tax liabilities / assets (net)

(a) Component of deferred tax assets and liabilities are :-

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Deferred Tax Liabilities on account of :		
- Property, Plant & Equipment & Intangible Assets	776.77	122.25
Total Deferred Tax Liabilities (A)	776.77	122.25
(ii) Deferred Tax Assets on account of :		
- Provision for Employee Benefit Expenses	9.66	1.47
- Minimum Alternate Tax Credit	-	72.78
Total Deferred Tax Assets (B)	9.66	74.25
Disclosed as Deferred Tax Liabilities (Net)[A-B]	767.11	48.00

(b) Movement in deferred tax liabilities / asset

(Amount in ₹ lakhs)

Particulars	As at March 31, 2018	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2019
Deferred Tax Liabilities (A)				
Property, plant and equipment's	15.72	106.53	-	122.25
Total	15.72	106.53	-	122.25
Deferred Tax Assets (B)				
Provision for employee benefit expenses	-	1.47	-	1.47
Minimum Alternate Tax	-	72.78	-	72.78
Total	-	74.25	-	74.25
Deferred tax liabilities (Net - A-B)	15.72	32.28	-	48.00

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹ lakhs)

Movement in deferred tax liabilities / asset	As at March 31, 2019	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2020
Deferred Tax Liabilities (A)				
Property, plant and equipment's	122.25	654.52	-	776.77
Total	122.25	654.52	-	776.77
Deferred Tax Assets (B)				
Provision for employee benefit expenses	1.47	7.65	0.53	9.66
Minimum Alternate Tax	72.78	(72.78)	-	-
Total	74.25	(65.12)	0.53	9.66
Deferred tax liabilities (Net - A-B)	48.00	719.64	(0.53)	767.11

Note 19 : Other Non-Current Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income (refer note below)	1,686.93	898.50
	1,686.93	898.50

Note:

Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme (Refer note 40)

Note 20 : Borrowings (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan repayable on demand		
- From bank (Secured)		
Cash credit	456.48	2,547.36
Total	456.48	2,547.36

Cash credit and working capital facilities of Apollo Tricoat Tubes Limited from banks are secured by first pari passu charge on entire present and future current assets and second charge on entire present and future fixed assets of the manufacturing unit situated at Malur, Kolar.

Working capital facilities are further secured by second charge on movable and immovable fixed assets of manufacturing unit located at Dujana. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited, the ultimate holding Company.

Note 21: Trade Payables

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding dues to Micro and small enterprises	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	10,049.21	38.03
Total	10,049.21	38.03

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:

NOTES TO THE FINANCIAL STATEMENTS

Note 21: Trade Payables (Contd...)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(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 : Lease Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
On account of		
- Building	1.93	-
-Vehicle	3.47	-
Total	5.40	-

Note 23 : Other Financial Liabilities (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposit	-	100.00
Current maturities of long term debts (refer note 15)	980.00	103.13
Capital creditors	154.44	230.16
Interest accrued but not due	25.64	2.83
Employee benefits payable	88.59	29.35
Other Payable	1,202.28	149.86
Total	2,450.95	615.33

Note 24 : Other Current Liabilities (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory remittances	66.29	23.51
Advance from others	-	1,700.00
Advance from customers	60.17	-
Advance from employees	0.24	0.73
Deferred Income (refer note below)	93.14	47.47
Total	219.84	1,771.71

Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme (Refer note 39)

NOTES TO THE FINANCIAL STATEMENTS

Note 25 : Provisions (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences	9.82	0.15
Provision for gratuity (refer note 43)	0.16	-
Total	9.98	0.15

Note 26 : Current tax liabilities (net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for tax (net of advance tax ₹ 811.48 lakhs, March 31, 2019 ₹ 53.25 lakhs)	151.89	24.52
Total	151.89	24.52

Note 27 : Revenue from Operations

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	63,711.51	716.79
Other operating revenue	2,613.55	-
Total	66,325.06	716.79

(i) Reconciliation of revenue recognised with contract price :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contract price	65,495.09	716.79
Adjustments for:		
Discount & incentives	(1,783.57)	-
Revenue from operations	63,711.51	716.79

(ii) Other operating revenue comprises

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of scrap	2,248.48	-
Job work	365.06	-
Total	2,613.55	-

