



APL/SECT/DLH/SE: 2018-19

4<sup>th</sup> October 2018

Electronic Filing

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Department of Corporate Services/Listing  
BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

**Re: Annual Report for the Financial Year 2017-18**

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 2017-18.

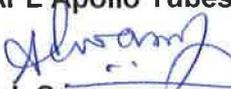
We may inform that the same has been approved and adopted at the 33<sup>rd</sup> Annual General Meeting of the Company held on Saturday, 29<sup>th</sup> September, 2018 at the JP Hotel & Resorts, 6B, I.P. Extension, Patparganj, Near Max Hospital, Delhi- 110092.

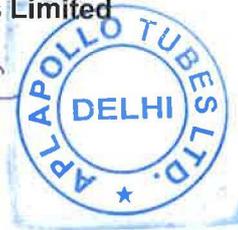
Submitted for your kind reference and records.

Thanking you

Yours faithfully

For APL Apollo Tubes Limited

  
Adhish Swaroop  
Company Secretary



Encl: a/a

**APL Apollo Tubes Limited** (CIN-L74899 DL 1986PLC023443)

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Unit-I : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India Unit - II : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109, India

Unit-III : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India Unit-IV : Village Bendri, Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplpollo.com Website : www.aplpollo.com

# SAVE TREES : USE APOLLO



## ANNUAL REPORT 2017 -18



### DID YOU KNOW?

#### CORE OF GREEN ECONOMY:

Steel is world's most recycled material with least wastage.

#### REDUCED AIR POLLUTION:

Steel industry is extremely eco-conscious and has halved its carbon footprint.

#### AN ENERGY SAVER:

It requires less energy to heat up or cool down the house.

#### STEEL LASTS FOREVER:

Steel stands up to everything, from high winds and rains to fire and earthquakes.

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# SAVE TREES: USE APOLLO



Green is the colour of nature and health and green is the colour of life. Trees clean the air, soil and water, making earth a liveable place. This global hope for greener tomorrow is being addressed by the steel sector. Steel is the most recycled and reusable material. Within steel industry, the pipes and hollow sections segment is particularly helping the green sustainability to a great extent. Steel pipes and sections, due to their universal applications are an easy replacement for wood. We, being the lead players in the category are completely committed to saving trees by enhancing the usage of wood-replacement products.

We believe that growth is expedited by focusing on sustainable businesses and business processes. This belief is woven intricately into our DNA and is at the core of all our decisions and actions. We have pledged to go green – be it with regards to patronizing state-of-the-

art technologies; developing newer products; widening the applications of existing products; fostering the brand development activities or improvising profitability. Our perseverance to save environment takes us to the uncharted territories and further raises our ambitions to enhance the value for all our stakeholders in a sustainable manner.

We are already one of the lowest cost producers in the country, but our quest for expanding potential has accelerated our ambition to become the lowest cost producer in the world. This ambition helps us undertake various innovative cost rationalization initiatives like reducing emissions as well as cutting-down the logistics costs, by the placement of our distribution centres closer to the demand circles; enhancement of renewable energy generation by leveraging solar and wind, and the usage and focus on cost-efficiency and creating a sustainable product portfolio.

With the underlying ideology, Save Trees: Use Apollo, we have driven our business to newer heights during FY18 and look forward to continue the trend of going green.

# STRUCTURAL STEEL: WAY TO SUSTAINABLE FUTURE

Since ages, wood has been an essential component used in construction and building. However, the global furor towards saving the environment and working towards a sustainable future has given rise to a trend that is slowly but certainly replacing wood with other renewable and recyclable materials, majorly, steel. Though concrete has also been a popular medium used in construction, the risks like pollution and limited flexibility have made steelwork gradually occupy an important position in human's life and structural steel is being increasingly used in fields like infrastructure, construction and automobiles. The use of structural steel has been on the rise because there seem to be several advantages of using this material onsite. It does not only ease the onsite risk but also speeds up development and is environment-friendly. The fact that the steel is a zero liquid discharge material and 90% of the water used in its production is cleaned cooled and returned to the source, often cleaner than extracted, makes it a metal of choice.

Structural steel can be put under three key criteria:

- ◆ Speed and Efficiency;
- ◆ Reduction of on-site risks; and
- ◆ Sustainability and Waste reduction.

We, at APL APOLLO, deals in hollow sections and provide a sustainable and efficient solution for all domains. Structures that are made of hollow sections have several benefits. While these structures offer corrosion

protection, they also have rounded corners that result in a better protection than sections with sharp corners.

A hollow structural section (HSS) is a type of metal profile with a hollow tubular cross section. HSS members can be circular, square, or rectangular sections, although other shapes such as elliptical are also available. HSS is only composed of structural steel per code. The three basic shapes are referenced as CHS, SHS and RHS, being circular, square and rectangular hollow sections.

Circular hollow section often offers a decisive advantage with regard to structure exposed to air or water flow. In other situations, square and rectangular hollow sections were favoured because they use simple connections with straight end cuts of the connecting members. In the case of circular hollow sections, there is a smooth transition from one section to another as there is better protection. This better protection increases the protection period of coatings against corrosion.

Normally, the structures designed in hollow sections have a 20 to 50% smaller surface to be protected than comparable structures made using open sections. Moreover, various combinations of loadings are possible with hollow sections like tension, compression, bending, shear and torsion. One of the benefits of hollow section is that heating or ventilation system can be sometimes incorporated into hollow section columns. Sometimes, when the commonly-available wall thicknesses are not sufficient to meet the required load bearing resistance,



the hollow section can be filled with concrete. Concrete filling of hollow sections contributes not only to an increase in load bearing resistance, but it also improves the fire resistance duration. Hollow sections are also helpful in creating fire-resistant buildings. One of the modern methods for fire protection that has been widely used is placing water-filled hollow section columns in the buildings. These columns are interconnected with a water storage tanks and in case of fire, the water circulates by convection, keeping the steel temperature below the critical value of 450°C. This type of system has economic advantages when applied to buildings with more than about 8 storeys.

The combination of the strength function of hollow section columns and the heating or ventilation system is being used in offices and schools. Such a system offers maximization of floor area through the elimination of heat exchangers, a uniform provision of warmth and a combined protection against fire.

Aesthetically, the hollow section helps in the construction of structures that are cleaner and more spacious. The hollow sections are apt for providing a slender aesthetic column along with variable section properties. One of the major advantages of hollow sections is that their torsional rigidity enhances the folded structures and V-type girders, etc. In addition, the lattice construction that is predominantly composed of hollow sections can be directly connected to one another without any stiffener or gusset plate, thus, is a product of choice

for the architects in creating structures that flaunts steel elements. Often hollow sections are used for their aesthetic appeal. Some of the features of hollow sections that make it stand out and a product of choice are:

- ◆ Hollow sections are made of similar steel as used for other steel sections, thus, in principle, there is no difference, and the mechanical properties are given in standards
- ◆ Hollow sections can also be produced in special steels, e.g. high strength steel with yield strengths up to 690 N/mm<sup>2</sup> or higher, weathering steels and steel with an improved or special chemical compositions, etc.
- ◆ Hollow sections used for elements subjected to bending can be more economically calculated using plastic design. However, then the sections have to satisfy more restricted conditions to avoid premature local buckling. Like other steel sections loaded in bending, different moment-rotation behaviours can be observed.
- ◆ Hollow sections, especially CHS, have the most effective cross-section for resisting torsional moments because the material is uniformly distributed about the polar axis. A comparison of open and hollow sections of nearly identical mass shows that the torsional constant of hollow sections is about 200 times that of open sections.



# OUR UNIQUE SELLING POINT

## Customer's Delight

At APL Apollo, the customer rules the roost. They form the base of our business and we have taken all possible steps to give them an enriching experience. Our state-of-the-art products are the example of our sheer hard-work, intense research and innovation. We have a highly-equipped system and team in place that assures an uninterrupted quality delivery to the customers. We are thoroughly skilled in adapting to fulfill customer's demand. We are also well-adept in providing products that are replete in quality and have features like flexible dimensions and minimal set-up time. Our way of operation assures faster delivery, better availability and increased automation wherein we pay a special attention to the client's need and deliver accordingly. Besides, we have also adopted a multi-pronged approach in addressing the customer's queries and enhancing the product's quality via value-addition, which has helped in facilitating a hassle-free delivery of products to the end-users.



## Innovation & Technology

APL APOLLO'S day to day activities revolves around innovation and technology. Our focus lies in incorporating the elements of innovation in our products. Technology plays a pivotal part in enhancing the quality of our offerings and value-addition. We are a pioneer in instituting the latest technologies and adopting them from around the globe. We have introduced a high-speed mills that has increased speed by 5x, Strip Galvanizing lines and the unique Rotary Sizing Mills. We are the first company in India to commission a fully automated direct forming mill with a capability of producing up to 300 mm x 300 mm hollow section of a thickness in the range of 1 mm - 12 mm. We have also revved up our R&D capabilities in order to meet the ever-changing requirements of customers.



**Our commitment towards excellence has made us focus on several exclusive factors that have earned us the leadership position in the domain.**

## Cost-effectiveness

APL APOLLO is the lowest cost producer in India and aspires to become one of the lowest in the world. We are emphasising on channel financing to improve the purchasing power of the dealers, besides enhancing the working capital cycle. We will continue to focus on the cost-effectiveness of products and offer a large product portfolio at a low price. We are also working on reducing our operational cost by using renewable resources, like wind and solar energy.

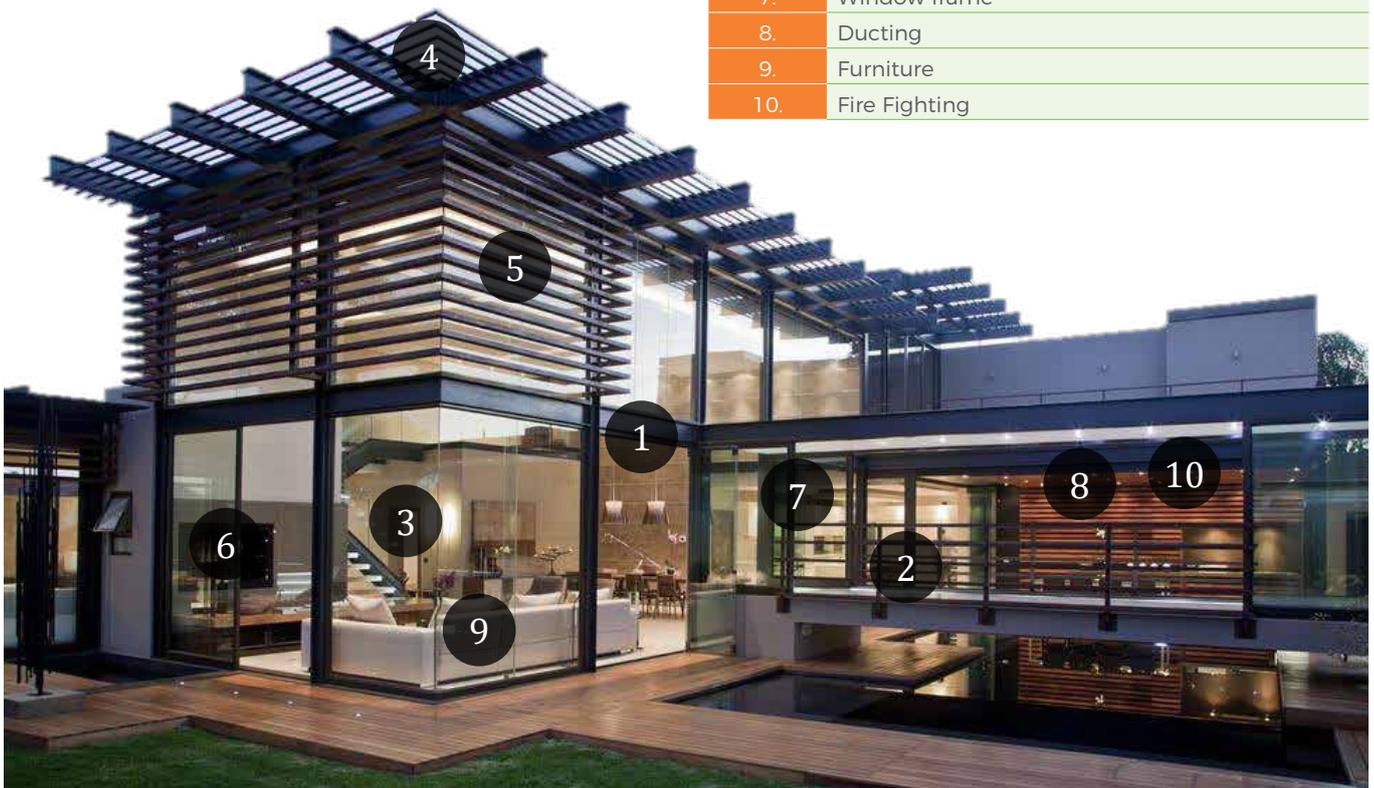
## Building Material

With the state-of-the-art technology and highly equipped system, APL APOLLO is all geared up to change the face of several industries. Right from structural steel to fencing, hand railing and roofing etc., the Company has expertise in producing an array of products catering to multiple segments of the high potential industry.



## Use of our products in the building space

1.	Structural steel
2.	Fencing
3.	Hand railing
4.	Roofing
5.	Scaffolding
6.	Door frame
7.	Window frame
8.	Ducting
9.	Furniture
10.	Fire Fighting



# KEY FIGURES

## Historical Data – Consolidated

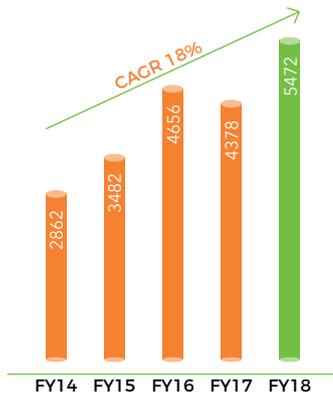
Particulars	2011	2012	2013	2014	2015	2016	2017	2018
<b>Key Financials (₹ in crore)</b>								
Revenue	986	1,536	2,247	2,862	3,482	4,656	4,378	5,472
EBIDTA	114	115	161	167	186	292	339	379
PAT	43	49	69	59	64	101	152	158
Share Capital	20	21	22	23	23	23	23	24
Reserves & Surplus/Other Equity	209	270	341	402	472	544	680	814
Net Worth	237	299	368	425	495	568	703	838
Long-Term Debt	40	74	86	140	141	188	105	78
Working Capital Debt	206	224	340	340	292	411	464	595
Gross Fixed Assets	231	295	377	502	647	729	675*	945
Investments	2	0.05	1	18	19	13	13	12
Capital WIP	32	46	15	28	20	32	122	46
<b>Earning &amp; Dividend (₹)</b>								
EPS (Earning Per Share)	16	23	31	26	27	43	65	67
DPS (Dividend Per Share)	2	2	5	5	6	10	12	14
<b>Key Ratios(%)</b>								
ROCE	20	20	21	18	18	25	32	31
RONW	18	18	20	15	14	20	22	19
<b>Production (MTPA)</b>								
Capacity	490,000	500,000	600,000	800,000	1,050,000	1,300,000	1,300,000	1,750,000
Production	195,000	294,300	464,000	572,000	682,193	898,690	937,896	1,111,414
<b>Distribution</b>								
No. of distributors	175	200	275	300	375	600	625	650
No. of warehouses	5	15	19	26	26	26	27	29
No. of plants	5	5	5	5	6	6	7	7

**Notes\*** - Figures for FY 2017 and 2018 are as per new Accounting Standard "Ind AS" where as figures for 2011 to 2016 are as per previous GAAP

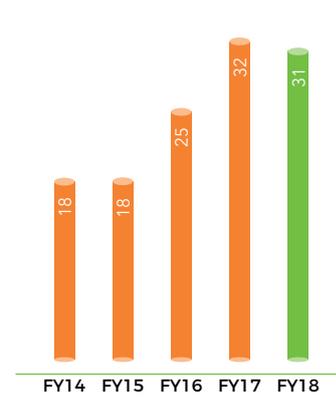
\*As per IND AS the company has elected to continue with the carrying value of all its property, plant and equipment as at the transition date, viz. April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost of the transition date.

# KEY PERFORMANCE INDICATORS

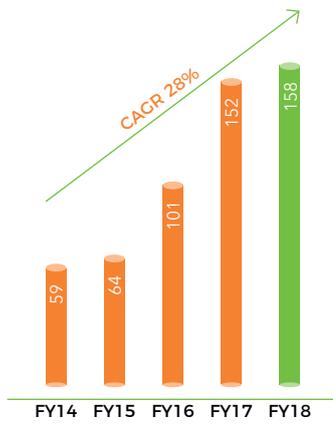
## REVENUES (In ₹ crore)



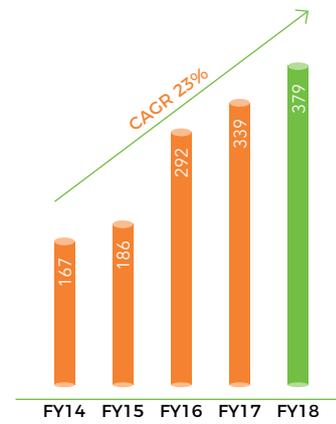
## ROCE (In %)



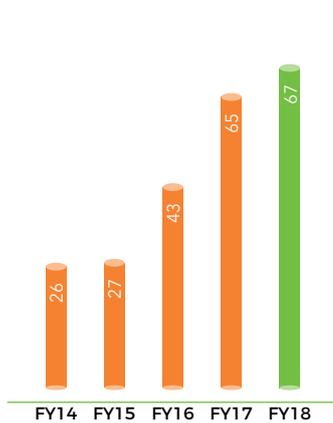
## PAT (In ₹ crore)



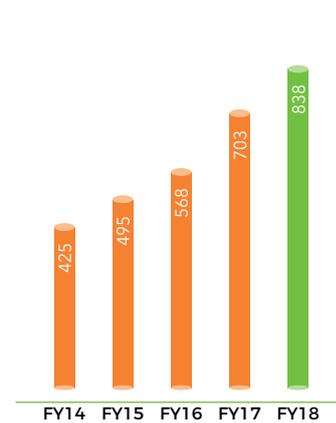
## EBITDA (In ₹ crore)



## EPS (In ₹)



## NET WORTH (In ₹ crore)



# WE ARE APL APOLLO

Established in 1986, we are the largest producer of Electric Resistance Welded steel pipes in India. We have pan-India presence with warehouses and branch offices in 29 cities. We operate 7 manufacturing facilities with a total capacity of 1.75 Million MTPA.

Our Company has emerged as a 'one-stop shop' for a large spectrum of steel tubes and catering to an array of industry applications such as urban infrastructures, housing, irrigation, solar plants, greenhouses, engineering and agricultural appliances .

Our products have been certified by reputed international agencies like SGS (France), CE (Europe) etc. We have ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications and all products are BIS-marked.



## MISSION

To lead the process of transformation from commodity to value-added consumer products

To meet consumer requirement with high-quality products, at a competitive price

To lead the pipe usage segment and emerge as a 'one-stop shop' for the largest spectrum of steel tubes and attain pole position

To create sustainable value for all our stakeholders

## Vision



### 2.5 Million MTPA Sales

Targeting above industry average growth rates/road map for capacity expansion in place

### Strong Balance Sheet

To reduce the debt and working capital cycle

### Margin Accretive

Targeting higher EBITDA per ton margins and enhanced return ratios

### Strengthen Product and Corporate Branding Activities

Enhanced corporate branding engagements with the relevant target audiences

### Enhance Corporate Governance

Improving board mix to facilitate higher level of transparency

### Expand Contribution from Value-Added Products

Innovation center to be set-up: a continuous focus on launching new products

## 29 CITIES

WAREHOUSES AND  
BRANCH OFFICES

## 1.75 Million MTPA

TOTAL CAPACITY

## MANUFACTURING AND SALES FOOTPRINTS



The Company's manufacturing footprint spreads across the length and breadth of the country. It has three plants located in North, Sikandrabad (UP), two plants in South India, one each in Hosur (Tamil Nadu) and Bengaluru (Karnataka), one plant in West India, Murbad (Maharashtra) and one plant in Central/East India in Raipur (Chhattisgarh).