Note 28 : Other Income

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income - fixed deposit with banks	17.73	17.82
Interest income - others	-	183.91
Other Income	96.24	221.77
Total	113.97	423.50

NOTES TO THE FINANCIAL STATEMENTS

Note 29 : Cost of Material Consumed

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material		
Inventories of raw material at the beginning of the year	657.11	-
Add : Purchases	59,937.43	1,343.57
Less : Inventories of raw material at the end of the year	4,624.87	657.11
Total	55,969.67	686.46

Note 30 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year:		
Finished goods	2,217.43	114.93
Scrap	149.91	16.71
	2,367.34	131.64
Inventories at the beginning of the year:		
Finished goods	114.93	79.34
Scrap	16.71	-
	131.64	79.34
Total	(2,235.70)	(52.30)

Note 31 : Employee benefits expense

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	1,145.65	10.66
Contribution to provident and other funds	46.30	7.68
Gratuity (refer note 43)	8.78	2.93
Staff welfare expenses	11.00	3.54
Total	1,211.73	24.81

During the year, the Company recognized an amount of ₹ 174.19 lakhs (Year ended March 31, 2019 ₹ 17.58 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below

- Short term employee benefits	164.30	16.30
- Post employment benefits	9.01	0.86
- Other long term employee benefits	0.88	0.42
Total	174.19	17.58

Note 32 : Finance costs

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense :		
- Term Loan	341.83	-
- Interest on cash credit	99.59	-
- Other borrowing cost	158.66	1.32
- On account of Ind AS 116 "Leases"	1.02	-
Total	601.10	1.32

NOTES TO THE FINANCIAL STATEMENTS

Note 33 : Depreciation and Amortisation Expense

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant & equipment's (refer note 2)	983.85	48.01
Amortisation on intangible assets (refer note 3)	11.79	1.86
Right of use asset amortisation (refer note 4)	17.27	-
Total	1,012.91	49.87

Note 34 : Other Expense

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Freight outward	1,408.62	13.22
Job Work Charges	25.91	-
Power and fuel	1,010.53	8.82
Consumption of stores and spare parts	576.07	-
Advertisement and sales promotion	77.46	0.22
Loss on foreign currency transactions (net)	0.90	-
Rent expense	0.15	2.00
Travelling and conveyance	30.82	0.66
Legal and professional charges	64.87	14.15
Repair Maintenance - Others	11.36	1.01
Insurance expenses	3.55	0.24
Rates and taxes	14.10	2.34
Security services	27.03	0.65
Director Sitting Fee	9.32	5.75
Miscellaneous expenses	188.97	11.15
Management support services	505.85	-
Total	3,955.51	60.21
Legal & Professional charges include auditor's remuneration as follows:		
To Statutory Auditors		
For Audit (including quarterly reviews)	1.00	1.00
For Taxation Matters	1.00	1.00
For GST Audit	0.50	-

Note 35: Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR Expenditure as required by the Management are as follows :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross amount required to be spent by the Company during the year	10.51	8.10
Amount spent during the year on purposes other than construction / acquisition of any asset	-	-
Amount spent for acquisition / construction of assets	-	-

NOTES TO THE FINANCIAL STATEMENTS

Note 36 : Income Tax Expense

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax		
Current Tax on profits for the year	963.37	77.77
MAT credit entitlement	-	-
Adjustments for current tax of prior periods	14.48	(4.99)
Total Current Tax Expense	977.85	72.78
Deferred Tax		
(Decrease)/Increase in deferred tax liabilities	719.64	32.28
Total Tax Expense	1,697.49	105.06

Reconciliation of Tax expense and the accounting profit multiplied by India's Tax Rate for the year ended March 31, 2020:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before Income Tax Expense	5,923.81	369.92
Enacted Tax Rates in India	25.17%	20.59%
Computed Expected Income Tax Expense	1,490.91	76.15
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	(509.95)	-
Utilisation of previously unrecognized tax losses	(33.49)	-
Adjustments for current tax of prior periods	14.48	(4.99)
Other adjustments	15.91	1.61
Tax effect of deferred tax liabilities	719.64	32.28
Current Tax Expense (as per MAT Provisions)	1,697.49	105.06
Effective Tax Rate	28.66%	28.40%

Note 37 : Earning Per Share

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Basic		
Net Profit after Tax attributable to shareholders	42,26,31,600	2,64,85,520
Equity Shares outstanding at the beginning of the year	2,77,00,000	2,57,00,000
Add: Weighted average number of shares issued during the year	24,64,852	2,52,055
Weighted Average number of equity shares used to compute basic earning per share	3,01,64,852	2,59,52,055
Basic Earnings per share of ₹ 2/- each (March 31, 2019: ₹ 2/- each)	14.01	0.96
b) Diluted		
Net Profit after Tax attributable to shareholders	42,26,31,600	2,64,85,520
Weighted Average number of equity shares of ₹ 2/- each (March 31, 2019: ₹ 2/- each) outstanding at the end of the year	3,01,64,852	2,59,52,055
Diluted Earnings Per Share of ₹ 2/- each (March 31, 2019: ₹ 2/- each)	14.01	0.87

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 38 : Transition to IND AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹13.64 crore and a lease liability of ₹9.00 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

The Interest rate applied to lease liabilities as at April 1, 2019 is 9%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(Amount in ₹ lakhs)

Particulars	Category of ROU Asset			Total
	Land	Building	Vehicle	
Balance as at April 1, 2019	-	-	-	-
Reclassified on adoption of Ind AS 116	1,365.95	4.04	11.14	1,381.13
Additions	-	-	-	-
Deletions	-	-	-	-
Depreciation	(14.03)	(1.87)	(1.38)	(17.27)
Balance as at March 31, 2020	1,351.92	2.17	9.76	1,363.85

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	As at March 31, 2020
Current lease liability	5.40
Non-current lease liability	3.60
Total	9.00

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended March 31, 2020
Balance at the beginning	9.35
Additions	4.04
Finance Cost accrued during the period	1.02
Deletions	-
Payment of lease liabilities	(5.40)
Balance at the end	9.00

NOTES TO THE FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2020
Less than one year	5.91
One to five years	3.24
More than five years	-
Total	9.14

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 15,000 for the year ended March 31, 2020.

Rental income on assets given on operating lease was ₹ 12.53 lakhs for the year ended March 31, 2020.

Note 39 : Information on Related Party Transactions as required by Ind AS 24 - 'Related Party Disclosures' for the year ended March 31, 2020

Details of related parties:

(a) Details of related parties :

- (i) Ultimate Holding Company
- (ii) Holding Company
- (iii) Fellow Subsidiary
- (iv) Key Management Personnel (KMP)
(with whom transactions have taken place during the year)

- (v) Relative of KMP
(with whom transactions have taken place during the year)

- (vi) Enterprises significantly influenced by KMP and their relatives
(with whom transactions have taken place during the year)

Name of related parties

- APL Apollo Tubes Limited (w.e.f. 17.06.2019)
- Shri Lakshmi Metal Udyog Limited (w.e.f. 17.06.2019)
- Apollo Metalex Private Limited (w.e.f. 17.06.2019)
- Mr. Rahul Gupta (Managing Director)
- Mr. Romi Sehgal (Whole Time Director) (w.e.f. Feb. 1, 2020)
- Mr. Nandlal Bansal (Chief Financial Officer)
- Mrs. Surbhi Arora (Company Secretary)
- Mr. Saket Agarwal (Managing Director) (upto June 12, 2018)

- Mrs. Saroj Rani Gupta (Grandmother of Mr. Rahul Gupta)
- Mrs. Neera Gupta (Mother of Mr. Rahul Gupta)

- APL Infrastructure Private Limited
- Apollo Pipes Limited
- Apollo Metalex Private Limited (upto 16.06.2019)
- APL Apollo Tubes Limited (upto 16.06.2019)
- Shri Lakshmi Metal Udyog Limited (upto 16.06.20219)
- Shree Ganesh Steel Tubes