With a strong three-tier distribution network across India, the Company has made its presence felt among 650 direct distributors/dealers and 40,000 retailers. It also flaunts a good network of warehouses cum-branch offices in over 29 cities.

**400+**  
TOWN & CITIES

**650+**  
DEALERS

**40,000+**  
RETAILERS

## CATERING TO KEY SECTORS OF THE INDIAN ECONOMY



### Infrastructure

- Metros
- Prefabricated
- Pipelines
- Towers
- Stadiums
- Airports Ports
- Gas
- Telecom
- Poles



### Construction & Building Material

- Green Construction
- Building/Smart Cities
- Structural Steel
- Hand railing
- Scaffolding
- Ducting
- Fire fighting
- Fencing
- Roofing
- Window/Door frame
- Furniture



### Energy & Engineering

- Solar plants
- Cranes
- Heavy engineering
- Goods
- Power plants
- Gym equipment



### Automobiles

- Truck & bus body
- Heavy Vehicle axles



### Agriculture

- Agriculture Implements
- Drip Irrigation
- Pump & water conveyance
- Greenhouse
- Water Distributor

## DIVERSIFIED PRODUCT PORTFOLIO

### Hollow sections

Infrastructure fabrication, construction, machinery and furniture



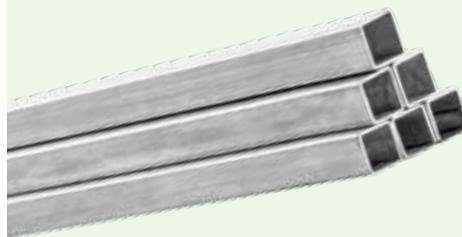
### MS Black Round

Engineering structural water and sewage, fire fighting and automobiles



### Pre-Galvanized

Electric conduit pipes, fencing, cabling, ducting and rooftop



### Galvanized Tubes

General engineering, underground piping and agriculture



# STATE-OF-THE-ART TECHNOLOGY

APL Apollo through intense research and development adapts to the needs and requirements of the customers. By adopting a customer-centric approach, the organization has challenged the status quo and has been introducing new technologies in the steel pipe industry, that facilitate problem solving and deliver more value to the customers - new products, availability, quality, flexible dimensions, increased automation and excellent service

In line with fulfilling the need gaps for the customers, APL Apollo Tubes has introduced for the very first time in India, latest global technology - DFT (Direct Forming Technology) in the field of steel pipes used for making hollow sections - both square and rectangular, and is the only company in India to be using this high-tech production methodology in the most elaborate manner.

DFT lines have been commissioned across the country which will enable to meet the growing demand in the country and reach the customer in time.

This new technology opens a new era in the tube production. The DFT system is the result of many years of experience and knowledge in the tube field. This method brings undisputed advantages in terms of flexibility, production capability and cost reduction.

This innovation enables the possibility to produce any size, included in the mill range, without roll change resulting in extreme reduction in set up time. Compared to traditional production process, this method is

completely automatic. Set up operations are easy, accurate and fast. This gives an advantage of Just - In - Time delivery of high quality material to our customers. E.g. change in production time for a square profile of 40 x 40 x 3 to 40 x 40 x 2 takes only 30 minutes.

Unlike conventional technologies, DFT can form rectangular and square hollow sections of different sizes and thickness directly, thus translating into huge cost-savings and better productivity at both the Customer and Company level. The rectangular and square hollow sections produced with the help of Direct Forming Technology are lesser in weight as compared to the conventional method of tube manufacturing and provide better strength. By use of DFT method of tube production which uses exact strip width, the saving of material ranges from 2% to 10% in different sizes and thickness.

#### Advantages of Direct Forming Technology (DFT)

- Direct Material cost saving of 2% - 10%
- Customised sizes can be produced e.g. a customer can get his actual requirement say 96 x 48 instead of 100 x 50
- Great flexibility and possibility to modify the tube dimension without any forming roll change not only for standard sizes but also for non - standard sizes as well.
- Smaller quantities can be produced
- Enhances efficiency and reduces cost

*\*The examples mentioned above are indicative only.*



## FROM THE CHAIRMAN'S DESK



“

OUR FOCUS ON CAPACITY UTILISATION, GAINING MARKET-SHARE, BRANDING, STRONG DISTRIBUTION, BETTER MARGINS AND THE ENHANCEMENT OF SHAREHOLDER VALUE-CREATION REMAINS UNINTERRUPTED. WE ALSO FORESEE THE CONTINUATION OF A STRONG DEMAND FOR OUR PRODUCTS AS THEY HAVE BECOME A HOUSEHOLD NAME.

”

## Dear Shareholders,

The world is standing on the brink of climatic catastrophe! The increase in global carbon emission is choking Mother Nature. Though several factors like higher carbon footprint, greenhouse gas and industrial effluents are adding to the woe, yet, till date deforestation remains one of the potent reasons for turning the planet into a gas chamber. We, at APL Apollo, have taken cognizance of this situation since the days of our inception and have intertwined the concept of a green planet into our operations by manufacturing environment-friendly products that take away the immense pressure from trees. Going ahead with our belief in promoting a sustainable planet, we bring to you yet another annual report that promulgates the idea of 'Save Trees: Use Apollo' and summarises our achievements and the year as a whole.

In 2017, the global economy grew by 3.8%, its highest level since 2011. This momentum is expected to continue with a favourable market sentiment and accommodative financial conditions. The International Monetary Fund (IMF) predicts the World GDP growth rate to strengthen to 3.9% in 2018 and 2019, as per the April, 2018 edition of the World Economic Outlook. The Indian economy grew at 6.7% in 2017 and IMF forecasts it to grow to 7.4% and 7.8% in 2018 and 2019, respectively. With the Indian government's focus on 'Make in India', investments in infrastructure combined with the rising disposable income there exists an evident sign of further growth. Moreover, the implementation of the Goods and Services Tax (GST) is all set to further accelerate the manufacturing activities and will have a positive impact on the overall economy in the long run.

According to the estimate, the domestic steel industry contributes more than 2% of GDP with steel pipes being one of the fastest growing industries across the globe. India leads in the production of Electric Resistance Welded (ERW) steel tubes, which are predominantly meant for engineering purposes. These products continue to be in demand since they are the basic requirement of infrastructure, housing, construction and automobile industries. At present, the domestic production of ERW pipes amounts to nearly 10 million MTPA and the sector is slated for a growth of about 8%-10% CAGR through FY19.

Despite the challenging macroeconomic environment during this fiscal year, our sales volume grew by 21%. It seems, contributions from the hollow section have led to this growth. Additionally, our focus on innovation and

continuation of technological advancements have led us commission 6 DFT lines in our existing plants in FY18. The products from these DFT lines are technologically advanced and highly customizable, which can be used in varied sectors like Construction and Infrastructure, Solar, Automobile and Telecommunication.

Our focus on capacity utilisation, gaining market-share, branding, strong distribution, better margin and the enhancement of shareholder value-creation remains uninterrupted. We have planned to commission another 2 lines across the existing facilities of Sikandrabad and Hosur in the first half of FY19. The Company is looking at a total installed capacity of 2 Million MTPA, when all 8 DFT lines become operational. We also foresee the continuation of a strong demand for our products, as our brands have become a household name. Thanks to our marketing efforts that have yielded good rewards. The use of solar power, in a way, has helped us in cost optimization and improved our plant's efficiency.

With these bright factors, we are confident that your Company will continue exhibiting a good growth rate in the value creation. We have a team of committed employees, who are one of the most important stakeholders of the Company. Due to the hard work and dedication of the team members, we are able to achieve these stellar results. I would like to thank our employees for their dedication and putting in their best efforts that have helped us become a leading market player.

On behalf of the entire Board, I take this opportunity to thank all our customers, bankers and vendors who have supported us. I am also thankful to the Board for their insights and guidance that has helped the leadership team in driving this success. Above all, I express my gratitude to the shareholders of our Company without whose support and trust, we could not have been where we are.

Looking forward to furthering such great progressive results in the times to come...

Yours Truly,

**Sanjay Gupta**  
Executive Chairman

# INTERVIEW WITH THE MANAGING DIRECTOR



When it comes to business policies and user experience, APL Apollo Tubes Ltd. has exceeded all expectations. The Company's focus on delivering quality products and creating a superlative brand statement has made it an undisputed Czar of the steel pipe industry in a relatively short span of time. Mr. Ashok Kumar Gupta, MD & Executive Director, reveals about the Company's performance, hopes, vision and its future plans...

## How has FY18 shaped up for the company?

Despite the recent market volatility, declining valuations, fluctuation in the exchange rate of dollars and spike in crude oil prices, the year as a whole was positive one. We exceeded our expectations by achieving the volume growth of 21% over the budgeted target of 20%. Precisely, few developments like the implementation of Goods and Service Tax (GST) at home, volatility of oil, steel and dollar prices, did have an adverse effect on the market sentiments, but based on our robust product, services and policies, we managed to maintain a positive growth trajectory and earn a good EBITDA margin.

## Kindly elaborate on your product portfolio. How well do they appeal to the market?

Our products are manufactured in a wide range of types, shapes and sizes, including normal rounds, galvanized rounds, square, rectangular, hollow sections and pre-galvanized. Given the growing Indian economy, our

products have witnessed a robust growth in the demand and helped us increase our customer base. We cater to a gamut of industrial and developmental sectors like construction, infrastructure, furniture, automobile sector, building materials and many more. Moreover, I feel a continuous focus on innovation and technology has helped us evolve and align ourselves with the ever-evolving customer's demand.

## In what ways are you improvising and value-adding? Do you customize your products to keep them in sync with the changing consumer's taste?

For us, customers are the focus of service management. Therefore, we line up our systems and policies accordingly. Our emphasis is on giving our patrons a delightful experience and we are always looking for ways and means to improve the user experience. Whether it is about augmenting the product mix or increasing the number

of products, we manufacture and supply products with a short lead time.

We always keep in mind the comfort quotient of our customers and see to it that they can handle the APL Apollo Products with ease.

### Looking ahead, what are the top 3 business priorities for APL Apollo?

At APL Apollo, customers are at the core. Therefore, all our efforts are directed towards them. We have chalked out 3 business priorities, which will help us further fortify our position in the market:

- a. **The customer:** We are making efforts to increase and improve the user experience, be it servicing their requirements or improving the product portfolio and the lead time.
- b. **Build a better brand:** With the customer engagement increasingly becoming popular in the brand building process, we have incorporated all the latest technologies and communication tools in our system that will help us communicate with the consumers and brief them about the benefits of our products better. However, to run the course and create brand awareness, we would be focusing on effort and capital investment.
- c. **Sustainable business:** We are centered on a sustainable business model. In order to achieve this goal, we have emphasized on strengthening all the systems in such a manner that the operations, the growth trajectory and the margins can be made viable for a longer period of time. Until now, we have exhibited a growth rate of 20- 25% p.a., which has led to a significant increase in volumes. However, the challenge lies in ensuring the fact that such volume growth, does not lead us into a difficult situation. To avoid such a circumstance, we would be concentrating on building strong systems and a robust team that would ensure, in the times to come, that the Company sustains its growth, in the path it has chosen for itself, despite the ever-growing competition.

### What steps have you taken to improve and protect your margins?

It is a competitive industry wherein the focus of attention has to be on enhancing the desired and perceived value for the stakeholders. In order to keep the pace, we are broadening our product mix, creating a better brand value and also trying to service some niche segments like attempting to go in for solar power and large section pipes, focusing on special purpose hollow sections, and their shapes and profiles. Servicing the niche segment should help us increase our margins. As far as cost - effectiveness is concerned, currently; we are already one of the lowest cost producers in the industry and will try to ensure that this lead is maintained.

### How has GST impacted the industry?

Overall, GST has proven to be positive in two ways:

- a) Some of the double taxation prevalent earlier stands withdrawn.

- b) Some of the people, who were earlier not entirely tax compliant, are mandated to be fully compliant. This has resulted in lowering and creating a healthy competitive environment.

### Are we seeing any consolidation or dying out of smaller players?

Consolidation is perhaps happening on a continuous basis. The larger and organized players are increasing their capacity and production. As a result, smaller players are not growing or reducing their output.

### What are your plans in terms of enhancing utilization and capex?

We are serious about already increased capacity, therefore, we are working on optimum utilization by focusing on CAP that involves reaching new customers, new areas and introducing new products. In terms of new customer, we are emphasizing on OEMs, exports, East India and trying to make our presence felt pan India. As far as CAPEX is concerned, we have enhanced our capacity from 1.3 Million MTPA to 1.75 Million MTPA and now the focus is to achieve the utilization level up to 85-90% of the capacity in coming years. Once we reach 85%, we will think about additional capex.

### What is your vision for the next 3 years? Where do we see the Company heading?

Our Company already occupies the number 1 position in terms of volume. From now on, we would like to be the lead player in all aspects, including pricing, offering, servicing and customer delight. All these factors would make us sustainable. So, our aim is to become the best in the industry.

### How much focus have you placed on OEMs and Export?

A lot of effort is being placed on the OEMs and Exports in order to make sure that we get a significant share in the export and OEMs market. There has been growth in both the segments and we expect more growth in the times to come. Hence, we believe that we are moving in the right direction and shall continue to achieve more.

### Please elaborate on the growth drivers in the domain.

With the growing awareness about environmental conservation, there has been an increase in the frequency of use of pipes. Pipes, in many ways, are replacing wood, concrete and other building materials. There is also a limited availability of wood in the market due to strict environmental norms. Pipe, being a good substitute of wood, is going to see a surge in its demand. Our business is sustainable in nature and there are a very few organized players in the domain. We being the largest among the competitors, focusing on providing a better consumer experience, expect that our growth path is going to be viable.

### How has the balance sheet fared this year?

Our system ensures that we do not increase our debt significantly. So, our receivables continue to be in the range of 25-30 days normally and our inventories are limited. Most of our expansion plans are financed through our internal accruals, which supports us by funding our growth opportunities.

# BOARD OF DIRECTORS



**Shri Sanjay Gupta**  
Executive Chairman

Shri Sanjay Gupta has around 21 years of experience in diverse steel industry segments. Under his visionary and dynamic leadership, the Company has evolved and developed from a steel tube manufacturer into a global leader of branded steel products. He has inherited the excellent entrepreneurship skills from his father late Shri Sudesh Gupta and under his leadership the Company continues to grow exponentially towards becoming an organization of international repute.

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**Shri Ashok K. Gupta**  
Managing Director

Shri Ashok K. Gupta holds a Master's degree in Physics and completed his PGDBA from AIMA. He is an industry veteran with over three decades of experience in working in critical management positions in reputed organisations like SAIL, Jindal, Bhushan Steel and L.N. Mittal Group etc. He has been the driving force for propelling the growth engine and yielding profitable results for the Company.

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**Shri Vinay Gupta**  
Director

With 18 years of industry experience, Shri Vinay Gupta has in-depth knowledge in manufacturing and trading of pipes, tubes, sheets and other varieties of steel products. He has been assigned with the responsibility of driving the Company's pre-galvanized and international market businesses.

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**Shri Romi Sehgal**  
Director

Shri Romi Sehgal has made an excellent contribution to the Steel and Tubes Industry for more than three and a half decade, right from designing and manufacturing of Tube Mills to putting up Greenfield projects, successful commissioning of the 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.

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**Ms. Neeru Abrol**  
Independent Director

A chartered accountant by profession, Ms. Abrol has worked for 27 years with SAIL at various critical management positions comprising in-depth knowledge of the steel industry and its work flow. She is also the former chairperson and managing director of National Fertilizers Ltd. Ms. Abrol is currently serving as Director at TCNS Clothing Co Limited, Talentnomics India and several more companies.



**Shri Anil Kumar Bansal**  
Independent Director

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



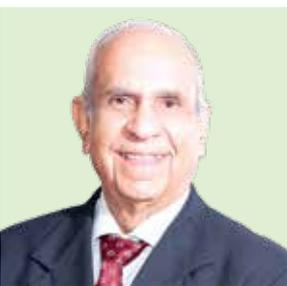
**Shri Abhilash Lal**  
Independent Director

A mechanical engineer and postgraduate from IIM Bangalore, Shri Abhilash Lal has 30 years of professional experience in senior roles across financial services, including banking, consulting, real estate and private equity. His diversified experience spans business development, strategy, advisory and operations.



**Shri Virendra Singh Jain**  
Independent Director

Shri V.S. Jain has completed his assignment as a member of Public Enterprises Selection Board (PESB), which has been set up by the Government with the objectives of evolving a sound managerial policy for central public sector enterprises and to advise Government on appointments to top management posts at the Board level. In the past, he has served as the Chairman of Steel Authority of India (SAIL) and held the post of Executive Director of Indian Oil Corporation (IOC). He has also served as an independent director on the Boards of Rashtriya Ispat Nigam Ltd., Essar Oil Ltd., and National Multi-Commodity Exchange of India and is presently on the Board of Dalmia Bharat Ltd. He is a fellow member of the Institute of Chartered Accountants of India as well as the Institute of Cost Accountant of India.



**Shri S T Gerela**  
Independent Director

A graduate in law, CAIIB and Masters in Arts, Shri S.T. Gerela is associated with various regulatory authorities such as SEBI, RBI and BSE including many others. He has an extensive experience in capital markets and fields like banking, regulatory affairs management, administrative and investor relations. He is also a member of various committees, study groups and delegations constituted by the government and semi-government authorities. He has authored several articles, research papers, books on the capital market and economic affairs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC REVIEW

### Global Review

The global economic activity posted a growth of 3.8% in 2017, according to the World Economic Outlook report published by the International Monetary Fund (IMF). Positive developments in Europe and Asia spurred growth in both Advanced Economies (AEs) and the Emerging Markets and Developing Economies (EMDEs). Going ahead, the global economy would continue to grow at this rate, backed by the prospects of favourable financial conditions across the globe and a spurt in demand in export-focused economies. In the United States, higher expected external demand, the prospective tax reforms and policy changes are likely to boost growth. On the flip side, correction in financial markets and restrictive policies might act as a dampener on the global financial market. In 2017, the US economy recorded a 2.3% increase in GDP. Going forward, the IMF pegs growth in EMDEs and AEs at 4.9% and 2.3%, in 2018, respectively. According to IMF, the global economy is expected to grow at 3.9% in 2018.

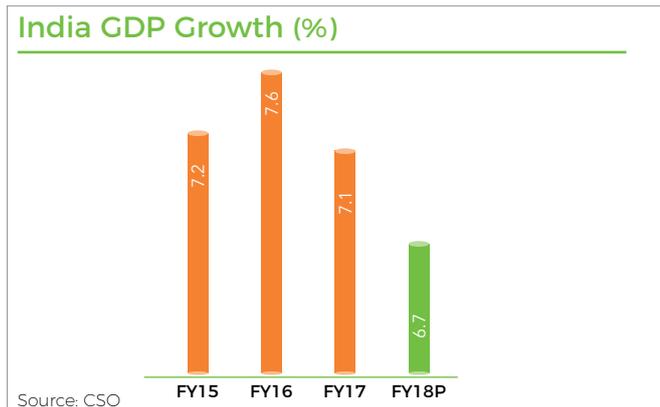


## Indian Economy

After clocking a growth of more than 7% for three consecutive years, the Indian economy witnessed a slowdown in FY18, according to the provisional estimates by the Central Statistics Office (CSO), May 2018. As per CSO estimates, the Indian growth slowed down to 6.7% during FY18. However, in spite of a lower than estimated economic growth in FY18, India's GDP growth aggregates to 7.3% between FY15 and FY18, ranking the highest among global economies on account of positive factors, such as low inflation, enhanced current account balance and a steep fall in the fiscal deficit-to-GDP ratio.

The Indian currency depreciated marginally to the US dollar to Rs 65.12 during FY18, on the back of upbeat macroeconomic factors, such as reduced current account deficit, healthy foreign reserves and lower inflation.

The Union Budget 2018-19, underlined the need to boost the agricultural sector that will provide the rural economy a fillip and also emphasised on other priorities, such as the provision of critical healthcare facilities to the underprivileged, enhanced infrastructure for an improved connectivity and improvement in the quality of education.



## STEEL: ON ITS METTLE

Steel forms an integral part of a country's development process. With the ever-increasing need for providing better facilities and infrastructure in developing economies, the demand for steel is all set to rise in the years to come.