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
(b) Transactions during the year							
Sale of Products							
APL Apollo Tubes Limited	11,025.92	-	-	-	-	1,321.74	12,347.66
	(-)	(-)	(-)	(-)	(-)	(325.35)	(325.35)
Shri Lakshmi Metal Udyog Limited	-	627.90	-	-	-	-	627.90
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Metalex Pvt. Ltd.	-	-	1.74	-	-	-	1.74
	(-)	(-)	(-)	(-)	(-)	(4.19)	(4.19)
Total	11,025.92	627.90	1.74	-	-	1,321.74	12,977.30
	(-)	(-)	(-)	(-)	(-)	(329.53)	(329.54)
Sale of Raw Material							
APL Apollo Tubes Limited	2,494.56	-	-	-	-	-	2,494.56
	(-)	(-)	-	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	-	1,052.71	-	-	-	325.15	1,377.86
	(-)	(-)	-	(-)	(-)	(-)	(-)
Apollo Metalex Pvt. Ltd.	-	-	1,046.95	-	-	-	1,046.95
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	2,494.56	1,052.71	1,046.95	-	-	325.15	4,919.37
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of property, plant and equipments							
APL Apollo Tubes Limited	12.83	-	-	-	-	-	12.83
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Metalex Pvt. Ltd.	-	-	1.95	-	-	-	1.95
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	12.83	-	1.95	-	-	-	14.78
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of stores and spares							
Apollo Metalex Pvt. Ltd.	-	-	0.90	-	-	-	0.90
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	-	0.90	-	-	-	0.90
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Property, Plant & Equipment							
APL Apollo Tubes Limited	193.30	-	-	-	-	499.82	693.12
	(-)	(-)	(-)	(-)	(-)	(1,088.85)	(1,088.85)
Shri Lakshmi Metal Udyog Limited	-	49.97	-	-	-	2.68	52.64
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Metalex Pvt. Ltd.	-	-	201.84	-	-	18.43	220.27
	(-)	(-)	(-)	(-)	(-)	(477.68)	(477.68)
Total	193.30	49.97	201.84	-	-	520.92	966.03
	(-)	(-)	(-)	(-)	(-)	(1,566.52)	(1,566.52)
Purchase of Finished Goods							
APL Apollo Tubes Limited	83.19	-	-	-	-	-	83.19
	(-)	(-)	(-)	(-)	(-)	(141.41)	(141.41)
Total	83.19	-	-	-	-	-	83.19
	(-)	(-)	(-)	(-)	(-)	(141.41)	(141.41)

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Purchase of Raw Material							
APL Apollo Tubes Limited	1,391.04	-	-	-	-	228.70	1,619.74
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	-	5,404.69	-	-	-	2,131.27	7,535.96
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Metalex Pvt. Ltd.	-	-	4,306.24	-	-	10.06	4,316.30
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Pipe Limited	-	-	-	-	-	7.04	7.04
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	1,391.04	5,404.69	4,306.24	-	-	2,377.07	13,479.04
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Stores and Spares							
APL Apollo Tubes Limited	17.94	-	-	-	-	0.98	18.93
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	-	3.17	-	-	-	2.28	5.45
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Metalex Pvt. Ltd.	-	-	10.50	-	-	-	10.50
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	17.94	3.17	10.50	-	-	3.27	34.88
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Management fee paid							
APL Apollo Tubes Limited	488.30	-	-	-	-	-	488.30
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	-	12.92	-	-	-	4.63	17.55
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	488.30	12.92	-	-	-	4.63	505.86
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Reimbursement of Expenses							
APL Apollo Tubes Limited	553.46	-	-	-	-	4.31	557.77
	(-)	(-)	(-)	(-)	(-)	(108.13)	(108.13)
Mr. Rahul Gupta	-	-	-	-	-	-	-
	(-)	(-)	(-)	(16.00)	(-)	(-)	(16.00)
Total	553.46	-	-	-	-	4.31	557.77
	(-)	(-)	(-)	(16.00)	(-)	(108.13)	(124.13)
Loan taken							
APL Apollo Tubes Limited	2,000	-	-	-	-	-	2,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	2,000	-	-	-	-	-	2,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loan paid off							
APL Apollo Tubes Limited	2,000	-	-	-	-	-	2,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	2,000.00	-	-	-	-	-	2,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Rent Income							
APL Apollo Tubes Limited	9.53	-	-	-	-	3.00	12.53
	(-)	(-)	(-)	(-)	(-)	(216.00)	(216.00)
Total	9.53	-	-	-	-	3.00	12.53
	(-)	(-)	(-)	(-)	(-)	(216.00)	(216.00)
Rent Expense							
Shree Ganesh Steel Tubes	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(0.30)	(0.30)
Mrs. Neera Gupta	-	-	-	-	0.48	-	0.48
	(-)	(-)	(-)	(-)	(0.40)	(-)	(0.40)
Mrs. Saroj Rani Gupta	-	-	-	-	0.48	-	0.48
	(-)	(-)	(-)	(-)	(0.40)	(-)	(0.40)
Total	-	-	-	-	0.96	-	0.96
	(-)	(-)	(-)	(-)	(0.80)	(0.30)	(1.10)
Job Work Expenses							
APL Apollo Tubes Limited	12.22	-	-	-	-	-	12.22
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	12.22	-	-	-	-	-	12.22
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Job Work Income							
Shree Lakshmi Metal Udyog Limited	-	366.37	-	-	-	-	366.37
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	366.37	-	-	-	-	366.37
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest expense							
APL Apollo Tubes Limited	187.25	-	-	-	-	-	187.25
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	-	76.40	-	-	-	-	76.40
	(-)	(1,003.7)	(-)	(-)	(-)	(-)	(1,003.7)
Apollo Metalex Pvt. Ltd.	-	-	-	-	-	19.63	19.63
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	187.25	76.40	-	-	-	19.63	283.28
	(-)	(1,003.7)	(-)	(-)	(-)	(-)	(1,003.7)
Import Licence Purchases							
APL Apollo Tubes Limited	19.76	-	-	-	-	-	19.8
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	19.76	-	-	-	-	-	19.8
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advance received from supply of raw materials							
APL Apollo Tubes Limited	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(2,958.16)	(2,958.16)
APL Infrastructure Pvt. Ltd.	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(2,093.50)	(2,093.50)
Total	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(5,051.66)	(5,051.66)

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Refund of advance received for supply of raw materials							
APL Apollo Tubes Limited	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(1,028.56)	(1,028.56)
APL Infrastructure Pvt. Ltd.	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(2,028.50)	(2,028.50)
Total	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(3,057.06)	(3,057.06)
Salary							
Mr. Rahul Gupta	-	-	-	120.00	-	-	120.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Romi Sehgal	-	-	-	24.49	-	-	24.49
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Nandlal Bansal	-	-	-	20.49	-	-	20.49
	(-)	(-)	(-)	(8.13)	(-)	(-)	(8.13)
Mrs. Surbhi Arora	-	-	-	9.21	-	-	9.21
	(-)	(-)	(-)	(6.89)	(-)	(-)	(6.89)
Total	-	-	-	174.19	-	-	174.19
	(-)	(-)	(-)	(15.02)	(-)	(-)	(15.02)
Trade Receivables							
APL Apollo Tubes Limited	227.01	-	-	-	-	-	227.01
	(525.83)	(-)	(-)	(-)	(-)	(-)	(525.83)
Apollo Metalex Pvt. Ltd.	-	-	-	-	-	0.33	0.33
	(-)	(-)	(-)	(-)	(-)	(18.76)	(18.76)
Total	227.01	-	-	-	-	0.33	227.34
	(525.83)	(-)	(-)	(-)	(-)	(18.76)	(544.59)
Trade Payables							
Shree Lakshmi Metal Udyog Limited	-	1,643	-	-	-	-	1,643.41
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	1,643.41	-	-	-	-	1,643.41
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Director Sitting Fees							
Mr. Saket Agarwal	-	-	-	-	-	-	-
	(-)	(-)	(-)	(0.09)	(-)	(-)	(0.09)
Mrs. Gunjan Agarwal	-	-	-	-	-	-	-
	(-)	(-)	(-)	(0.09)	(-)	(-)	(0.09)
Mrs. Megha Gupta	-	-	-	0.55	-	-	0.55
	(-)	(-)	(-)	(0.15)	(-)	(-)	(0.15)
Total	-	-	-	0.55	-	-	0.55
	(-)	(-)	(-)	(0.15)	(-)	(-)	(0.15)

Notes :

- (1) Figures in the bracket relates to previous year ended March 31, 2019.
- (2) Amount of expense of gratuity and compensated absences is taken on actuarial basis.
- (3) The term loan and other credit facilities of the Company are also secured by personal guarantee of Mr. Sanjay Gupta, MD of APL Apollo Tubes Limited (Ultimate Holding Company), and corporate guarantee of APL Apollo Tubes Ltd.