While the steel industry is gearing up to meet this rising demand, it also needs to prepare for the challenges on the horizon. In an increasingly challenging environment of today, there is a need for more durable metals that can stand the test of environmental stress. Several research and development initiatives by the industry have helped steel makers develop better generations of steel, which assist manufacturers and builders in implementing both durable and lightweight designs.

As for steel, the metal itself is unique in terms of its durability, formability and the ease with which it can be put to innumerable applications. There is some steel in every part of our lives. Human life has now become dependent on the metal to a fairly large extent. Everything



– from our houses to our offices, our vehicles and all other infrastructure that we use for work or play entails the use of this versatile metal. Even for our future goals - address issues of climate change, population growth, poverty, water distribution and renewable energy are invariably dependent on the applications of steel.

## Global Steel Industry

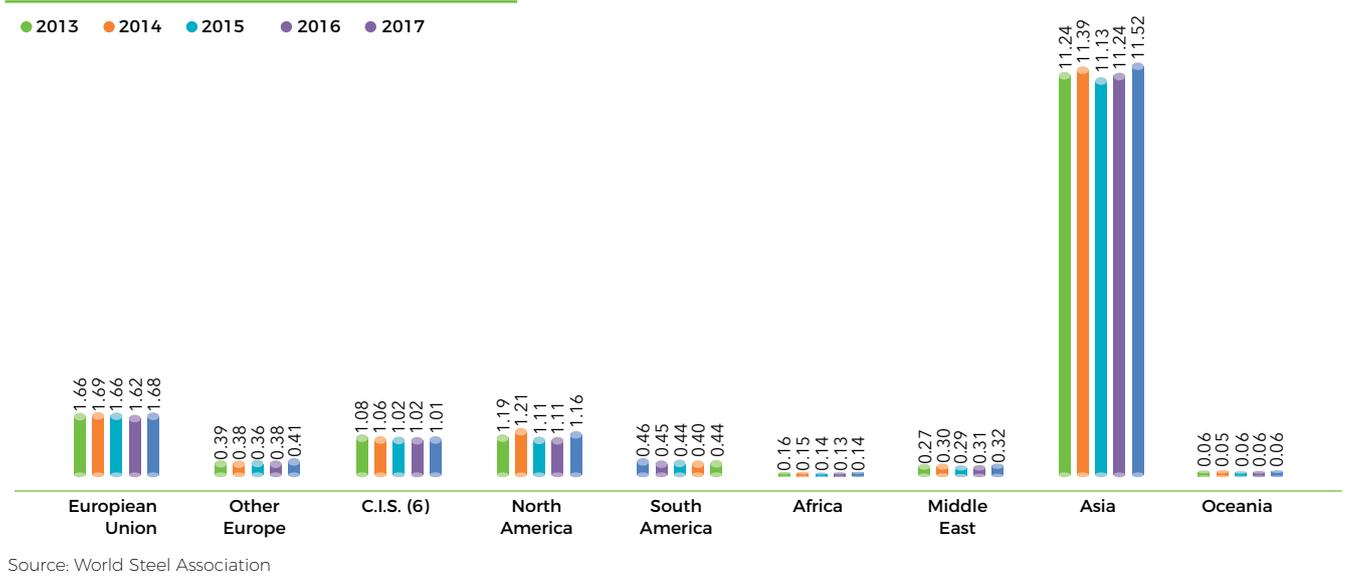
Globally, the steel industry has undergone enormous changes over the last 35 years. According to a report by Deloitte, 716 million tons (MT) of steel was produced in 1980, with the leading producing nations being the USSR (accounting 21% of the total global steel production), Japan (16%), the USA (14%), Germany (6%), China (5%), Italy (4%), France and Poland (3%), Canada and Brazil (2%).

If we look at the present scenario, the top steel producing nations have changed significantly. China has emerged as the largest producer of the metal, racing far ahead of other countries – accounting for 60% of the entire steel production across the world. Other top ten countries following China in terms of steel production are Japan (8%), the USA and India (6%), South Korea and Russia (5%), Germany (3%), Turkey, Brazil and Taiwan (2%). Apart from China, other nations that have made their way to the list of top 10 steel producers are India, South Korea, Brazil and Turkey.

According to the World Steel Association (WSA), the global production of crude steel in 2017 increased by 2.8%, over the previous year's 1,672.89 MT. All regions reported an increase in crude steel production except the Commonwealth of Independent States (CIS) region, where production remained stable (subject to current estimates).

In China, the government is taking proactive steps to shut down capital-intensive units with the mounting losses. Small producers are also falling apart as they fail to comply with the new, stringent environmental

## Production of Steel



norms. Over the past two years, China has phased out 115 MT of capacity, and is expected to further reduce its production by 30 MT in 2018.

## Production of Steel

The World Steel Association (WSA) which collects crude steel production data, amassed statistics from 64 countries and the data revealed that the nations accounted for nearly 99% of the world's total crude steel production during 2017. Additionally, the association also collects blast furnace iron production data (BFI) from 38 countries, which revealed that they accounted for nearly 99% of the total world blast furnace iron production during 2016. Besides, around 14 countries

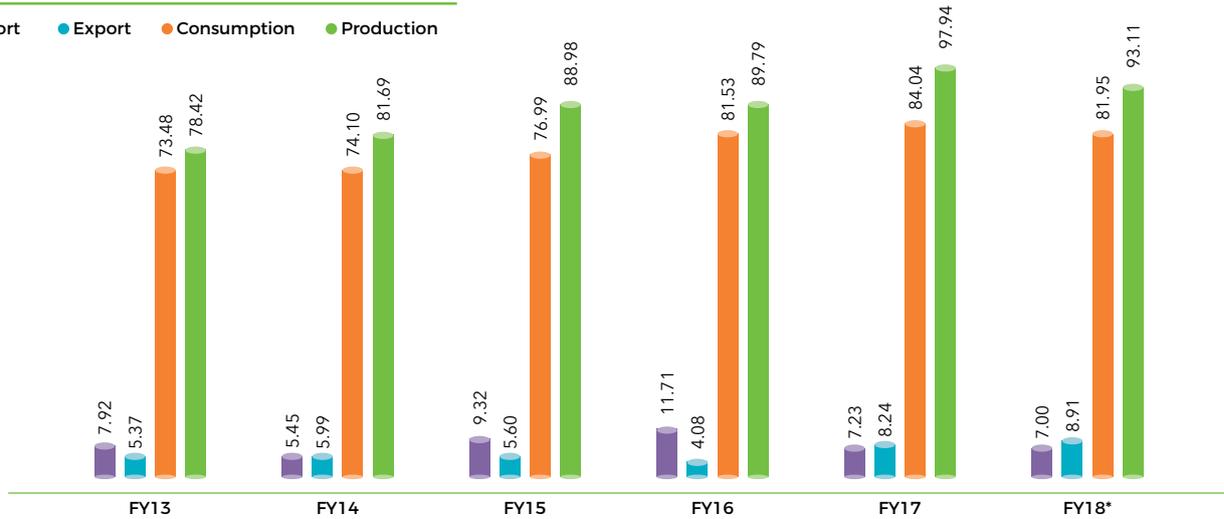
reported a direct reduced iron production every month. These 14 countries made up for around 85% of the total world direct reduced iron production in 2016.

Coming to Asia, the annual production of crude steel amounted to 1,152.13 MT in 2017, clocking a rise of 2.5% over the previous year. China reported a 5.7% year-on-year (y-o-y) increase in its crude steel production in 2017 at 831.7 MT. In terms of total world crude steel production, China's contribution increased to 49.2% in 2017 from 49% in 2016. Japan, on the other hand, reported a slight decline of 0.1% (y-o-y) in crude steel production at 104.7 MT in 2017. India produced 101.4 MT of crude steel in 2017, 6.2% higher than the previous



## Production, Consumption, Import and Export of Steel

● Import ● Export ● Consumption ● Production



Source: Joint Plant Committee and Annual Report of Ministry of Steel, Government of India

year, while South Korea's crude steel production for 2017 was 71.1 MT, up by 3.7% over 2016.

The EU (28) reported 4.0% higher production of crude steel at 168.4 MT in 2017 as compared to 2016. Italy's crude steel production was 24.0 MT, an increase of 2.9% over 2016, while Spain posted a 6.2% gain in crude steel production, at 14.5 MT in 2017.

In North America, the production of crude steel was up by 4.6% in 2017 over the previous year at 115.8 MT, while the US reported 81.6 MT of crude steel production during 2017, a gain of 4.0% over 2016.

For South America, crude steel production data showed a hike of 8.6% (y-o-y) at 43.7 MT in 2017. Brazil's production of crude steel was also high at 34.4% up by 9.9% in 2017 as compared to 2016.

As for the CIS region, crude steel production remained unchanged at 100.6 MT in 2017 when compared to the last year's figures. Russia reported 1.3% higher production of 71.3 MT of crude steel in 2017 as compared to 2016, while in Ukraine, the production was about 6.4% down at 22.7 MT.

### Demand of Steel

According to the Short Range Outlook (SRO) released in April 2018 by World Steel Association, the global steel demand will reach 1,616.1 Mt in 2018, an increase of 1.8% over 2017, while in 2019, it has been forecasted to grow by 0.7% to reach 1,626.7 Mt.

Steel is all set to greatly benefit from the favourable global economic scenario in the next couple of years, as there would be high confidence and further strengthening of recovery in investment levels of the advanced economies. It seems steel demand in both developed and developing economies is expected to show sustained growth momentum, with risks relatively limited on the back of better world economic scenario.

Nevertheless, the possible adverse impact from rising trade tensions and the probable US and EU interest rate movements could have an adverse impact and wear down the current momentum.

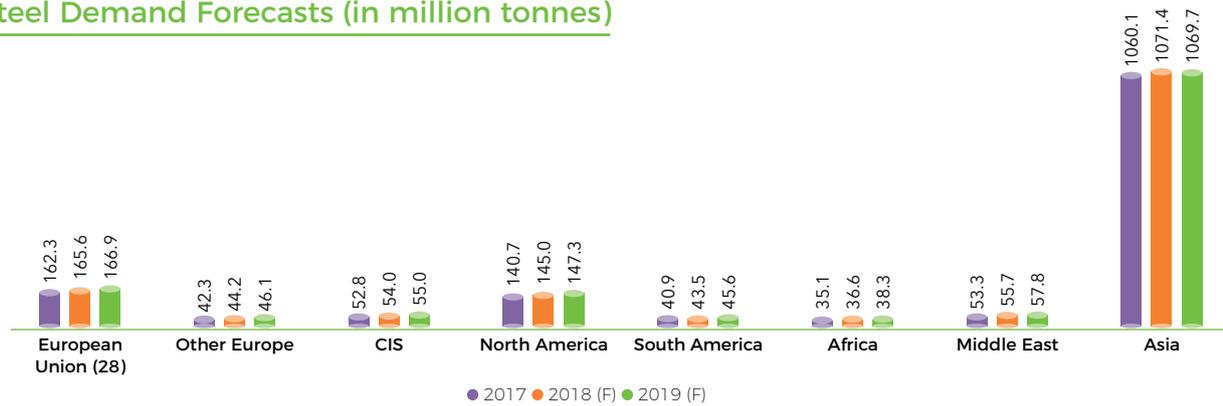
It may be noted that the upside and downside risks related to this forecast are mostly balanced. On the one hand the high confidence, strong investment levels and a recovery in commodity prices are generating a virtuous cycle for steel demand globally - both in developed and developing economies in 2018, on the other hand the year 2019 will witness a mild slump due to further deceleration in China and much weakened investment momentum due to higher interest rates.

Some of the most evident obstacles would be escalation of trade tensions, rising inflationary pressure and tightening of the US and EU monetary policies. All these may end up causing financial market volatilities and create problems for the highly indebted emerging economies.

In the case of China, the country is all set to return to deceleration trend. Though in 2017, construction activities witnessed a mild boost due to the support of the Chinese government, investment happened to decelerate and steel demand exhibited only a moderate increase despite the stimulus.

China's GDP in 2018 and 2019 is expected to decelerate slightly. With the government focusing on shifting the growth driver towards consumption, investment is all set to take a hit and decelerate further. The demand for steel is expected to stay flat in 2018, while in 2019, it is forecasted to further shrink by 2.0% with a further slowdown in construction activity. However, in the manufacturing sector, the machinery sector has been estimated to maintain a positive growth on the back of a strong global economy while automotive and home appliances are expected to decelerate.

## Steel Demand Forecasts (in million tonnes)



As compared to the developing economies, the steel demand in the developed world is expected to increase by 1.8% in 2018 and decelerate to 1.1% in 2019.

Interestingly, the outlook for steel demand in the US remains robust on the back of the strong economic fundamentals, strong consumption and investment due to high confidence, rising income and low interest rates. A low dollar and increasing investment is supporting the manufacturing sector wherein the rising housing prices and steady non-residential sector growth point to a healthy construction sector. Although, the recent tax reform is further expected to boost steel demand through its positive impact on investment, there are concerns about a conceivable overheating of the economy. However, the announced infrastructure plan will not affect the demand for steel in the short-term.

With the EU economy developing a strong momentum with broadening recovery across countries, the outlook seems to be positive. Investments are expected to remain a major growth driver while low inflation, wage and real income growth will support private consumption, prompted by robust domestic and external demand. In addition, steel demand will also surge due to a pickup in non-residential construction and strong manufacturing activities.

In the emerging and developing economies the steel demand is expected to grow by 4.9% and 4.5% in 2018 and 2019 respectively.

Moreover, the recovery in oil and commodity prices has improved the outlook for MENA countries and if the geopolitical stability is achieved, steel demand outlook for the region could further improve as a result of reconstruction activities.

The Indian economy is stabilising from the impact of currency reform and GST implementation and steel demand is expected to accelerate gradually, mainly driven by public investment. Stronger growth is withheld by still weak private investment.

Steel demand in ASEAN-5 countries dipped in 2017 due to slow construction activity and destocking. In 2018/19 however, steel demand is expected to regain the growth

momentum, backed by infrastructure investment.

## Domestic Steel Industry

The domestic steel industry has played a crucial role in the economic development of our country, contributing more than 2% of India's GDP and employing nearly 25 lakh people in the steel and allied industries. In FY17, the production for sale of total finished steel (alloy/stainless+ non-alloy) was at 101.805 MT as compared to 81.681 MT in FY13, posting a compounded annual growth (CAGR) of 6%.

India exported 8,243 MT of total finished steel (alloy/stainless + non-alloy) in FY17 as compared to 5,368 MT in FY13. On the other hand, imports of total finished steel (alloy/stainless + non-alloy) - were 7,227 MT compared to 7,925 MT in FY13. The country became a net exporter of the total finished steel in FY17 as well as during April-February FY18. The domestic actual consumption of the total finished steel (alloy/stainless + non-alloy) grew at a CAGR of 3.4% over the last five years, from 73,483 MT in FY13 to 84,042 MT in FY17. The crude steel production was 97,936 MT in FY17, growing at a CAGR of 5.71% from 78,415 MT in FY13, largely driven by capacity expansion, which increased to 128,277 MT in FY17 from 97,024 MT in FY13. The capacity expansions have increased at a CAGR of 7% over the last five years.

The National Steel Policy 2017 has envisioned a 300 MT crude steel production per year by 2030-31, as compared to the present capacity of 100-120 MT. The policy came in the wake of minimum import duty (MIP) imposed by the government on certain steel products in addition to the anti-dumping duty imposed on products by China and the European countries.

The Ministry of Steel in its annual report 2017-18 has stated that during April-December 2017-18 (provisional; source: JPC) the production of crude steel was at 75,642 million tonnes, a growth of 4.8% compared to same period of last year. The companies like SAIL, RINL, TSL, ESSAR, JSWL & JSPL produced 43,534 million tonnes during the same period between 2017-18, which was a growth of 6.8% compared to the last year. The rest amounting 32,108 million tonnes was the contribution of the Other Producers, which was a growth of 2.1%, compared to last year.

As far as the total finished steel (non-alloy + alloy/ stainless) is concerned, the production for sale stood at 79.049 million tonnes, which was a clear growth of 5.3% compared to the last.

Exports also saw a growth of 52.9% and stood around 7.606 million tonnes, while imports stood at 6.097 million tonnes, registering a growth of 10.9% compared to last year. India proved to be a net exporter of total finished steel this year and the consumption stood at 64.867 million tonnes, a growth of 5.2% compared to last year.

## Steel Tubes and Pipes

Steel tubes and pipes are widely used in a range of applications in the construction, infrastructure, energy sectors and other industries. The electric resistance welded (ERW) steel pipes and tubes are specially meant for engineering purposes, and find applications across various sectors like agriculture, infrastructure, greenhouse projects, energy, power, automotive and construction, etc.

Steel pipes and tube manufacturing are among the fastest growing industries across the globe. India is among the leading ERW steel tubes manufacturing hubs in the world with the domestic demand levels of ~10 MTPA. Other countries that manufacture steel pipes and tubes include China, Turkey, Italy and the US. The demand is led by an increased consumption in housing infrastructure construction, automobile and energy sectors. Domestic ERW pipe industry to grow at ~10-12% CAGR through FY19 and the current market size is estimated at USD 5 bn.

The Indian steel tubes and pipes are preferred across the globe for their superior quality as well as low-costs and geographical advantage.

Going forward, an increased government thrust to boost infrastructural development and the "Make in India" initiative, smart cities, airports, new routes and gas pipelines are all set to propel the industrial growth in India. This would further boost the demand for steel and related products in the country.

## APL APOLLO

APL Apollo is the leading manufacturer of branded steel tubes in India. The Company enjoys a dominant market share, with a wide range of product offerings, spanning 1,000 product variants and has an eye for innovation to meet specific customer requirements. APL Apollo has adopted effective business strategies to make the most of opportunities and turn challenges into its favour.

### Pillars of Growth

#### Locational Advantage

- The Company is the only manufacturer with seven production facilities spread across the four main regions of the country, giving it a pan-India presence.

#### Extensive Reach

- With a view to increase customer base and create a strong market foothold, the Company has developed a strong three-tier distribution network to ensure that its products and services are easily accessed by its customers.
- APL Apollo has more than 650 distributors, 29 warehouses and 40,000 retailers located across the breadth and width of the country.
- Presently, the Company caters to 92% of the retail demand in nearly 400+ towns and cities.

#### Premium Quality

- APL Apollo products are manufactured in compliance with the major quality certifications, including ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007.
- A series of stringent quality tests are conducted to ensure that the end-product is of premium quality, meeting all the expectations of customers.
- The Company aims at improving the effectiveness and performance of its Integrated Management System by setting objective-driven targets to improve process work practices and minimize risks.



### Focus on Innovation and Diversification

- The Company has a diversified product portfolio of over 1,000 products and provides tailor-made products to its customers. This has acted as a key driver of its growth.
- Nearly 70% of the products are targeted towards niche customers and the competition is very less in the market.
- The Company has developed many new product designs like Elliptical Tube, Hand Rail and L Section, which have been duly patented.
- APL Apollo has to its credit eight patented products, which have resulted in benefits, such as higher profits, increased market share and an edge over the competitors.

### Cost Efficiency

- The Company has deployed cost-rationalization strategy across its entire business model and has undertaken several initiatives to optimize its cost structure. APL Apollo maintains a strong focus towards cost-effective product profile. The Company is the lowest-cost producer in the country and aspires to become a global low-cost player.
- The Company also enjoys a locational advantage because of its close-to-demand distribution-dealer-retailer network, which reduces the transportation costs.

- An increased usage of renewable (solar + wind) energy is expected to further cut-down on the electricity and maintenance costs.
- A strong focus towards cost-effective product profile.

## OPERATIONAL & STRATEGIC HIGHLIGHTS

- The first company in India to manufacture
- 300 mm x 300 mm square sections
- Entered into yellow goods, agricultural equipments and automobile segment
- Raipur plant (greenfield project) has been specially commissioned in order to target the Eastern market
- Launched four brands
  - Apollo Fabritech
  - Apollo Coastguard
  - Apollo Agritech
  - Apollo Bheem
- Commissioned 6 DFT lines (technology brought from Europe) across existing facilities of Raipur, Hosur and Murbad
- The Company will be commissioning another 2 lines across existing facilities of Sikandrabad and Hosur - translating to total installed capacity of 2 Million MTPA.



APL Apollo Tubes Limited has been awarded  
**India's best Company of the year 2017**

- DFT products are witnessing a successful run across business segments, especially OEMs and Exports markets
- Received “AA- Rating” for our long term debt from CRISIL, CARE and ICRA

The Company is focused towards the strengthening of the distribution network, which also acts as a retail hub across multiple states. With the help of this close-to-demand distribution network, the Company is able to improve its delivery speed more efficiently and enhance the overall customer service.

### New Initiative in Supply Chain Management

The Company is working towards building a competitive edge by taking new initiatives in supply chain management for which it has associated with the Vector Consulting Group. The key focus areas of the group is supply chain, operations and project execution capabilities. It is also working on implementation of the philosophy of ‘Theory of Constraints’ to streamline the process from raw material procurement to finished product deliveries.

The Theory of Constraints takes a scientific approach to improvement. It hypothesizes that every complex system, including manufacturing processes, consists of multiple linked activities, one of which acts as a



constraint upon the entire system (i.e. the constraint activity is the “weakest link in the chain”).

The Five Focusing Steps involved in the process are

- Identify
- Exploit
- Subordinate
- Elevate
- Repeat

By identifying and working on these bottlenecks, it will help the company bring about a measurable improvement with regards to reduction in delivery times, enable higher service levels and on time deliveries.



The Company recently added two new warehouses, taking the total number of warehouses to 29. The Company is also boosting its local market presence through better tie-ups and engagements with the distributors, dealers and retailers.

### Product and Segment Performance

APL APOLLO is a market leader in manufacturing ERW pipes and has adopted the latest technology and done a wide market expansion. It has also added a wide-range of product category and is distributing them through a three-tier supply chain. The product-wise revenue break-up and revenue margin of each category for FY18 have been represented below:

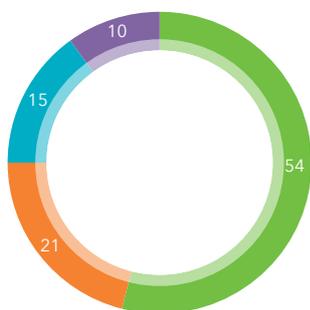
Product	Volumes Sold (MTPA)	YOY (%)
Hollow Section	613,667	29%
Pre-Galvanized Tubes (GP)	241,188	28%
Galvanized Tubes (GI)	111,350	-5%
Black Round Pipes	164,100	33%
<b>Total</b>	<b>1,130,305</b>	<b>21%</b>

During the year, the Company clocked a 18.5% of year-on-year gain in production volume (excluding trading & scrap), at 11,11, 414 MTPA compared to 9,37,896 MTPA in FY17.

The overall volume growth was largely driven by an enhanced focus on value-added products, exports, OEMs and the new markets. The Company also reported a healthy sales volume growth in GP and hollow sections, during the year.

## Sales Volume Break-up – FY18 (%)

● Hollow Sections ● Pre-Galvanized Tubes  
● Black Round Pipes ● Galvanized Tubes



In the GI segment, upgradation and modernization of the Company's GI facilities, during the year, impacted GI volumes. However, the Company expects to see the volumes improving in the GI segment in the year ahead.

### Key Highlights:

- APL Apollo's product portfolio consists of a wide range of products, with nearly four times the product basket of its closest competitor.
- The Company has many firsts to its credit. It has been a pioneer in introducing a host of innovative products to the domestic markets, including colour coated pipes, pre-galvanized pipes as well as the latest global technologies - like DFT.
- APL Apollo has won patents for its innovative design in eight of its products.
- To improve the aesthetics of its product range, the Company has also adopted the latest imported packaging technology

## FINANCIAL REVIEW

APL Apollo registered a robust year-on-year growth of 25% in its total net revenues, during FY18 at ₹ 5,472 crore. The sales volume also ticked higher despite the challenging macroeconomic conditions, such as a recovery in domestic consumption coupled with good performance in the OEMs and Exports segments, and penetration in the new markets. Notably, realizations across all the Company's product categories increased in lockstep with steel prices as the Company passes on any change in steel prices directly to its customers.

The Company's EBITDA, during FY18, stood at ₹ 379 crore. The Company has restated EBITDA figures for the previous year as per the new accounting standards of Ind AS. As such, the year-on-year comparison for FY18 is reflective of the one-time adjustment in the corresponding period of last year on account of the IndAS migration. Going ahead, the Company continues

to focus on improving operational efficiencies and implement cost-rationalization measures.

Depreciation in FY18 was up by 5% (year-on-year) at ₹ 53.41 crore on account of commissioning of new capacities during the year. Looking ahead, the Company expects depreciation to increase marginally in the coming year with additional capacities expected to go on-stream.

The interest cost increased by 13% y-o-y to ₹ 81.30 crore during the year in review. The Company procured a greater proportion of raw materials from overseas owing to favourable raw material prices in the overseas market as well as due to the growing traction in the export segment. This caused a temporary build-up in inventories, which in turn, raised the Company's interest payout during the year. The interest costs as a percentage of sales (Interest Cost/Sales) declined to 1.5% in FY18 as compared to 1.6% in FY17.

The Profit Before Tax (PBT) in FY18 grew by 13% year-on-year to ₹ 244.34 crore, while Profit After Tax (PAT) grew by 4% year-on-year to ₹ 158 crore. The tax expenses, during the year, increased by 35% year-on-year to ₹ 86.21 crore. The Company's Income Tax payout for FY17 was lower on account of an investment allowance benefit received under the Income Tax Act. However, this has been normalized now and the Company's effective tax rate in FY18 stands at 35% as compared to 30% in FY17.

## INFORMATION TECHNOLOGY

GST Implementation was the biggest activity for all businesses in the year. The Company did GST enablement all in-house and the business was up on the 1st of July itself. All the relevant business reports were modified accordingly.

Deployed FIORI Apps on HANA for the continuity of Business on Mobile. Customers and Sales Heads started getting updates on their Mobile regarding the status of Sales Orders and their A/cs. Enhanced internal Controls based on the inputs from Auditors and Management team. The Company rolled out SAP at the new Plant at Raipur.

## RISK MANAGEMENT

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

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

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

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

**Mitigation:** As part of its strategy, the Company has established its presence across the country, in close vicinity to distributors, dealers and suppliers. This helps the Company reduce its transportation cost and increase profit margin. The Company also looks for an optimum utilisation of infrastructure spend, evenly spread evacuation of the plant and material handling costs.

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

**Mitigation:** The Company invests in research and development to create a diversified product offering. The Company has been a forerunner in adopting state-of-the-art technology like DFT for customized products. The Company also takes various initiatives, such as effective management of vendors, operating procedures, training, equipment maintenance and Risk Policy insurance.

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

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

**Environment Health & Safety:** The Company can face the problem of excess emissions, discharge of waste, occupational disease, structural instability or operator negligence causing, accidents, and security risks that can affect the life, property, operations, environment & regulatory compliances.

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

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

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



## HUMAN RESOURCE

At APL APOLLO, employees are considered as the most important asset. The main objective of the 'People Team' is to keep all the employees engaged and motivated towards achieving the Company's strategic objectives. The Company's HR Policies and processes encompass the entire organizational life-span of its employees. With a view to ensure smoother and reliable HR services, all the systems, including HR master database, leave and time management as well as payroll has been IT-enabled.

### HR Initiatives:

- a) The Company has given a mandate to KPMG for overall HR process transformation and implementation. They have successfully completed the diagnostic study and started work on its Implementation. The value drivers for this transformation are knowledge and core competencies.

The essential elements of this organisational transformation were:

- Structure

The arrangement and inter-relationships of parts in the organisation

- Capabilities

To gauge the capabilities of team members to deliver excellence

- HR Processes

The methods / procedures followed to produce desired performance results from the team members

- Systems

The methods to control and measure the processes

The next steps for implementing the improvements for organizational transformation are:

1. Organization Diagnostic: This includes project set up, as-is study, visioning workshop and diagnostic report.
2. Organization Design: This includes organization restructuring, performance score cards and KPIs, workforce planning, job description and job evaluation.
3. Talent Management: This covers competency framework, PMS redesign, L&D framework and Talent Acquisition framework.
4. Reward and Policies: Rewards and polices are based on compensation restructuring and HR policies and processes.

### b) HR Apke Dwar - Adrenalin Management System

- Adrenalin is a web based HR Management software.
- It is accessible to every employee with self-services feature.
- It automates routine HR & Employee process.
- It is a fast implemented process.

All the leaves, attendance, organization reporting structure and the pay roll related functions happen through the Adrenaline Management System across the group.

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





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

- d) Training & Development:** The Company conducted training for its entire sales force at one of the most premium colleges of the nation, IMT Ghaziabad with theme "Effective Selling Skills". Its duration was of 2 days.

Additionally, crash training modules on safety, skill enhancement productivity, Kaizen and 5s models is also imparted across all the manufacturing plants.

'Sales & Capacity Enhancement' - A two day workshop was conducted by Multi Dimension Consulting for the PAN India sales team.

A company is much more likely to perform well and become successful; when their people work effectively as a team. The company held a workshop with association of Vriksh Consulting Pvt Ltd on theme "Discovering Power of Team Work". The Company also conducted a workshop on 'Sales Strategy' for OEM in an association with Win motive Consulting.

The Leadership team has been exposed training with IIMA and SOIL on "DESIGN & FUNDAMENTALS OF OPERATIONS MANAGEMENT" & "Leading self for happiness" respectively.

- e) Employee Engagement:** Employee engagement programs help in boosting employee morale and enhance productivity. Through recreational activities, the employees are able to get rid of work-related stress

and build a better bond with other team members and motivate themselves to achieve higher results.

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

## CORPORATE SOCIAL RESPONSIBILITY:

APL APOLLO, is committed to grow and operate its business in a socially responsible way. The Company's vision is to grow and expand its business by reducing the environmental impact of its operations and increasing the positive social impact. We believe in creating a better planet for the future generation and encourage increasing the green cover by planting more trees. We also feel that a sustainable future can be ensured only by addressing the issues like deforestation, air and water pollution. Our emphasis on reducing the environmental impact includes working on reducing our carbon footprint.

## INTERNAL CONTROLS

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

audit plan, verifies the adequacy of the internal control system, marks its audit observations and monitors the sustainability of the remedial measures.

Apart from this, the Company's internal control system are able to undergo self-assessment of all the applicable regulatory compliances and internal controls, including controls pertaining to the adherence of the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. After each such self-assessment by the process owner, the same is approved by his immediate superior, and is periodically reviewed and assessed by the Senior Management. The Company also conducts period internal audits to verify the accuracy of sample self-assessments.

## OPPORTUNITIES AND CHALLENGES

### Opportunities

- The Government of India's initiative, 'Make In India'
- Huge investment in infrastructure projects by the central government
- The Main focus on rural infrastructure via projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojna, Pradhan Mantri Awaas Yojna, Make in India etc.
- A decrease in the cost of production due to cheap labour and power
- Huge investment reserved by the Government of India
- National Steel Policy 2017 to boost the sector

- Increase in market share of the Company from the smaller unorganized players and this trend is expected to continue

### Challenges

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

## OUTLOOK

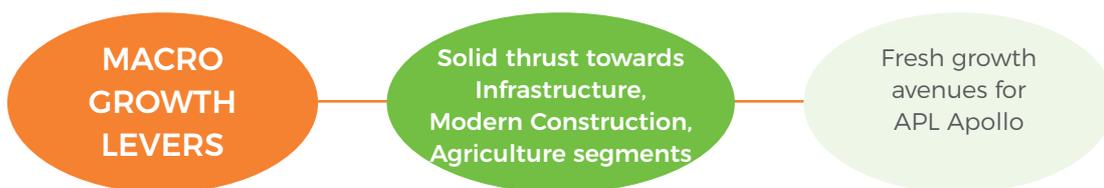
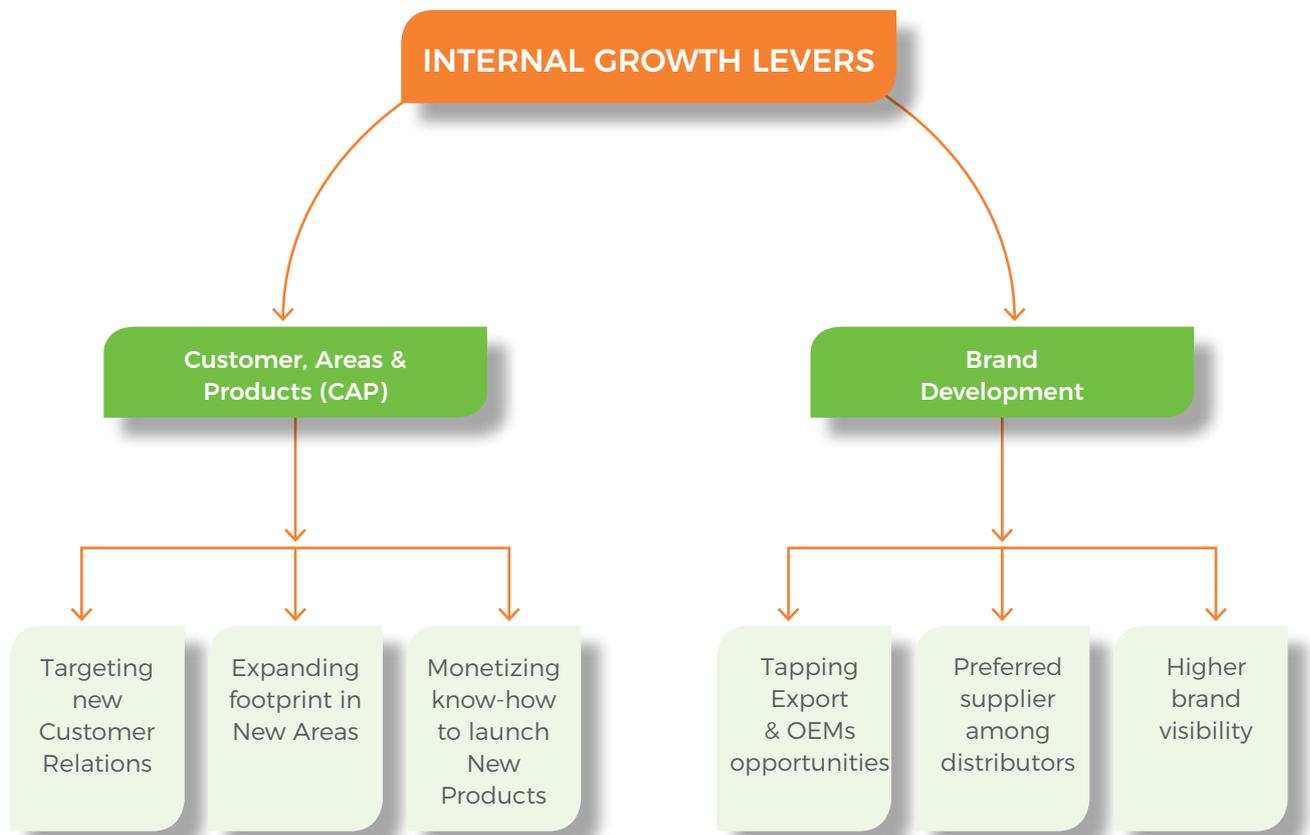
APL APOLLO has been charting a higher growth since its inception, and these levels of growth have been achieved through relentless efforts and focus on operational efficiency. Through a well-structured strategy of boosting capacity expansion, diversifying the product range, innovative technology, research, development and quality enhancement and enriched customer service, it has been able to take the Company to greater heights, achieving higher profit margins and revenues. Going forward, the Company has planned to expand its distribution network to penetrate further in remote locations and to reach out to the new customers in unexplored territories.

The Company will be commissioning another 2 lines across existing facilities of Sikandarabad and Hosur in the first half of FY19. With the commencement of all 8 DFT lines, the Company is aiming at a total installed capacity of 2 Million MTPA.

The Company encourages the participation of every stakeholder and has communicated the objectives with its employees internally so as to maximise its efforts in building higher value for all, including customers, shareholders, retailers and distributors.



## GROWTH STRATEGY



The 'APL Apollo' Brand Edge
Enhancing & Unlocking New Markets
Adoption of Latest Technologies
Niche Innovative Offerings
Cost Efficiency

# BRAND

The Company has a strong brand connect with its customers and in order to increase the brand awareness and create a pull in the market and its customers, the company is adopting several enhance brand development activities. Position APL APOLLO TUBES as the preferred brand in the steel pipes industry.

In order to do so, the company has outlined a two pronged strategy to increase visibility and strength of the brand 'APL APOLLO'. The organization is looking at building a strong perception of brand APL Apollo via Above the line and below the line activities (ATL & BTL):

- Objective of ATL is to strengthen the PULL strategy thereby increasing awareness and top of mind recall (TOMA) by targeting the relevant audience. Using different media vehicles such as
  - o Print, Electronic and Outdoor.
  - o Leveraging the new age media tool - Digital Marketing
  - o Market Research - review the current brand status in order to craft the brand strategy.



- Objective of BTL is to strengthen the PUSH strategy by engaging with the target audience at the right touch point using following platforms:
  - o Fabricator meets, across PAN India with the objective of connecting with fabricators on a mass level
  - o Mobile unit activity: mobile unit which goes right at the footstep of fabricators and conduct a personal contact program
  - o Exhibitions: targeting B2B exhibition in order to reach out to Architects and Consultant engineers
  - o Van activity for Galvanized pipes (GI): connecting the end consumer i.e. farmers in Tehsils and villages in order to build brand awareness

- o Design competition is being planned in tandem with Architects with the objective of increasing the engagement levels with the audience.

Organization is planning to tie up with one of the world's leading advertising agency. The agency will be designing the communication in terms of Print, Boards, Electronic and Outdoor apart from product brochures and other visual merchandising material.

As a part of the brand strategy, Digital media will be enhanced in order to have a one-to-one connect with the targeted audience. From marketing to sales to customer experience, digitization is transforming the way industry functions and unleashing opportunities not only in the Indian market but Globally as well. Digital capabilities will be significant in improving customer experiences.

The company has also introduced the following brands:



## Apollo Coastguard

Coastal market in India has been seeing a significant growth in the consumption of galvanized steel pipes primarily being used for the purpose of roofing structures providing shelter from rains and sunlight. There was a need gap existing in terms of the customer requirements & products available. Consumers wanted a rust proof product which can last for generations. By understanding the consumer needs we launched a product - Apollo Coastguard which is specially made for the coastal region. Apollo Coastguard filled in the need gap and provided the consumers what they want.

These pipes are made of special galvanized steel to provide excellent corrosion resistance against wind, water and road salts which means that these galvanized steel pipes are 100% rust proof pipes to last for generations. The rich interior coating of Zinc will help in protecting the rusting of pipes from the inside. And continuous 120 GSM hot dip galvanized coating enhances the life of these steel pipes providing durability and strength. Thereby providing consumers a product to suit their needs.



## Apollo Fabritech

DFT is the latest global technology in the field of steel pipes, used for making Hollow sections of superior quality and finish. The technology has been introduced for the very first time in India by APL Apollo Tubes. This technology, unlike conventional technologies, can form rectangular and square hollow sections of different sizes and thickness directly, thus translating into huge cost-savings and better productivity at both the Customer and Company level.

The innovation consists in the possibility to produce any tube in any size, included into the mill range, without roll change and in few minutes with an extreme reduction in set up time. Compared to traditional production process, this method is completely automatic and computerized.

Advantages of Direct Forming Technology (DFT)

- Direct Material Cost saving of 2% to 10% depending upon specifications, size and thickness.
- Corner radius are sharp, uniform and aesthetically looks good
- Odd sizes (any size can be rolled out subject to minimum order quantity)
- Short delivery period.



## Apollo Bheem

These are highly durable GI pipes having deeper and longer threading. These galvanized pipes have a 360 gsm pure zinc coating which provides greater resistance to corrosion giving them a long lasting usage. The product was launched in the state of Karnataka and as a part of the launch plan a 360 degree communication campaign was executed which included Print, Radio, Outdoor (which included hoardings, auto branding and state owned buses), Point of Purchase material like - danglers, posters, stickers, boards, estimate pads to name a few.