NOTES TO THE FINANCIAL STATEMENTS

Note 40 : Contingent liabilities and commitments (to the extent not provided for)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Contingent liabilities		
(1) Disputed claims/levies in respect of sales tax, excise duty and service tax	-	-
(2) Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (i) below)		
Total	-	-

(i) Based upon the legal opinion obtained by the management, there are various interpretation issues and thus management is in the process of evaluating the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952

(b) Commitments

(1) Estimated amount of contracts remaining to be executed on capital account and not provided for

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Property, plant and equipments	2250.07	3412.48

(2) The Company has obtained EPCG (Export Promotion Capital Goods Scheme) licenses for importing the capital goods without payment of basic custom duty against submission of bonds.

The export obligation is to be fulfilled within a period of 6 years from the date of issuance of license. Under this scheme the Company has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Company is required to export of FOB value of ₹ 11,176.62 lakhs (March 31, 2019 ₹ 5,696.94 lakhs) against which the Company has saved a duty of ₹ 1,862.77 lacs (March 31, 2019 ₹ 949.49 lakhs).

Note 41: Employee Benefit Plan

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.

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 .

NOTES TO THE FINANCIAL STATEMENTS

Longevity Risk

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

Salary Risk

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

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

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit of the defined benefit obligation were carried out as at March 31, 2020 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:

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 –

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund	46.30	7.68

Included in 'Contribution to provident and other funds' under Employee Benefits Expense (Refer Note 31)

B. Other Long Term Benefits & Defined Benefit Plans

(i) Change in present value of obligation

(Amount in ₹ lakhs)

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation as at the beginning of the period	2.93	-
Acquisition adjustment	-	-
Interest cost	0.23	-
Service cost	8.55	2.93
Past service cost including curtailment Gains/Losses	-	-
Benefits paid	-	-
Total Actuarial (Gain)/Loss on obligation	2.09	-
Present value of obligation as at the end of period	13.81	2.93

NOTES TO THE FINANCIAL STATEMENTS

(ii) Liabilities recognized in the Balance Sheet

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Net defined benefit liability at the start of the period	2.93	-
Acquisition Adjustment	-	-
Total Service Cost	8.55	2.93
Net Interest cost (Income)	0.23	-
Re-measurements	2.09	-
Benefit paid directly by the enterprise	-	-
Net defined benefit liability at the end of the period	-	-
Net Asset/(Liability) recognized in Balance Sheet	13.81	2.93
Recognized under:		
Long Term Provision	13.64	2.93
Short Term Provision	0.17	-
	13.81	2.93

(iii) Expense recognized in the Statement of Profit and Loss

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	8.78	2.93
Interest cost	-	-
Expense recognized in the Statement of Profit and Loss	8.78	2.93

(iv) Other Comprehensive Income (OCI)

Particulars	Gratuity	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net cumulative unrecognized actuarial gain/(loss) opening	(8.45)	-
Actuarial gain/(loss) for the year on PBO	(0.01)	-
Actuarial gain/(loss) for the year on Assets	10.55	-
Unrecognized actuarial gain/(loss) for the year	2.09	-

(v) Principal Actuarial assumptions

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate per annum	6.77%	7.82%
Salary Escalation Rate per annum	4.00%	8.00%
Retirement age	60 Years	60 Years
Mortality tables	IALM [2012-2014]	IALM [2006-2008]

NOTES TO THE FINANCIAL STATEMENTS

(vi) Sensitivity Analysis

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

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate		
Increased by 1%	(1.84)	(0.51)
Decreased by 1%	2.28	0.65
Salary Escalation Rate		
Increased by 1%	2.32	0.64
Decreased by 1%	(1.90)	(0.52)

(vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 19.77 years in case of Gratuity. The expected maturity analysis of undiscounted gratuity is as follows: :

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Less than a year	0.18	0.01
Between 1 - 1 years	0.24	0.04
Between 2 - 3 years	0.33	0.08
Between 3 - 4 years	0.48	0.12
Between 4 - 5 years	1.22	0.20
Beyond 5 years	29.26	7.97
Total	31.71	8.41

Note 42: Financial Instruments

Financial Instruments by Category

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2019.