## Apollo Agritech

For a niche market which is into manufacturing of agricultural implements, Apollo Agritech was launched by using DFT (direct forming technology) which helps in saving cost, without compromising on strength leading to commercial savings. High quality surface finish enables extra sheen after painting. For users it results in increased fuel efficiency due to lower implement weight.

# NURTURING THE PLANET, CREATING MASTERPIECES

Our firm belief in creating product par excellence is solely guided by our zeal to preserve the nature. We feel for the environment deeply and have come up with avant-garde designs for both homes and offices that are samples of our design prowess. Our unique products are not only a perfect exhibit of our efforts towards building a greener planet, but also provide the end-consumers an opportunity to own collector's items, which are Eco-friendly and durable.

## State-of-the-art Eco-friendly products galore



### Round Table:

This elegant round table with its sleek body and beautiful finish; will give an arty feel to your living room.



### Bench

Simple yet elegant; this bench can add beauty to every garden.



### Door Frame:

This door frame is an evidence of our dexterity and designing skill.



### Window Frame:

Simple, yet elegant, this window frame is perfect for every modern house.

### Eco-friendly cozy couch

Contemporary and chic, this couch is perfect for adding a classy appeal to your house.



### S-Shaped Side table

This 'S' shaped side table will add an element of art and sophistication to your living space.



### Eco-friendly Sturdy Swing

Yearning for a unique style quotient? Add this swing in your home décor and watch people ogling at it all the time they visit you.



### Steel Power

Bored of seeing the same old chair in your study? Get this and replace the old and simple to modern and ornate.



### Multi-purpose trolley

Very handy and easy to move, this multi-purpose trolley is perfect for serving food and drinks to a large gathering.

# WE ARE THERE

There's a bit of steel everywhere! Right from home decor to buildings and infrastructure, steel has played an important role in leveraging life in the modern world. We, at APL Apollo, have actively participated in creating a civilised society through our avant-garde offerings



## Hand Railings

We build steel pipes used in building structures that are not only beautiful but also sturdy.



## Customised Pipes

The application of our products in lights and chandeliers give an old-fashioned interior a contemporary appeal.



## Agriculture Equipment

Our tubes and pipes give the much-needed enhancement to agricultural equipment, thus, improving their functionality and productivity.





### Heavy Machineries

Helping build a better infrastructure



### Modern Buildings

Modern buildings and skyscrapers reveal much about our product's precision and technical prowess.



### Gas Cylinders

Our pipes used in gas cylinders are light. can be given circular shapes and provide a good, easy to lift handle.



### Metro Trains

India's mobility and connectivity sphere witnesses our mastery over innovation.



### Conveyor Belts

Our tubes are used in conveyor belts, thus, ensuring a hassle-free transportation of several materials.



### Cranes

For us, all machines are important. Our products that are used in cranes are sturdy and durable. They help lift and lower construction materials at construction sites.



### Gym Equipment

We help keep India in shape as our steel tubes are used in making gym equipment.



### Stadiums

Our state-of-the-art offering even complements the modern architecture.

# CORPORATE INFORMATION

## Executive Chairman

**Shri Sanjay Gupta**  
(DIN:00233188)

## Managing Director

**Shri Ashok K. Gupta**  
(DIN:01722395)

## Directors

**Shri Vinay Gupta**  
(DIN:00005149)

**Shri Virendra Singh Jain**  
(DIN:00253196)

**Ms. Neeru Abrol**  
(DIN:01279485)

**Shri Anil Kumar Bansal**  
(DIN:06752578)

**Shri Abhilash Lal**  
(DIN :03203177)

**Shri S T Gerela**  
(DIN: 01565534)

**Shri Romi Sehgal**  
(DIN: 03320454)

## Chief Financial Officer

**Shri Deepak Goyal**

## Company Secretary

**Shri Adhish Swaroop**

## Auditors

### Statutory Auditors

Deloitte Haskins & Sells LLP  
7th Floor, Building 10, Tower B,  
DLF Cyber City Complex,  
DLF City Phase - II, Gurugram,  
Haryana - 122002

### Cost Auditors

R. J. Goel & Co., Cost Accountants  
31, Community Centre,  
2nd Floor, Ashok Vihar, Phase - I,  
Delhi - 110052

### Secretarial Auditors

Anjali Yadav & Associates,  
Company Secretaries  
102 & 104, 18/2, Jain Bhawan,  
W.E.A. Pusa Lane, Karol Bagh,  
New Delhi-110005

### Internal Auditors

Shankar Singal Associates,  
Chartered Accountants  
407, Sethi Bhawan, Rajendra Place,  
New Delhi-110008

## Bankers

State Bank of India  
Union Bank of India  
HDFC Bank Limited  
Axis Bank Limited  
HSBC Bank Limited  
Yes Bank Limited  
BNP Paribas  
DBS Bank Limited

## Works

### Unit-I

A-19 and 20, Industrial Area,  
Sikandrabad, Distt. Bulandshahar,  
Uttar Pradesh - 203205

### Unit-II

No.332-338, Alur Village  
Perandapalli, Hosur,  
Tamil Nadu - 635109

### Unit-III

Plot No. M-1, Additional  
M.I.D.C. Area, Kudavali, Murbad,  
Thane-421401, Maharashtra

### Unit-IV

Village Bendri, Nandanvan Road,  
Near Urla Industrial Area, Raipur,  
Chattisgarh - 492001

## Registered Office

37, Hargobind Enclave,  
Vikas Marg, Delhi - 110 092

## Corporate Office

36, Kaushambi,  
Near Anand Vihar Terminal,  
Chaziabad,  
Delhi-NCR - 201010

## Registrar and Share Transfer Agent

**Abhipra Capital Limited**  
A387, Dilkush Industrial Area, G.T.  
Karnal Road  
Azadpur, Delhi - 110 033

## Subsidiaries Plant Locations

**Apollo Metalex Private Limited**  
A-2, Industrial Area,  
Sikandrabad,  
Distt. Bulandshahar,  
Uttar Pradesh - 203205

A-25, Industrial Area, Sikandrabad,  
Distt. Bulandshahar,  
Uttar Pradesh - 203205

## Shri Lakshmi Metal Udyog Limited

No. 9 to 11,  
KIADB Industrial Area  
Attibele, Bengaluru,  
Karnataka - 562107

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74899DL1986PLC023443
2	Name of the Company	APL Apollo Tubes Limited
3	Registered address	37, Hargobind Enclave, Vikas Marg, Delhi-110092
4	Website	www.aplapollo.com
5	E-mail id	comsec@aplapollo.com
6	Financial year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Steel Tubes and Pipes, Group- 243 Description- Casting of Metals 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)	i. Black Hollow Section and Round Pipe ii. Galvanized Pipe iii. Pre Galvanized Pipe
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, APL Apollo Tubes Limited has five main operational manufacturing locations (including of its subsidiaries), at Sikandrabad, Hosur, Bengaluru, Murbad and Raipur.
10	Markets served by the Company - Local/State/National/International	National and International

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	₹ 23.72 crore
2	Total turnover	₹ 5472 crore
3	Total profit after taxes	₹ 158 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 0.09 crore, being 0.06 % of profit after tax of the Company.
5	List of activities in which expenditure in 4 above has been incurred:-	The major activities in which the above CSR expenditure has been incurred includes: • Health Care • Education • Livelihood enhancement • Environmental conservation

## SECTION C: OTHER DETAILS

S. No.	Description	Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has three wholly owned subsidiaries namely: Shri Lakshmi Metal Udyog Limited, Apollo Metalex Private Limited and Blue Ocean Projects Private Limited
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)	The Subsidiary Companies do not participate in the BR Initiatives of the Company.
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 Ashok Kumar Gupta
2	Designation	Managing Director
3	DIN	01722395

(b) Details of the BR head

1	Name	Shri Deepak Kumar Goyal
2	Designation	Chief Financial Officer
3	Telephone number	0120-4041424
4	e-mail id	deepakgoyal@aplpollo.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: ISO 18001 for Quality Management System, ISO 14001 for Environment Management System, ISO 50001 for Energy Management System, OHSAS 18001 for Occupational Health & Safety Management System, etc.								
4	Has the policy being approved by the Board? Is 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 APL's intranet and can be accessed by Company employees.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Policy has been circulated to key internal stakeholders. To cover all stakeholders, communication is an on-going process.								
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?	Conforming to the ISO Standards, the Company undergoes periodic audit to validate these systems.								

### 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:	Annually
2	Does the Company publish a BR or a sustainability report?	Yes, BR Report
	What is the hyperlink for viewing this report?	<a href="http://www.aplapollo.com">www.aplapollo.com</a>
	How frequently it is published?	Annually

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### 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 Corporate Ethics and Code of Conduct (inter alia covering an Anti-Bribery and Corruption Directive) and Whistle Blower Policy. The Corporate Ethics and Code of Conduct covers the Directors and Employees of the Company. 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?	The Company has not received any stakeholder complaints during the Financial Year 2017-18.

#### 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.	1. Galvanized Pipes 2. High Strength Hollow Section 3. Door Frames
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 give major emphasis on conservation of energy and the measures taken during the previous years were continued. Pipes & Tubes manufactured by the Company is 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. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. 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 always been committed to provide skill development and employment to local businesses in rural areas recruitment of rural youth for local sales operations. A major portion of the procured goods and services are decentralized to local offices in states.
5	Does the company have a mechanism to recycle products and waste?	Yes

**Principle 3: Businesses should promote the well being of all employees**

1	Please indicate the total number of employees.	1500		
2	Please indicate the total number of employees hired on temporary/contractual/casual basis.	600		
3	Please indicate the Number of permanent women employees.	12		
4	Please indicate the Number of permanent employees with disabilities	Nil		
5	Do you have an employee association that is recognized by management?	Presently, the Company does not have any employee association.		
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable		
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.			
	<b>No.</b>	<b>Category</b>	<b>No. of complaints filed during the financial year</b>	<b>No. of complaints pending as on end of the financial year</b>
	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 mapped its internal and external stakeholders and has identified - employees, customers, business partners/suppliers, government and government agencies, lenders, shareholders/investors and society as its stakeholders. The Company has various mechanism in place for engagement with these stakeholders such as employee satisfaction surveys, customer satisfaction surveys, organizing plant visits for the suppliers and for the investors, regular dealers' meet and lenders' meet, etc. Investors base being large, as required, the Company has a dedicated email id for them to engage with the Company. The Company has also been engaging with the society, particularly in the areas around its manufacturing plants through its various community service initiatives.
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.	Yes, the Company has identified the disadvantaged, Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. village communities nearby its radius of the manufacturing plants and the contractual workers.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	The CSR programmes/projects/activities of the Company are aimed at serving the local community and socio-economically disadvantaged sections of the society.

**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 respects Human Rights of all relevant stakeholders and groups within and beyond the work place including that of communities, consumers and marginalized groups. All the practices and policies of the Company including engagement with suppliers, contractors, etc, ensures that human rights are honored and protected.
2	How many stakeholder complaints have been received in the past financial year. What percent was satisfactorily resolved by the management?	The Company did not receive any stakeholders complaint in the financial year 2017-18 for violation of human rights.

**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 extends to the Group/JointVentures/Suppliers/Contractors/NGOs/others.	The Company is committed to improve Health & Safety of the society and protection of the environment, and the policy applies to the entire Company. APL Apollo Tubes Ltd also encourages its subsidiaries, 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.	Yes, to improve upon environment and safety practices, the Company complies 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 has elaborate risk management system through which Environmental risk, impact and assessment is done. The purpose of this procedure is to establish and maintain procedures for identifying environmental/Hazard aspects of activities, Risk assessment and Determining Control, and products and services that can be controlled and influenced.
4	Does the Company have any project related to Clean Development Mechanism?	None
5	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.	Yes, during the year the Company has installed the rooftop solar plants at its manufacturing facilities at Murbad and Sikandrabad, with a total capacity of 1.30 MW and 1.20 MW, respectively. Post reviewing the solar plants' performance, APL Apollo will be installing rooftop solar plants at all its other manufacturing units. 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. Furthermore, this project will also enable significant operating cost-savings for the Company such as lower energy loss, reduced electricity bills and maintenance costs.
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 was 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.	This is to confirm that there were no show cause/legal notices received from the Pollution Control Boards (PCB) and nothing is pending

**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 member of various trade and chambers or association. 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 been extensively using platforms of the above Trade Association/Chambers and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles, 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. APL 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 CSR programmes/projects of the Company are run by in house team.
3	Have you done any impact assessment of your initiative?	The CSR Programmes/projects and their progress/impacts/outcomes are monitored and reviewed periodically by the Corporate Social Responsibility Committee and by the Board of Directors.
4	What is your company's direct contribution to community development projects- Amount in Rupees and the details of the projects undertaken.	Please refer to <b>ANNEXURE-E</b> to the Directors' Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	The Company is committed to improve the quality of life of the communities around its plant locations and communities at large through need based CSR initiatives in the areas of healthcare, education, livelihood enhancement and environment. The Company encourages participation by the community in various CSR initiatives of the Company. Extensive engagement with the community helps in identifying needs of the stakeholders and leads to greater sense of ownership among the people, ensuring sustained outcomes. This ensures successful adoption by communities to the extent possible.

**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 on end of financial year 2017-18.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company adheres to all product labeling and product information requirements as per the local laws.
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 pending as on end of the financial year.
4	Did your company carry out any consumer survey/consumer satisfaction trends?	The Company believes in Customer First. The Company has a strong mechanism to capture the Voice of Customer. Company, puts in a lot of efforts to understand the need of customers, their pain areas and their complaints/feedbacks through Focus Group Discussion or online survey or by making individual calls to our customers or dealers through call centre.

# DIRECTORS' REPORT

To  
The members of  
APL Apollo Tubes Limited,

Your Directors have pleasure in presenting the Thirty Third Annual Report on the business and operations of your company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2018.

## FINANCIAL PERFORMANCE:

The Company's financial performance for the year under review along with the previous year's figures is given hereunder:

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2017-18	FY 2016-17	FY 2017-18	FY2016-17
Gross sales	5,472.38	4,377.65	4,431.17	3,433.17
Add : Other income	8.01	5.97	35.45	4.79
Total revenue	5,480.39	4,383.62	4,466.62	3,437.96
Operating expenses	5,101.34	4,044.68	4,196.25	3,211.98
EBIDTA	379.05	338.94	270.37	225.98
Less : Finance cost	81.30	72.03	70.44	62.78
Less : Depreciation and amortisation	53.41	50.90	43.98	39.77
Profit before tax (PBT)	244.34	216.01	155.95	123.43
Less : Tax expense	86.21	63.90	43.26	35.11
Profit after tax for the year (PAT)	158.13	152.11	112.69	88.32
Other Comprehensive Income/(Expense)	0.61	(0.30)	0.61	(0.46)
Total Comprehensive Income for the year	158.74	151.81	113.30	87.86
Add : Balance in profit and loss account	418.34	307.15	529.06	481.83
Profit available for appropriation	577.08	458.96	642.36	569.69
Transfer to debenture redemption reserve	18.75	12.50	18.75	12.50
Proposed dividend on equity shares	28.31	23.44	28.31	23.44
Tax on dividends	5.93	4.68	0.12	4.69
<b>Balance carried over to balance sheet</b>	<b>524.09</b>	<b>418.34</b>	<b>595.18</b>	<b>529.06</b>

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

Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been replaced by GST. In accordance with 'Ind-AS 18 : Revenue' and Schedule III of the Companies Act, 2013, GST is not included in Revenue

from operations for nine months for the period of July 1, 2017 to March 31, 2018.

The Company's consolidated gross turnover in financial year 2017-2018 increased by 25% from ₹ 4378 crores to ₹ 5472 crores mainly because of high sale of customized products. The EBIDTA has been significantly increased by 12% from ₹ 339 crores to ₹ 379 crores for the year under review. The net profit of the Company has also increased by 4% from ₹ 152 crores to ₹ 158 crores during the year under review.

## DIVIDEND

The Board has recommended a higher dividend of ₹ 14 (140%) per equity share (as against 120% last year) on the equity share capital of the company for the year 2017-18 subject to approval from the shareholders at the ensuing AGM, in order

to retain its shareholders. The total dividend pay-out works out to 30% of the net profit for the standalone results.

### TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

### OVERVIEW

The Indian economy has witnessed implementation of major policy reforms and initiatives during the year –such as the implementation of the Goods & Services Tax (GST) and Insolvency and Bankruptcy Code (IBC). Although these reforms have temporarily impacted the growth momentum and business sentiments during the first half of the fiscal, however it recovered in second half. India's GDP is expected to rise in the coming year, thereby making it the world's fastest growing economy. Moreover, our government's strong focus towards making India a nation with unparalleled global opportunities, also augument well for a stronger economic growth.

Against this backdrop, the Company grew its revenues from ₹ 4384 crore in FY17 to ₹ 5480 crore in FY18, thereby registering a growth of 25%. The volumes grew at 18.5% from 0.94 Million MTPA to 1.11 Million MTPA. A healthy recovery in the demand environment in the latter half of the year supported by strong sales volume assisted the Company's overall performance during the year. FY19 also began on a robust note as the Company recorded strong sales volume in the months of April and May.

The Company is a 'One-Stop Shop' for a wide spectrum of steel structural products that caters to an array of sectors such as Construction & Building Material, Solar, Infrastructure, Energy & Engineering, Automobile, Agriculture among others. These key industries move in sync with the economy and as such are likely to benefit from the upswing in the country's prospects. Moreover, steel pipe demand, estimated to form 10-12% of the total steel demand, is likely to grow at 8% through FY21. With an aim to tap this opportunity, the Company augmented its capacity to from the existing 1.3 to 1.75 Million MTPA in the financial year 2017-18.

### OPERATIONS

In an environment marked by volatility, the Company delivered a steady operating and financial performance. The business during the year saw a healthy growth trend, driven by a combination of enhanced branding capabilities, expanding reach to newer markets and a solid product portfolio. The Company continues to strengthen its presence in established and new markets via a two pronged approach of focusing on dealer/distributor engagements while also simultaneously creating strong brand awareness to increase Top-of-Mind-views of APL Apollo products. In sync with this strategy, the Company launched four new brands for DFT products, which are gradually seeing a strong brand recall in targeted markets.

During the year under review, the Company saw a notable upscale in the dealer-distributor-retailer & warehouse

network – the total distributor network stood at 650 the dealers network increased to 40,000 and the warehouse count stood at 29 as on March 31, 2018.

### PROJECTS IMPLEMENTED

The Company has been a pioneer in introducing modern technologies in the industry and is the first Company in India to introduce the latest global technology named as-Direct Forming Technology (DFT). It has operationalized a Greenfield plant in Raipur and Hosur during the year. Through this technology, your Company will target the untapped regions across the globe, especially focusing towards the OEMs and Exports markets. Direct Forming Technology has following advantages:

- a. Low manpower due to advanced automation.
- b. High Productivity (as size change requires only 15-20 mins).
- c. 3% to 8% lighter tubes.
- d. Any size can be made.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable accounting standards. The Audited Consolidated Financial Statements and Auditor's Report thereon form part of this Annual Report.

### INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls and no reportable material weakness was observed in the system during the year. Further, the Company has in place adequate internal controls commensurate with the size and nature of its operations.

Based on annual Internal Audit programme as approved by Audit Committee of Board, regular internal audits are conducted covering all offices, factories and key areas of the business. Findings are placed before Audit Committee, which reviews and discusses the actions taken with management. The Audit Committee also reviews the effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations.

### EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form no. MGT-9 is annexed hereto as **Annexure-'A'** and forms part of this report.

### SUBSIDIARIES COMPANIES, JOINT VENTURES AND ASSOCIATES

The Company has three wholly-owned subsidiaries as on March 31, 2018, namely Shri Lakshmi Metal Udyog Limited (SLMUL), Apollo Metalex Private Limited (AMPL) and Blue Ocean Projects Private Limited.

During the year under review, the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi has approved the scheme for amalgamation of Lloyds Line Pipes Limited (a wholly owned subsidiary of the Company) with APL Apollo Tubes Limited. The scheme became effective upon filing of aforesaid order with Registrar of Companies on October 18, 2017.

A report on the performance and financial position of each of the subsidiaries in form AOC-1 is annexed hereto as **Annexure 'B'** and forms part of this report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements and related information of the subsidiaries, where applicable, will be available for inspection during regular business hours at the Company's corporate office at 36, Kaushambi, Near Anand Vihar Terminal, Uttar Pradesh -201010 and the same are also available at our website i.e. [www.aplapollo.com](http://www.aplapollo.com)

### FIXED DEPOSITS

Your Company has neither accepted nor renewed any public deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. Therefore, Company is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

### SHARE CAPITAL

During the year under review, the Authorized Share Capital of the Company was increased to ₹ 45 Crore from ₹ 25 Crore, pursuant to amalgamation of Lloyds Line Pipes Limited with the Company.

Further, the Company has issued 139,850 equity shares of ₹ 10 each at a price of ₹ 452.60 (including premium of ₹ 442.60) aggregating to ₹ 6 crore, pursuant to APL Apollo Employees Stock Option Scheme-2015 (ESOS-2015) to eligible employees of the Company and of its subsidiaries. Consequently the paid up equity share capital of the Company increased to ₹ 23.73 crore from ₹ 23.59 crore comprising of 23,729,805 equity shares of ₹ 10 each. The Company has not issued shares with differential voting rights nor sweat equity or bonus shares.

### BORROWINGS

#### (a) Issue of Debt Securities

On September 13, 2017, the Company allotted 7.87%, 750 Secured, Redeemable, Non-Convertible Debentures (NCD) having a face value of ₹ 10 lakh each for an amount aggregating to ₹ 75 crore on private placement basis to identified investors. The debt-equity ratio remains within limit even after the said issue of NCD.

#### (b) Commercial Papers

Commercial papers ("CP") raised by the Company are short-term in nature ranging between one to three months. As on March 31, 2018, no CP was outstanding.

#### (c) Credit Ratings

During the year under review, CRISIL & ICRA has upgraded the ratings for long-term bank loans from 'A+' to 'AA-'. The outlook on the long term rating is stable.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Articles of Association of the Company, Shri Sanjay Gupta will retire at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for re-appointment.

### Appointment

During the year, Shri Virendra Singh Jain was regularized as Director in Annual General Meeting (AGM) of shareholders held on September 29, 2017.

### Resignation

Shri Sharad Mahendra ceased to be Director of the Company w.e.f January 23, 2018.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(l)(b) of the Listing Regulations.

### Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are - Shri Sanjay Gupta (Chairman), Shri Ashok Kumar Gupta (Managing Director), Shri Deepak Goyal (Chief Financial Officer) and Shri Adhish Swaroop (Company Secretary). During the year, there has been no change in the key managerial personnel.

## PARTICULARS OF REMUNERATION

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.

## AUDITORS AND AUDITORS' REPORT

### A. Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurugram, (FRN117366W/W-100018), have been appointed as Auditors of the Company to hold the office from the conclusion of the 30th Annual General Meeting held on August 28, 2015 until the conclusion of the 35th Annual General Meeting to be held in year 2020, subject to ratification of the appointment by the members at each AGMs. Accordingly, matter relating to the appointment of the Auditors will be placed for ratification by members at the ensuing Annual General Meeting. The observations of the Auditors in their report

on accounts and the Financial Statements, read with the relevant notes are self explanatory.

#### B. Cost Auditors

In terms of Section 148 of the Act, the Company is required to get the audit of its cost records conducted by a Cost Accountant. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s R.J. Goel & Co., Cost Accountants as the cost auditors of the Company for the year ending March 31, 2019.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the Notice convening the AGM. We seek your support in approving the proposed remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2019. M/s R.J. Goel & Co., have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years. The Cost Audit Report of the Company for the Financial Year ended March 31, 2018 will be filed with MCA.

#### C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s Anjali Yadav & Associates, Company Secretaries in practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2017-18. The report given by her for the said financial year in the prescribed format is annexed to this report as **Annexure 'D'**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2018, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR), 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. In view of the above, disclosure in FORM AOC-2 is not applicable.

The related party transaction policy as approved by the Board is available on the website of the Company: <http://www.aplpollo.com/pdf/rpt-policy.pdf>

Your Directors draw attention of the members to Note No. 40 to the Financial Statement which sets out related party disclosures.

#### EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company, under the APL Apollo Employee Stock Option Scheme- 2015 ("ESOS-2015), approved by the shareholders vide a postal ballot on July 27, 2015 and December 22, 2015, grants share-based benefits to eligible employees of the Company and employees of subsidiaries with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company. The total number of equity shares to be allotted pursuant to the exercise of the stock incentives under the ESOS-2015 to the employees of the Company and its subsidiaries shall not exceed 7,50,000 equity shares. The following disclosures are being made under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014:

S. No.	Particulars (During the financial year ended March 31, 2018)	APL Apollo ESOS-2015
1	Options granted	1. 96,000 options were granted on September 9, 2017 at market price of ₹ 1633.05; and 2. 70,000 options were granted on February 5, 2018 at market price of ₹ 2124.10
2	Options vested;	141,625*
3	Options exercised	139,850
4	Total number of shares arising as a result of exercise of option	139,850
5	Options lapsed	100,789
6	Exercise price	The Exercise price of the shares will be the Market Price of the shares one day before the date of grant of options. Suitable discount will be provided on that price, as deemed fit by the Nomination & Remuneration Committee ("committee"). Further Committee has the power to reprice the grants in future if the price of the company falls continuously for a period of 3 months.
7	Variation of terms of options	No
8	Money realized by exercise of options	₹ 63296110

S. No.	Particulars (During the financial year ended March 31, 2018)	APL Apollo ESOS-2015
9	Total number of options in force	11,581
10	Employee wise details of options granted to:-	
	(i) Key managerial personnel;	
	-Deepak Kumar Goyal, Chief Financial Officer	17,500
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	
	- Rajeev Kohli	20000
	- Ajay Garg	17500
	-Arun Agarwal	17500
	- Romi Sehgal	17500
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

\* Out of these 7875 options is due for vesting in January 2018 but not yet vested.

There is no material change in Employees' Stock Option Scheme during the year under review and the Scheme is in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). The applicable disclosure under SBEB Regulations, as on March 31, 2018 is uploaded on the website of the Company, at [www.aplpollo.com](http://www.aplpollo.com). The details of the employee stock options form part of the Notes to accounts of the financial statements in this Annual Report.

The Certificate from the Statutory Auditors of the Company certifying that the ESOS 2015 has being implemented in accordance with the SBEB Regulations and the resolution passed by the Members, would be placed at the Annual General Meeting for inspection by Members

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 134 sub-section 3(c) and sub-section 5 of the Companies Act, 2013, your Directors to the best of their knowledge hereby state and confirm that:

- In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2018 and of the Company's profit for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- The annual financial statements have been prepared on a going concern basis.
- The internal financial controls were laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the provisions of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for development of programmes and projects for the benefit of weaker sections of the society and the same has been approved by Corporate Social Responsibility Committee (CSR Committee) and the Board of Directors of the Company. The Corporate Social Responsibility (CSR) policy of the Company provides a road map for its CSR activities.

During the year under review, the Company has made contribution of ₹0.09 Cr for various CSR purposes in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.

The Annual Report on CSR activities is annexed herewith as **Annexure 'E'**.

The CSR Policy has been uploaded on the Company's website and may be accessed at the link: <http://www.aplpollo.com/pdf/csr-policy.pdf>

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees given and Investments made covered under provisions of Section 186 of the Companies

Act, 2013 during the financial year 2017-18 are furnished in the notes to the financial statements.

#### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of Companies Act, 2013 read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014, is furnished as **Annexure 'F'**, forming part of this Report.

#### DIVIDEND DISTRIBUTION POLICY

The Board has in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulated Dividend Distribution Policy. This policy will provide clarity to the stakeholders on the dividend distribution framework of the Company. The policy sets out various internal and external factors which shall be considered by the Board in determining the dividend payout. The dividend distribution policy is attached as **Annexure 'G'** to this report and is also available on the website of the Company <http://www.aplpollo.com/pdf/dividenddistribution-policy.pdf>

#### CORPORATE GOVERNANCE

Your company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and the Secretarial Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this report (**Annexure 'H'**).

The Corporate Governance Report which forms part of this report, also covers the following:

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

#### COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

#### DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The number of complaints received during the financial year 2017-18, under the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013, is available in the Business Responsibility Report which is part of this Annual Report.

#### SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL WHICH IMPACTS THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

During the year, Scheme of Amalgamation between Lloyds Line Pipes Limited (LLPL/Transferor Company) and APL Apollo Tubes Limited (APL/Transferee Company) (the Scheme) was sanctioned by the National Company Law Tribunal ("NCLT"), Principal Bench at New Delhi vide its order dated August 7, 2017 and rectification order dated September 15, 2017, certified copy whereof was received by the Company on September 25, 2017. The scheme became effective upon filing of aforesaid order with Registrar of Companies on October 18, 2017.

#### 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:

1. Change in the nature of business of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Any remuneration or commission received by Managing Director of the Company, from any of its subsidiary.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this report.
5. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

#### APPRECIATION

Your Directors take this opportunity to express their appreciation for the co-operation received from the customers, vendors, bankers, stock exchanges, depositories, auditors, legal advisors, consultants, stakeholders, debenture-holders, business associates, Government of India, state government and local bodies during the period under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by the employees of the Company.

For and on behalf of Board of Directors

Place: Ghaziabad  
Date: May 25, 2018

Sanjay Gupta  
Chairman

# ANNEXURES TO THE DIRECTORS' REPORT

FOR THE YEAR ENDED March 31, 2018

Annexure - 'A'

## FORM NO. MGT - 9 EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2018

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

### I. REGISTRATION AND OTHER DETAILS:

1	CIN	L74899DL1986PLC023443
2	Registration Date	February 24, 1986
3	Name of the Company	APL Apollo Tubes Limited
4	Category / Sub-Category of the Company	Company limited by shares
5	Address of the Registered office and contact details	37, Hargobind Enclave, Vikas Marg, Delhi -110092 Telephone No. 011-22373437
6	Whether listed Company	Yes (Listed at NSE and BSE)
7	Name, Address and Contact details of Registrar and Transfer Agent	M/s. Abhipra Capital Limited GF- Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road Azadpur, Delhi-110033 Tele. No. 011-42390725

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Square Pipe	24311	54
2	Galvanized Pipe	24311	10
3	Pre Galvanized Pipe	24311	21
4	Black Pipe	24311	15

### 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	Subsidiary	100	2(87)
2	Apollo Metalex Private Limited	U27104DL2006PTC146579	Subsidiary	100	2(87)
3	Blue Ocean Projects Private Limited	U70109DL2011PTC224580	Subsidiary	100	2(87)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of total equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	815,000	-	815,000	3.46	815,000	-	815,000	3.43	(0.03)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8,025,187	-	8,025,187	34.02	8,025,187	-	8,025,187	33.82	(0.20)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>8,840,187</b>	<b>-</b>	<b>8,840,187</b>	<b>37.48</b>	<b>8,840,187</b>	<b>-</b>	<b>8,840,187</b>	<b>37.25</b>	<b>(0.23)</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>8,840,187</b>	<b>-</b>	<b>8,840,187</b>	<b>37.48</b>	<b>8,840,187</b>	<b>-</b>	<b>8,840,187</b>	<b>37.24</b>	<b>(0.23)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3,612,837	-	3,612,837	15.32	3,509,240	-	3,509,240	14.79	(0.53)
b) Banks / FI	4,021	-	4,021	0.02	-	-	-	-	(0.02)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	98,848	-	98,848	0.42	9,818	-	9,818	0.04	(0.38)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (International Finance Corporation)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>3,715,706</b>	<b>-</b>	<b>3,715,706</b>	<b>15.76</b>	<b>3,519,058</b>	<b>-</b>	<b>3,519,058</b>	<b>14.83</b>	<b>(0.93)</b>

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	837,219	-	837,219	3.55	1,271,278	-	1,271,278	5.36	1.81
ii) Overseas	5,426,772	-	5,426,772	23.00	5,437,487	-	5,437,487	22.91	(0.09)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1,562,581	8,621	1,571,202	6.66	2308069	3	2,308,072	9.73	3.07
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,838,396	28,000	1,866,396	7.91	1,099,802	-	1,099,802	4.63	(3.28)
c) Others									
(ii) Non Resident Individuals	1,116,534	-	1,116,534	4.73	1,054,985	-	1,054,985	4.45	(0.28)
(ii) Clearing Members	17,584	-	17,584	0.07	11,799	-	11,799	0.05	(0.02)
(iv) Trust	7,693	-	7,693	0.03	11,087	-	11,087	0.05	0.02
(v) HUFs	190,662	-	190,662	0.81	176,050	-	176,050	0.74	(0.07)
<b>Sub-total (B)(2)</b>	<b>10,997,441</b>	<b>36,621</b>	<b>11,034,062</b>	<b>46.76</b>	<b>11,370,557</b>	<b>3</b>	<b>11,370,560</b>	<b>47.92</b>	<b>1.16</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>14,713,147</b>	<b>36,621</b>	<b>14,749,768</b>	<b>62.52</b>	<b>14,889,615</b>	<b>3</b>	<b>14,889,618</b>	<b>62.75</b>	<b>0.23</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>23,553,334</b>	<b>36,621</b>	<b>23,589,955</b>	<b>100</b>	<b>23,729,802</b>	<b>3</b>	<b>23,729,805</b>	<b>100</b>	<b>-</b>

## (ii) Shareholding of Promoters

S. No.	Shareholder's name	Shareholding at the beginning of the year (As on April 1, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	APL Infrastructure Private Limited	8,025,187	34.02	-	8,025,187	33.82	-	(0.20)
2	Smt. Veera Gupta	7,50,000	3.18	-	7,50,000	3.16	-	(0.02)
3	Shri Ashok Kumar Gupta	65,000	0.28	-	65,000	0.27	-	(0.01)

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>APL Infrastructure Private Limited</b>				
	At the beginning of the year	8,025,187	34.02	8,025,187	34.02
	Increase / Decrease in Promoters Shareholding during the year	NO CHANGE			
	At the end of the year i.e., March 31, 2018			8,025,187	33.82
2	<b>Shri Ashok Kumar Gupta</b>				
	At the beginning of the year	65,000	0.28	65,000	0.28
	Increase/Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e., March 31, 2018			65,000	0.27
3	<b>Smt. Veera Gupta</b>				
	At the beginning of the year	750,000	3.18	750,000	3.18
	Increase/ Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e., March 31, 2018			750,000	3.16

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

S. No.	Top Ten Shareholders	Shareholding at the beginning of the year (April 1, 2017)		Cumulative Shareholding at the end of the year (March 31, 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Kitara PIIN 1001	3,000,000	12.72	3,000,000	12.64
2	IDFC Premier Equity Fund	1,343,699	5.70	867,063	3.65
3	HDFC Trustee Company Limited - HDFC Prudence	1,166,000	4.94	672,703	2.83
4	DSP Blackrock Small Cap Fund	1,067,680	4.53	982,098	4.14
5	Emblem FII#	739,004	3.13	239,004	1.01
6	Sameer Mahendra Sampat	558,500	2.37	558,500	2.35
7	Suresh Kumar Agarwal	535,957	2.27	400,000	1.69
8	Ashish Kacholia	549,587	2.33	400,000	1.69
9	Kitara PIIN 1101	852,000	3.61	852,000	3.59
10	Goldman Sachs India Limited	626,434	2.66	626,434	2.64
11	Kotak Emerging Equity Scheme*	-	-	337,094	1.42

Note: Around 99% of the Shares of the Company are held in dematerialized form and are traded on daily basis. Therefore, the date wise increase/decrease in share holding is not indicated.

\* Top 10 Shareholders only as on March 31, 2018.

# Top 10 Shareholders only as on April 1, 2017.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Shri Ashok Kumar Gupta, Managing Director</b>				
	At the beginning of the year	65,000	0.28	65,000	0.28
	Increase/Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e. March 31, 2018			65,000	0.27
2	<b>Shri Romi Sehgal, Director</b>				
	At the beginning of the year	8,050	0.03	8,050	0.03
	Increase in Shareholding pursuant to ESOS 2015	8,400	0.04	16,450	0.07
	Decrease in shareholding	4,544	0.02	11,906	0.05
	At the end of the year i.e. March 31, 2018			11,906	0.05
3	<b>Shri S.T. Gerela, Director#</b>				
	At the beginning of the year	2,150	0.009	2,150	0.009
	Increase in Shareholding during the year	150	0.001	2,300	0.01
	At the end of the year i.e. March 31, 2018			2,300	0.01
4	<b>Shri Anil Kumar Bansal, Director</b>				
	At the beginning of the year	1,000	0.004	1,000	0.004
	Increase/Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e. March 31, 2018	-		1,000	0.004
5	<b>Shri Deepak Goyal, Chief Financial Officer</b>				
	At the beginning of the year	7,150	0.03	7,150	0.03
	Increase in Shareholding pursuant to ESOS 2015	7,650	0.03	14,800	0.06
	Decrease in Shareholding during the year	7,150	0.03	7,650	0.03
	At the end of the year i.e. March 31, 2018			7,650	0.03
6	<b>Shri Adhish Swaroop, Company Secretary</b>				
	At the beginning of the year	475	0.002	475	0.002
	Increase in Shareholding pursuant to ESOS 2015	1,500	0.006	1,975	0.008
	Decrease in Shareholding during the year	287	0.001	1,730	0.007
	At the end of the year i.e. March 31, 2018	-		1,730	0.007

NOTE: (1) Shri Sanjay Gupta, Shri Vinay Gupta, Shri Abhilash Lal, Shri Virendra Singh Jain, Ms. Neeru Abrol, Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e., as on April 1, 2017 and at the end of the year i.e., as on March 31, 2018 and hence there was no increase decrease in their shareholding during the financial year 2017-18.

(2) The % of total shares of the Company in respect of shares bought and sold during the year is calculated on the total share capital of the Company as on March 31, 2018.

# These shares are held by Shri S.T. Gerela jointly with his wife Smt. Kamini Srichand Gerela

\* The paid up equity shares increased from 23,589,955 to 23,729,805 during the year consequent upon issue of 139,850 equity shares pursuant to ESOS 2015 of the Company.

## V. INDEBTEDNESS

In indebtedness of the Company including interest out standing/accrued but not due for payment

(₹ in crore)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	458.10	---	---	458.10
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	5.11	---	---	5.11
<b>Total (i+ii+iii)</b>	<b>463.21</b>	<b>---</b>	<b>---</b>	<b>463.21</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	584.59	---	---	584.59
Reduction	(300.51)	---	---	(300.51)
<b>Net Change</b>	<b>284.08</b>	<b>---</b>	<b>---</b>	<b>284.08</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount as on March 31, 2018	737.81	---	---	737.81
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due as on March 31, 2018	9.48	---	---	9.48
<b>Total (i+ii+iii)</b>	<b>747.29</b>	<b>---</b>	<b>---</b>	<b>747.29</b>

## VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crore)

S. No.	Particulars of Remuneration	Shri Sanjay Gupta	Shri Ashok Kumar Gupta	Total
1.	Gross salary	3.00	-	3.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	-	-
	(b) Value of perquisitesu/s 17(2) Income-tax Act,1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>3.00</b>	<b>-</b>	<b>3.00</b>
	Ceiling as per the Act	₹ 17.47 Crore (being 10% of the net profits of the Company as per Section 198 of the Companies Act, 2013).		

B. Remuneration to other Directors

(₹ in crore)

S. No	Particulars of Remuneration	Name of Directors					Total Amount
1	<b>Independent Directors</b>	<b>Shri Abhilash Lal</b>	<b>Shri Anil Kumar Bansal</b>	<b>Shri S. T. Gerela</b>	<b>Ms. Neeru Abrol</b>	<b>Shri V.S. Jain</b>	
	• Fee for attending Board/ Committee Meetings	0.04	0.04	0.02	0.04	0.02	0.16
	• Commission/ Others	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.04</b>	<b>0.04</b>	<b>0.02</b>	<b>0.04</b>	<b>0.02</b>	<b>0.16</b>
2	<b>Other Non - Executive Directors</b>	<b>Shri Vinay Gupta</b>					
	• Fee for attending Board /Committee Meetings	0.03					0.03
	• Commission/ Others	-					-
	<b>Total (2)</b>	<b>0.03</b>					<b>0.03</b>
	<b>Total(B)= (1+2)</b>						<b>0.19</b>
	<b>Total Managerial Remuneration(A+B)</b>						<b>3.19</b>
	Overall Ceiling as per the Act	₹ 19.05 crore (being 11% of the net profits of the Company as per Section 198 of the Companies Act, 2013).					