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets - Non Current						
Security deposit	-	-	176.54	-	-	85.33
Financial assets - Current						
Loans to employees	-	-	12.89	-	-	-
Trade receivables	-	-	3,794.21	-	-	153.16
Cash and cash equivalents	-	-	1.38	-	-	2.78
Balances with banks	-	-	474.77	-	-	1.70
Other claim receivable	-	-	96.96	-	-	594.73
Total financial assets	-	-	4,556.74	-	-	837.70
Financial liabilities - Non Current						
Borrowings	-	-	9,820.00	-	-	2,906.22
Lease liabilities	-	-	3.60	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial liabilities - Current						
Borrowings	-	-	456.48	-	-	2,547.36
Trade payable	-	-	10,049.21	-	-	38.03
Lease Liabilities	-	-	5.40	-	-	-
Security deposit	-	-	-	-	-	100.00
Current maturities of long term debts	-	-	980.00	-	-	103.13
Capital creditors	-	-	154.44	-	-	230.16
Interest accrued but not due	-	-	25.64	-	-	2.83
Employee benefits payable	-	-	88.59	-	-	29.35
Other Payable	-	-	1,202.28	-	-	149.86
Total financial liabilities	-	-	22,785.65	-	-	6,106.94

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.

Note 44 : Financial risk management objectives

The Company's activities expose it to market risk (including foreign currency risk and interest rate risk, liquidity risk and credit risk).

NOTES TO THE FINANCIAL STATEMENTS

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors, Company Treasury Department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as hedging of foreign currency transactions foreign exchange risk.

(a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements can not be normally predicted with reasonable accuracy.

(b) Foreign currency risk

The Company's functional currency in Indian ₹. The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's the costs of imports, primarily in relation to raw material. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in the increase in the Company's overall debt positions in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivable in foreign currency.

Details on derivative instruments and unhedged foreign currency exposures

- (1) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Currency	As at March 31, 2020	As at March 31, 2019
Advance paid to vendors:		
USD	9,01,870.63	10,84,800.00
Equivalent amount in Rupees in lakhs	619.86	746.29
EURO	1,44,906.22	81,396.00
Equivalent amount in Rupees in lakhs	113.94	65.58

45. 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.

NOTES TO THE FINANCIAL STATEMENTS

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, 2020	As at March 31, 2019
Non current borrowing	9,820.00	2,906.22
Current maturities of non current borrowings	980.00	103.13
Current Borrowings	456.48	2,547.36
Less :- cash and cash equivalents	(476.14)	(4.48)
Total Debts	10,780.34	5,552.23
Total equity	19,954.77	13,300.01
Gearing Ratio	0.54	0.42

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

(b) DIVIDENDS

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Final dividend for the year ended march 31, 2020 of ₹ Nil (March 31,2019: ₹ Nil)	-	-
Dividend not recognised at the end of the reporting	-	-
Dividend distribution tax	-	-

The board of directors did not recommended any dividend for the year ended March 31, 2020

Note 46 : Reconciliation of liabilities arising from financing activities

(Amount in ₹ lakhs)

Particulars	Opening balance as at April 1, 2018	Net Cash flows	As at March 31, 2019
Non-current borrowings	-	2,906.22	2,906.22
Current borrowings	-	2,547.36	2,547.36
Current maturities of non-current borrowings	-	103.13	103.13
Total liabilities from financing activities	-	5,556.71	5,556.71

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	Net Cash flows	As at March 31, 2020
Non-current borrowings	2,906.22	6,916.53	9822.75
Current borrowings	2,547.36	(2,090.88)	456.48
Current maturities of non-current borrowings	103.13	880.34	983.47
Total liabilities from financing activities	5,556.71	5,705.99	11,262.70

NOTES TO THE FINANCIAL STATEMENTS

Note 47 : Manufacturing facilities of the Company in (Malur) Karnataka and (Dujana) Uttar Pradesh were closed on March 24, 2020 following countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its manufacturing facilities partially at (Malur) Karnataka April 28, 2020. Based on the immediate assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services after resumption of the operations. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risks profile of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these results. In assessing recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments.

For **VAPS & Co.**
 Firm Reg. No. 003612N
 Chartered Accountants
Praveen Kumar Jain
 Partner
 Membership No. 082515
 UDIN-20082515AAAAABW4145
 Place : Delhi
 Date : April 30, 2020

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

Sd/-
Rahul Gupta
 Managing Director

Sd/-
Nandlal Bansal
 Chief Financial Officer

Sd/-
Romi Sehgal
 Whole Time Director

Sd/-
Surbhi Arora
 Company Secretary
 Membership No. A33370

NOTES



Apollo TriCoat

THREE STEPS AHEAD

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