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

(₹ in crore)

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri Deepak Goyal (Chief Financial Officer)	Shri Adhish Swaroop (Company Secretary)		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	0.44	0.14		0.58
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	(Refer Stock Option in this table below)			
2	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-		-
3	Stock Option	0.80	0.15		0.95
4	Others, please specify	-	-		-
	<b>Total</b>	<b>1.24</b>	<b>0.29</b>		<b>1.53</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

## Annexure 'B'

## Form No. AOC-1

(Pursuant to sub-section (3) of section 129 of the Act and Rule 8(1) of the Companies (Accounts) Rules, 2014

## Part "A": Subsidiaries

**REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY:**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as per Section 129(3) of Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014.

(₹ in crore)

S. No.	Name of Subsidiary	Apollo Metalex Private Limited	Shri Lakshmi Metal Udyog Limited	Blue Ocean Projects Private Limited
1	Share Capital	2.71	5.90	0.014
2	Other Equity	136.62	120.96	10.31
3	Total Assets	221.88	153.42	10.62
4	Total Liabilities	221.88	153.42	10.62
5	Investments	-	-	-
6	Turnover	922.59	632.19	-
7	Profit Before Taxation	60.91	58.79	(0.12)
8	Provision of Taxation	21.45	20.56	
9	Profit After Taxation	39.46	38.23	(0.12)
10	Proposed Dividend	-	-	-
11	% of Shareholding	100%	100%	100%

Note: 1. Name of subsidiaries which are yet to commence operations: NA

2. Names of subsidiaries which have been liquidated or sold during the year: During the year Lloyds Line Pipes Limited, wholly owned subsidiary of the Company amalgamated with the Company.

## Part "B": Associates and Joint Ventures

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

Not Applicable, since the Company does not have any Associates and Joint Ventures.

**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) AMENDMENT RULES, 2016****REMUNERATION:**

- (1) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2017-18: The ratio of remuneration of Shri Sanjay Gupta, Chairman, and Shri Romi Sehgal, Director to the median remuneration of the employees is 111:1.
- (2) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18: There was no increase in remuneration of: Shri Sanjay Gupta, Chairman. Shri Romi Sehgal, Director, Shri Deepak Goyal, Chief Financial Officer and Shri Adhish Swaroop, Company Secretary of the Company.
- (3) In the financial year, there was an increase of 8% in the median remuneration of employees.
- (4) There were 1500 permanent employees on the rolls of the Company as on March 31, 2018.
- (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 was 8 % whereas the increase in the managerial remuneration for the same financial year was NIL.
- (6) We affirm that the remuneration paid in the financial year 2017-18 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON March 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members,  
APL Apollo Tubes Limited  
37 Hargobind Enclave,  
VikasMarg, Delhi-110092**

I, Anjali Yadav, Proprietor of Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by APL Apollo Tubes Limited (CIN: L74899DL1986PLC023443) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter .

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

- i. The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956(as amended) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(as amended);-
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(as amended);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended):- Not applicable to the Company during the audit period
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period.

vi. I further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:

- (a) Indian Explosives Act, 1884
- (b) Factories Act, 1948
- (c) Environment (Protection) Act, 1986
- (d) The Water (Prevention & Control of Pollution) Act, 1974
- (e) Hazardous Wastes (Management, Handling & Trans boundary Movement) Amendment Rules, 2013
- (f) Air (Prevention & Control Pollution) Act, 1981
- (g) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (h) Payment of Wages Act, 1936
- (i) Payment of Gratuity Act, 1972
- (j) Contract Labour (Regulation & Abolition) Act, 1970
- (k) Industrial Disputes Act, 1947
- (l) Minimum Wages Act, 1948
- (m) Payment of Bonus Act, 1965
- (n) Industrial Employment (Standing Orders) Act, 1946
- (o) Trade Union Act, 1926
- (p) Workmen Compensation Act, 1923
- (q) Industries (Development & Regulation) Act, 1951

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

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

During the audit period, the Company has complied with the provisions of the Acts, 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 audit period 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 to all the Directors, 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.

All decisions at the Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Board of Directors or Committee of the Board, as the case may be.

I further report that, based on the review of the compliance reports and the certificates of the Company Executive taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- a. The Company has obtained members' approval, by means of a Special Resolutions passed on September 29, 2017 for (a) re-appointment of and payment of remuneration to Shri Sanjay Gupta as Chairman (Under Whole Time Director Category) of the Company & (b) re-appointment of and payment of remuneration to Shri Ashok K. Gupta as Managing Director of the Company

- b. The Company has obtained members approval by means of Special Resolution passed by Postal Ballot on December 12, 2017 (a) for offer and issue of Secured Redeemable Non- Convertible Debentures of ₹ 200 crore under private placement basis & (b) for appointment of Shri Sharad Mahendra as Whole Time Director of the Company. Further Shri Sharad Mahendra resigned on January 23, 2018.
- c. The company has allotted 750 Secured Redeemable Non-Convertible Debenture of ₹ 10 Lacs each in the meeting of Finance Committee of the Board of Directors held on September 13, 2017.
- d. The Hon'ble National Company Law Tribunal, Principal Bench at New Delhi has approved the scheme for amalgamation of Lloyds Line Pipes Limited (a Wholly Owned Subsidiary of the Company) with APL Apollo Tubes Limited vide its Order dated August 7, 2017 and rectification order dated September 19, 2017, certified copy whereof was received by the Company on September 25, 2017. The scheme became effective upon filing of aforesaid order with Registrar of Companies on October 18, 2017.
- e. The Company entered into a Joint Venture Agreement with One to One Holdings PTE Ltd. and the same has been approved by the Finance Committee of the Board of Directors of the Company in their meeting held on September 26, 2017. Further, the Joint Venture Agreement has been terminated during the year.

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

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

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

**Place : Ghaziabad  
Date : May 25, 2018**

To,  
The Members,  
APL Apollo Tubes Limited  
37 Hargobind Enclave,  
Vikas Marg, Delhi-110092

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

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

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

Place : Ghaziabad  
Date : May 25, 2018

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

**ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING  
THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

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

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

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

As at March 31, 2018, 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	Shri Abhilash Lal (Chairman)	Independent Non-Executive
2	Shri Anil Kumar Bansal (Member)	Independent Non-Executive
3	Shri Ashok Kumar Gupta (Member)	Executive Director & Promoter

**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. 2016-17, 2015-16 and 2014-15) calculated in accordance with Section 135 of the Companies Act, 2013 is ₹ 98.71 Crore.

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 1.97 Crore**

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

(a) Total amount to be spent for the financial year: ₹ 1.97 Crore.

(b) Amount unspent, if any: ₹ 1.88 Crore.

(c) Manner in which the amount spent during the financial year is detailed below.

During the financial year, the Company has made contribution of ₹ 0.09 Crore to various CSR purposes in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.

**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 society. CSR initiatives are on the focus areas approved by the Board benefiting the community. However, the company has just embarked on the journey of ascertained CSR programs.

For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with 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: May 25, 2018

Sd/-  
Abhilash Lal  
(Chairman of CSR Committee)

Sd/-  
Ashok Kumar Gupta  
(Managing Director)

**DISCLOSURE PURSUANT TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 (CHAPTER IX) FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**I. CONSERVATION OF ENERGY.**

- (i) the steps taken or impact on conservation of energy:
- (a) 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 using them in any other manner.
- (b) As analysed, electricity is also the biggest cost to a business, finding alternative and cheaper sources of power is a top priority. The falling cost of solar panels has made them a more attractive investment with many pros and negligible cons, and the new ways in which companies pay for their panels has reduced the barriers to entry even further.
- The Company has installed Solar Panel of 1.3 MW in its plant at Murbad in February 2018.
  - The Company is about to install two more Solar Panel of 2.6 MW and 1.3 MW in its plants at Raipur and Unit-2, Sikandrabad respectively in coming year.
  - Target's goal to equip all Units and buildings of the Company with ROOFTOP SOLAR PANELS.
  - Approximately 80% of the electricity consumed in Hosur plant is produced through wind power.
  - There is improvement in power factor due to which energy leakage has reduced.
- (c) Solar energy has now proved to be very beneficial, not only for the environment but also financially. The technology has been improved considerably, turning into a very efficient source of clean energy:
- Reduce energy loss
  - Reduce electricity bills by decreasing the Energy Rate.
  - Minimum breakdowns
  - Low maintenance cost
  - Diverse purpose
- (ii) The capital investment on energy conservation equipments: For installing 1MW of Solar Panel Company has invested ₹ 5 crores.

**II. TECHNOLOGY ABSORPTION**

- (i) The efforts made towards technology absorption: Six DFT (Direct Forming Technology) Mills have already being commissioned at Company's Units in North, South, West and Central India & Two Mills are in the process of commissioning. These are State of Art Latest Technology Mills and our Company is the only Indian Company to install these mills.
- (ii) The Benefits Derived as a result of above efforts: Installation of these mills have helped the Company in reducing manpower, increasing productivity and reducing inventory as envisaged at the time of placing order in these mills.

**III. RESEARCH AND DEVELOPMENT**

- (i) Specific areas in which Research and Development measures were carried out by the Company: Steel Doors Frame Profile were developed and introduced in the market and has been well received by real estate developers and direct customers. This is environment friendly product as it replaces conventional wooden door frames. Apart from being environment friendly, steel doors frames are cheaper, has longer life and easy to install.
- (ii) Future Plan of action: The Company has plans to develop new tubular products and shall focus on continuous improvement of performance, value creation and cost reduction through value engineering, innovative research and adopting latest technology.

## DIVIDEND DISTRIBUTION POLICY

### 1. Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website. Accordingly the Board of Directors of the Company has approved the Dividend Distribution Policy.

### 2. Objective

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company. The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any dividend in a financial year keeping in mind the provisions of the Companies Act, 2013 and Rules made therein and other applicable legal procedures. The Company currently has only one class of Shares viz Equity Shares.

### 3. Factors to be considered while declaring Dividend.

While recommending Dividend, the Board shall take into account various Internal and External factors which shall inter-alia include:

- (a) Profitability of the Company during the relevant year.
- (b) Past dividend trends.
- (c) Leverage profile.
- (d) Future capital expenditure programmes including organic and inorganic growth opportunities.
- (e) Company's liquidity position and cash flow position.
- (f) Economic conditions and regulatory environment.
- (g) Any other relevant factors that the Board may deem fit to consider.

### 4. Utilisation of retained earnings.

The retained earnings will be used inter alia for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

### 5. Declaration of Dividend

- 5.1 The Board may declare/recommend Interim/Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act, 2013.
- 5.2 Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.
- 5.3 The Board shall endeavour to achieve a Dividend Pay-out Ratio up to 50% of distributable profits for the year under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower dividend or no dividend in case the business requirement so warrants.

### 6. Review and Modification

The Dividend Distribution Policy is subject to review and revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare dividend based on the basis of parameters other than those mentioned in the dividend distribution policy, it shall disclose such changes alongwith the rationale therefore.

### 7. Disclosure

This Policy (as amended from time to time) will be available on the Company's website and in the Annual Report.

# CORPORATE GOVERNANCE REPORT

## 1. Company's Governance Philosophy:

Corporate Governance at APL Apollo Tubes Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place appropriate systems, process and technology. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

## 2. Board of Directors:

The Board is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

### Size and Composition of the Board

Our policy is to have an appropriate mix of Executive Directors ('EDs'), Non-Executive Directors ('NEDs') and Independent Directors ('IDs') to maintain the Board's independence and separate its functions of governance and management.

As on March 31, 2018, the Board of Directors consists of Nine Directors of which three are Executive Directors and six are Non-executive Directors. Out of six Non-executive Directors, five are Independent Directors. Details are as given hereunder:

Name of Director	Category	No. of Board Meetings attended during FY 2017-18	Attendance in last AGM held on September 29, 2017	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Directorships \$	Other Memberships**	Other Chairmanships **
Shri Sanjay Gupta	EC	4	No	-	4	-	-
Shri Ashok Kumar Gupta	MD	3	Yes	65,000	1	2	-
Shri Vinay Gupta	NE	3	No	-	2	2	-
Shri S. T. Gerela	ID	3	No	2,300	3	2	-
Shri Abhilash Lal	ID	4	No	-	2	1	-
Shri Anil Kumar Bansal	ID	4	Yes	1,000	2	1	-
Ms. Neeru Abrol	ID	4	Yes	-	6	5	1
Shri Virendra Singh Jain	ID	4	No	-	3	1	2
Shri Romi Sehgal	E	4	No	11,906	-	-	-

EC= Executive Chairman, MD= Managing Director, NE= Non-Executive Director, ID= Independent Director and E= Executive Director

\$ excludes Directorships in Private Limited Companies, Foreign Companies, memberships of Managing Committees of various Chambers/bodies /Section 8 Companies.

\*\* only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

Shri Vinay Gupta, Director of the Company is brother of Shri Sanjay Gupta, Chairman of the Company.

### Date and number of Board Meetings held

Four Board Meetings were held during the financial year 2017-18 i.e., on May 20, 2017, September 9, 2017, December 11, 2017 and January 25, 2018. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

## 3. Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR), 2015 the Independent Directors met on January 25, 2018, without the presence of Non-Independent Directors and members of the Management. The Independent Directors inter alia discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

#### 4. Familiarisation Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes for Independent Directors. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <http://www.aplapollo.com/pdf/Familiarisation%20programme.pdf>

#### 5. Performance Evaluation

The Board of Directors has made formal annual evaluation of its own performance, and 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 & reasonable care, skill and diligence, etc.

The Directors expressed their satisfaction with the evaluation process.

#### 6. Audit Committee

The role and terms to reference of Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors.

As on March 31, 2018, Audit Committee comprises of four Non-Executive Directors and out of which three are Independent Director. The Chairman of the committee is a Non-Executive Independent Director. All the Members of the committee have good financial and accounting knowledge. Auditors and Chief Financial Officer (CFO) are invitees to the meetings and Company Secretary acts as Secretary of the Committee. The minutes of the Audit Committee meetings are placed before the subsequent Board Meeting.

During the year, four meetings of the Audit Committee of the Company were held i.e. on May 20, 2017, September 9, 2017, December 11, 2017 and January 25, 2018. The composition of the Audit Committee as on March 31, 2018 and the meetings attended by its members are as under:

S. No	Name of Director	Status	No. of meetings attended
1	Shri Anil Kumar Bansal	Chairman	4
2	Shri Abhilash Lal	Member	4
3	Shri Vinay Gupta	Member	3
4	Ms. Neeru Abrol	Member	4

#### 7. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee ('NRC') is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

During the year, three meeting of the Nomination and Remuneration Committee were held i.e. on May 20, 2017, September 9, 2017 and February 5, 2018 which were duly attended by all committee members. The composition of the Remuneration Committee as on March 31, 2018 is as under:

S. No	Name of Director	Status	No. of meetings attended
1	Shri S.T. Gerela	Chairman	2
2	Ms. Neeru Abrol	Member	3
3	Shri Vinay Gupta	Member	3

## 7.1 Nomination and Remuneration Policy

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board.

The current policy is to have a balance mix of executive and non-executive Independent Directors to maintain the Independence of the Board, and separate its function of governance and management. As at March 31, 2018, the Board of Directors comprises of nine Directors of which six are non-executive which is more than one half of the total numbers of Directors. The number of Independent Directors is five, including one Women Director. The Policy of the Company on Directors appointment including criteria for determining qualifications, positive attributes, independence of Directors and other matters as required under Section 178 of Companies Act, 2013 is governed by Nomination Policy read with Company's policy on appointment/re-appointment of Independent Directors. The remuneration paid to the Directors is in accordance with the remuneration policy of the Company.

Based on the recommendations of NRC, the Board has approved the remuneration policy for directors, key managerial personnel (KMP) and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

During the year, there have been no changes to the policy. Hence, the same is not annexed to this report, but is available on our website <http://www.aplapollo.com/pdf/nomination-policy.pdf>

## 7.2 Remuneration to the Directors

### Executive Director:

During the year ended March 31, 2018 Shri Sanjay Gupta, Chairman was paid a salary of ₹ 3 Crore and no other benefits, no payment was made to any other Director(s). None of the Executive Directors are eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party requisite notice or the Company paying requisite salary in lieu thereof as mutually agreed.

### Non- Executive Directors:

The Company has paid sitting fees aggregating to ₹ 19 lakh to all Non-Executive Directors for attending the meetings of the Board and/or committees of Directors (including sitting fee for a separate meeting of Independent Directors), during the financial year 2017-18.

## 8. Stakeholders Relationship Committee

Stakeholders' Relationship Committee inter alia approves transfer and transmission of shares, issue of duplicate / re-materialised shares and consolidation and splitting of certificates, redressal of complaints from investors etc. Stakeholders' Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including power to reject transfer of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing Regulations and the Company's Articles of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders of the Company including complaints related to non-receipt of Annual Report and non-receipt of declared dividends.

During the year, one meeting of the Stakeholders Relationship committee held i.e. on January 25, 2018. Details of share transfer/transmission among others as approved by the committee are placed at the board meetings from time to time.

The composition of the Stakeholders Relationship Committee as on March 31, 2018 is as under:

S. No	Name of Director	Status	No. of meetings attended
1	Ms. Neeru Abrol	Chairperson	1
2	Shri S. T. Gerela	Member	1
3	Shri Vinay Gupta	Member	0

Details of shareholders' complaints received and replied to their satisfaction. The Company has adequate systems and procedures to handle the investors' grievances and the same are being resolved on priority basis.

## 9. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company under the provisions of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014.

During the year one meeting of the CSR Committee was held on January 25, 2018. The composition and the attendance of Directors at the meeting is as under:-

S. No	Name of Director	Status	No. of meetings attended
1	Shri Abhilash Lal	Chairman	1
2	Shri Anil Kumar Bansal	Member	1
3	Shri Ashok Kumar Gupta	Member	0

## 10. General Body Meetings

### A. Annual General Meeting

The details of last three Annual General Meetings are as under:-

Financial Year	Venue	Date and Time	Special Resolution Passed
2016-17	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	September 29, 2017 11:00 A.M.	<ol style="list-style-type: none"> <li>To Re-appoint and approve the terms of remuneration of Shri Sanjay Gupta, Chairman (Under Whole Time Director Category) of the Company for a period of five years with effect from April 1, 2017</li> <li>To Re-appoint and approve terms of remuneration of Shri Ashok Kumar Gupta, Managing Director of the Company for a period of three years with effect from May 1, 2017.</li> </ol>
2015-16	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	September 24, 2016 11:00 A.M.	To revise remuneration payable to Shri Sanjay Gupta, Chairman of the Company (Under Whole Time Director category)
2014-15	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	August 28, 2015 01:00 P.M.	<ol style="list-style-type: none"> <li>To authorise Board of Directors under section 180(1)(a) of the Companies Act, 2013 for creation of mortgage / charge of Company's assets.</li> <li>To authorise Board of Directors under Section 180 (1)(c) of the Companies Act 2013, for borrowing money upto ₹ 1000 Crore over and above the aggregate of paid up capital and free reserves of the Company.</li> <li>For offer and issue of Redeemable Non-cumulative Debentures under Private Placement basis of an aggregate issue size not exceeding ₹ 200 Crore.</li> </ol>

In accordance with the law, a poll (electronically and by physical ballot) was conducted on all the resolutions of the Notice; all the members were given an option to vote through electronic means using the CDSL platform.

### B. Special Resolution passed through Postal Ballot during Financial Year 2017-18

Description (Nature of Resolution)	Date of Notice	Date of Dispatch of Postal Ballot Forms to Members	Last date for receiving the Postal Ballot forms including e-voting	Date of passing resolution
1. Offer and Issue of Redeemable, Non-Cumulative Debentures of an aggregate issue size not exceeding ₹ 200 Crore under Private Placement basis.	September 9, 2017	November 10, 2017	December 12, 2017	December 12, 2017
2. For the Appointment of Shri Sharad Mahendra as Whole Time Director of the Company.				

As on date, no Special resolution is proposed to be passed by the Company through Postal Ballot.

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

## 11. Disclosures

### a) Related Party Disclosure:

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements), 2015 during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

Besides this, the Company has no material significant transaction with the related parties viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

The Company has also formulated a policy on dealing with Related Party Transactions and also on the materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <https://www.aplapollo.com/wp-content/uploads/2017/06/rpt-policy.pdf>

Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the Note no. 40 to the Financial Statements.

### b) Management discussion and analysis report

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

### c) Business responsibility report

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

d) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations: (a) There are no audit qualifications on the financial year 2017-18 (b) The internal auditor reports directly to the Audit Committee of the Board. (c) Appointment of separate post of Chairman and Managing Director.

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

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

### f) Prevention of Sexual Harassment of Women at Workplace:

Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up a Complaint Committee at its work place(s) to redress the complaints of women employees.

The no. of complaints received during financial year 2017-18 under the said Act, is available in Business Responsibility Report which forms part of this report.

### g) Risk Management:

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

**h) Vigil Mechanism / Whistle Blower policy:**

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

**i) Subsidiary Companies:**

The financial statements, in particular, the investments made by the unlisted subsidiary companies, if any, are reviewed by the Audit Committee of the Company.

The minutes of the Board meetings of the unlisted subsidiary companies are placed at the Board meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board meeting of the Company.

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's Website. The web link is <https://www.aplapollo.com/wp-content/uploads/2017/06/Policy-for-determining-Material-Subsidiary.pdf>

During the year, the Company did not have any material unlisted subsidiary as defined in Regulation 16 of the Listing Regulations.

**j) Disclosures with respect to demat suspense account/ unclaimed suspense account**

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

**12. Reconciliation of Share Capital Audit**

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

**13. Means of communication:****i. Publication of quarterly/half yearly/nine monthly/annual results:**

Quarterly and annual financial results are normally published in Economic Times, Jansatta, Hindu Business Lines 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.aplapollo.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.aplapollo.com before it has been released to the media.

**iii. Presentations to analysts:**

Four presentations were made to analysts/investors during the financial year 2017-18. The same are available on the Company's website. The presentations broadly covered operational and financial performance of the Company and industry outlook.

**14. General Shareholders' Information:****i. Annual General Meeting**

Date and time: September 29, 2018 at 11.00 A.M. (Saturday).

Venue: JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092

Book closure: Saturday, September 22, 2018 to Saturday, September 29, 2018 (both days inclusive)

ii. **Financial calendar (tentative and subject to change)**

Period	Board Meetings
Unaudited results for first quarter ended June 30, 2018	On or before August 14, 2018
Unaudited results for second quarter/ half year ended September 30, 2018	On or before November 14, 2018
Unaudited results for third quarter/ nine months ended December 31, 2018	On or before February 14, 2019
Audited results for the financial year 2018-19	On or before May 30, 2019

**Dividend Payment:** The dividend of ₹14 per equity share for financial year 2017-18, has been recommended by the Board of Directors, subject to approval from shareholders. The same shall be paid on or after September 29, 2018 but within the statutory time limit.

iii. **Listing of shares:**

The Equity Shares of the Company is listed with the following stock exchanges:

The listing fees of all the stock exchanges has been paid by the Company for the financial year 2018-19 and financial year 2017-18.

ISIN Code for the Company's Equity Shares:	INE702C01019
ISIN Code for the Company's Debentures:	INE702C07016, INE702C07024 and INE702C07032

iv. **Distribution schedule as at March 31, 2018**

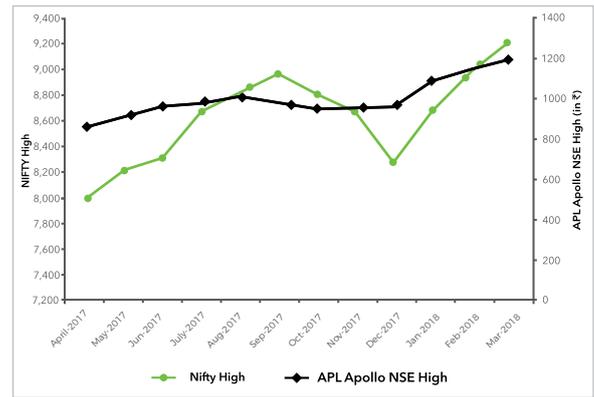
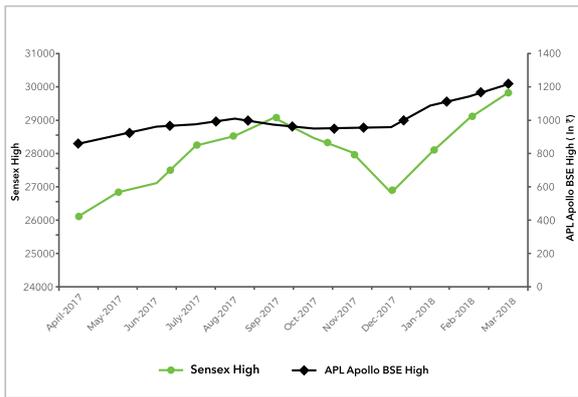
Nos. of equity shares held	Shareholders		Shares held	
	Number	%	Number	%
Upto 2,500	13,213	85.53	742,810	3.13
2,501-5,000	1075	6.96	407,002	1.71
5,001-10,000	557	3.61	415,493	1.75
10,001-20,000	263	1.70	386,573	1.62
20,001-30,000	97	0.63	243,552	1.03
30,001-40,000	46	0.30	162,890	0.69
40,001-50,000	33	0.21	151,878	0.64
50,001-1,00,000	64	0.41	461,976	1.95
1,00,001 & Above	101	0.65	20,757,631	87.48
<b>Total</b>	<b>15,449</b>	<b>100</b>	<b>237,298,05</b>	<b>100</b>

v. **Shareholding pattern as on March 31, 2018**

Category	No. of shares held	Percentage of shareholding
Indian Promoters	8,840,187	37.25
FII's/Foreign Investors/NRIs	6,502,290	27.40
Mutual funds/ Financial Institutions/Banks	3,509,240	14.79
Individuals/Trusts	3,418,961	14.41
Clearing Members/ Hindu Undivided Families	187,849	0.79
Domestic Bodies Corporate	1,271,278	5.36
<b>Total</b>	<b>23,729,805</b>	<b>100</b>

## vi. Market price data

Month and Year	Stock market price on BSE (In ₹ Per share)			Sensex		Stock market price on NSE (In ₹ Per share)			S& P CNX Nifty	
	High	Low	Traded quantity	High	Low	High	Low	Traded quantity	High	Low
April, 2017	1,485.00	1,163.00	97,359	30,184.22	29,241.48	1,483.90	1,168.00	4,28,173	9,367.15	9,075.15
May, 2017	1,550.00	1,285.10	26,523	31,255.28	29,804.12	1,505.00	1,311.00	2,31,226	9,649.60	9,269.90
June, 2017	1,738.00	1,417.65	55,928	31,522.87	30,680.66	1,741.90	1,407.80	2,73,282	9,709.30	9,448.75
July, 2017	1,662.40	1,552.60	23,489	32,672.66	31,017.11	1,683.00	1,430.50	2,24,173	10,114.85	9,543.55
August, 2017	1,632.00	1,444.40	25,330	32,686.48	31,128.02	1,638.90	1,437.45	2,18,541	10,137.85	9,685.55
September, 2017	1,948.00	1,539.65	56,385	32,524.11	31,081.83	1,945.00	1,550.00	3,32,649	10,178.95	9,687.55
October, 2017	1,951.15	1,712.05	25,880	33,340.17	31,440.48	1,968.30	1,701.30	2,38,143	10,384.50	9,831.05
November, 2017	1,990.00	1,665.00	1,94,851	33,865.95	32,683.59	1,990.00	1,813.90	5,83,119	10,490.45	10,094.00
December, 2017	2,027.80	1,841.00	2,28,832	34,137.97	32,565.16	2,049.00	1,835.00	7,31,912	10,552.40	10,033.35
January, 2018	2,587.00	1,963.30	1,60,327	36,443.98	33,703.37	2,575.00	1,954.30	20,80,717	11,171.55	10,404.65
February, 2018	2,251.10	1,800.05	1,88,887	36,256.83	33,482.81	2,260.05	1,880.00	5,90,241	11,117.35	10,276.30
March, 2018	2,075.75	1,848.65	1,62,074	34,278.63	32,483.84	2,090.00	1,816.55	4,86,045	10,525.50	9,951.90



(Source: www.bseindia.com and www.nseindia.com)

## vii. Share transfer system

Share transfer and related operations for APL Apollo Tubes Limited are conducted by M/s Abhipra Capital 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.

## viii. Unclaimed Dividends:

Pursuant to provisions of Section 125 of the Companies Act, 2013 the dividends which have remained unpaid / unclaimed for a period of Seven years from the date of transfer the unpaid dividend account is mandatorily required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The dividend status remaining unclaimed is given hereunder:

Financial year	Dividend Per Share (₹)	Date of declaration	Due date for transfer to IEPF
2011-2012 (Final Dividend)	2.00	September 29, 2012	November 5, 2019
2012-2013 (Final Dividend)	5.00	30 August, 2013	October 6, 2020
2013-2014 (Final Dividend)	5.00	30 September, 2014	November 6, 2021
2014-2015 (Final Dividend)	6.00	August 28, 2015	October 4, 2022
2015-2016 (Final Dividend)	10.00	September 24, 2016	October 31, 2023
2016-2017 (Final Dividend)	12.00	September 29, 2017	November 4, 2024

#### **ix. Dematerialization of shares**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2018, 99.99999% of the Company's total Equity Shares representing 23,729,802 shares were held in dematerialized form and 3 shares representing 0.00001% of paid-up share capital were held in physical form.

#### **x. Outstanding ADRs/ GDRs**

There were no outstanding GDRs/ ADRs, as on March 31, 2018.

#### **xi. Warrants and other convertible instruments:**

There were no warrants outstanding for conversion as on March 31, 2018

#### **xii) Commodity price risk or foreign exchange risk and hedging activities**

During the financial year ended March 31, 2018, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts, swaps and options for hedging foreign exchange exposures against imports and exports.

#### **xiii. Investors Correspondence can be made on Registered Office of the Company as given under:**

##### **APL Apollo Tubes Limited**

CIN: L74899DL1986PLC023443

37, Hargobind Enclave,

Vikas Marg, Delhi - 110092.

Phone: 011- 22373437 Fax 011-22373537

Mail: investors@aplapollo.com

#### **Xiv. Registrar and Share Transfer Agent**

##### **M/s. Abhipra Capital Limited**

GF- Abhipra Complex, Dilkhush Industrial Area

A-387, G.T. Karnal Road, Azadpur, Delhi-110033

Phone: 011-42390725 Fax: 011-2721 5530

Mail: rta@abhipra.com

#### **xv. Plant Locations**

##### **Unit - 1**

A-19 and A-20, Industrial Area, Sikandrabad,

Distt. Bulandsahar, Uttar Pradesh-203205

##### **Unit -2**

No. 332-338, Alur Village, Perandapalli,

Hosur, Tamil Nadu-635109.

##### **Unit-3**

Plot No. M-1, Additional MIDC Area, Murbad, Thane

Maharashtra - 421401

##### **Unit-4**

Village Bendri, Near Urla Industrial Area,

Raipur, Chhattisgarh- 492001

#### **xvi. Subsidiaries' Plant Locations**

##### **Apollo Metalex Private Limited**

CIN: U27104DL2006PTC146579

A-2 and A-25, Industrial Area, Sikandrabad,

Distt. Bulandshahar, Uttar Pradesh-203205

##### **Shri Lakshmi Metal Udyog Limited**

CIN: U85110DL1994PLC224835

No. 9 to 11, KIADB Industrial Area Attibele,

Bengaluru, Karnataka - 562107

#### **xvii. Stock Exchanges**

##### **BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra - 400 001

Phone: +91 22 2272 1233;

Fax: +91 22 2272 1919

Website:www.bseindia.com

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex,  
Bandra (E), Mumbai, Maharashtra - 400 051  
Phone: +91 22 2659 8100;  
Fax: +91 22 2659 8120 Website: www.nseindia.com

**xviii. Debenture Trustees****Vistra ITCL (India) Limited**

IL&FS Financial Centre, Plot C- 22, G Block,  
Bandra Kurla Complex, Bandra(E), Mumbai, Maharashtra- 400051  
Website: www.itclindia.com

**SBICAP Trustee Company Ltd.**

Apeejay House, 6th Floor, 3, Dinshaw Wachha Road,  
Churchgate, Mumbai, Maharashtra- 400020

**xix. Depositories****National Securities Depository Limited**

Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound,  
Lower Parel, Mumbai, Maharashtra - 400 013  
Phone: +91 22 2499 4200;  
Fax: +91 22 2497 6351  
E-mail: info@nsdl.co.in  
Website: www.nsdl.co.in

**Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street,  
Mumbai, Maharashtra - 400 001  
Phone: +91 22 2272 3333;  
Toll free: 1800-200-5533  
Fax: +91 22 2272 3199  
E-mail: helpdesk@cdslindia.com  
Website: www.cdslindia.com

**15. Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel which is available on the website of the Company i.e. www.aplapollo.com. The Company has received confirmations from all the Board members and senior management personnel regarding compliance of the Code during the year under review.

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

**16. CEO and CFO Certification:**

Shri Ashok Kumar Gupta, Managing Director and Shri Deepak Goyal, Chief Financial Officer of the Company have provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) read with Schedule II of Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**17. Compliance certificate of the Practicing Company Secretary:**

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

**18. Code for prevention of insider trading:**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted (i) the code of practices and procedures for fair disclosure of unpublished price sensitive information and (ii) the code of conduct to regulate, monitor and report trading by insiders, in terms of the said Regulations.

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

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

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

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

For **APL Apollo Tubes Limited**

Place : Ghaziabad  
Date : May 25, 2018

**Ashok K Gupta**  
Managing Director

# COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The members of  
APL Apollo Tubes Limited**

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

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

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

## Auditor's Responsibility

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

## Opinion

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

## Restriction on use

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

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

Place : Ghaziabad  
Date : May 25, 2018

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

# Standalone Financial Statement

# INDEPENDENT AUDITOR'S REPORT

## To The Members of APL Apollo Tubes Limited Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **APL APOLLO TUBES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

### Opinion

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

### Emphasis of Matter

We draw attention to Note 46 of the Standalone Ind AS Financial Statements in respect of scheme of Amalgamation ('Scheme') approved by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi. The Company has applied the accounting treatment in accordance with the said scheme for accounting for amalgamation of Lloyds Line Pipes

Limited (a subsidiary company) with APL Apollo Tubes Limited under Section 230 and 232 of Companies Act, 2013 with effect from the appointed date i.e. April 1, 2015.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; (Refer Note no 37(a) of the standalone Ind AS financial statements)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; (Refer Note no 37(b)(6) of the standalone Ind AS financial statements)
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer Note no 37( c) of the standalone Ind AS financial statements)
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**RASHIM TANDON**  
Partner  
(Membership No. 95540)

Ghaziabad  
May 25, 2018  
RT/AL/2018

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 **APL APOLLO TUBES LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management 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, including adherence to company's policies, 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Ghaziabad  
May 25, 2018  
RT/AL/2018

**RASHIM TANDON**  
Partner  
(Membership No. 95540)

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and the records examined by us immovable properties of land and buildings whose title deeds / conveyance deeds / lease deeds have been pledged as security for loans are held in the name of the Company / erstwhile name of the Company based on the confirmations received by the Company from lenders / custodians. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as part of prepaid lease payments in the standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except for the following:

Particulars of the land and building	Gross Block as at March 31, 2018 (₹ in crore)	Net Block as at March 31, 2018 (₹ in crore)	Remarks
Freehold land and building located at Murbad, Maharashtra admeasuring 37800 Sq. ft.	1.47	1.25	The conveyance deed is in the name of Lloyds Line Pipes Limited, erstwhile Company that was merged with the Company under Section 230 and Section 232 of the Companies Act, 2013 in terms of the approval of the Honorable National Company Law Tribunal, Principal bench, New Delhi

In respect of immovable property of land that has been taken on long-term lease at Sikandarabad the same has been verified with certified true copy of the lease agreement as we are informed that the original lease agreement is in the possession of the lessor (i.e. Uttar Pradesh State Industrial Development Corporation).

- As explained to us, the inventories (other than goods in transit) were physically verified during the year by the Management at the reasonable intervals and no material discrepancies have been noticed on physical verification.
- According to the information and explanations given to us, the Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which
  - The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - There are no overdue amount remaining outstanding as at year-end.
- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section

148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Custom Duty, Excise Duty, Value Added Tax and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at March 31, 2018 for a period of more than six months from the date they became payable other than following:

Name of Statute	Nature of Dues	Amount (₹ in crore)	Period to which the Amount Relates	Due Date	Date of subsequent payment
Income Tax Act, 1961	Dividend Distribution tax	-#	2015-16	September 7, 2015	May 21, 2018
Income Tax Act, 1961	Dividend Distribution tax	0.08	2016-17	October 8, 2016	May 21, 2018

#: ₹ 18,344 being dividend distribution tax deposited subsequently.

(b) Details of dues of Income tax, Sales Tax and Excise Duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (net of payment) (₹ in crore)	Amount paid under protest (₹ in crore)
Uttar Pradesh Value Added Tax Act 2008	Value Added Tax	High Court of Allahabad	2007-2008	0.61	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2011-2012	2.55	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2012-2013	1.24	0.13
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2013-2014	1.98	-
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2016-2017	0.40	0.06
Tamilnadu Value Added Tax, 2006	Value Added Tax	High Court of Chennai	2010-11 and 2011-12	0.81	-
Central Excise Act, 1944	Excise Duty	High Court of Allahabad	1996-1997	0.77	0.04
	Excise Duty	CESTAT, Allahabad	1999-2000	0.06	0.05
	Excise Duty	CESTAT, Allahabad	2008-2013	5.07	1.00
	Excise Duty	Commissioner Appeals	2014-15 and 2015-16	1.58	0.06
	Excise Duty	Additional Commissioner Appeals	2015-16	0.24	0.01
	Excise Duty	Tribunal, Mumbai	2006-07 and 2007-08	4.54	0.17
Finance Act, 1994	Service Tax	CESTAT, Mumbai	2005-2006	0.21	-
	Service Tax	CESTAT, Mumbai	2004-2005 and 2010-2011	0.71	-
	Service Tax	CESTAT, Mumbai	2010-2011 and 2011-2012	0.02	-
Income Tax Act, 1961	Income Tax	Commissioner of Income tax (Appeals)	2016-2017	3.40	0.30

We have been informed that there are no other dues of Value Added Tax, Excise Duty, Service tax, Income Tax, Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2018 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not obtained any loan or borrowings from government or financial institution.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the CARO 2016 Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the CARO 2016 Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**RASHIM TANDON**  
Partner  
(Membership No. 95540)

Ghaziabad  
May 25, 2018  
RT/AL/2018

# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2018

(₹ in crore)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>I. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	2(a)	702.62	488.83	456.46
(b) Capital work-in-progress	2(a)	39.57	116.96	31.13
(c) Investment property	2(b)	10.91	12.30	13.13
(d) Intangible assets	2(c)	3.24	3.69	3.36
(e) Investment in subsidiaries	3(a)	390.72	390.72	356.19
(f) Financial Assets				
(i) Investment	3(b)	1.11	0.44	-
(ii) Loans	4	-	0.24	0.32
(iii) Other financial assets	5	17.90	15.94	5.19
(g) Other non-current assets	6	46.84	61.98	60.75
<b>Total non-current assets</b>		<b>1,212.91</b>	<b>1,091.10</b>	<b>926.53</b>
<b>(2) Current assets</b>				
(a) Inventories	7	503.68	362.30	473.84
(b) Financial assets				
(i) Trade receivables	8	339.02	252.86	226.83
(ii) Cash and cash equivalents	9	0.99	0.46	0.77
(iii) Bank balance other than (ii) above	10	0.18	0.18	0.33
(iv) Loans	11	0.86	0.65	0.87
(v) Other financial assets	12	5.55	8.72	5.78
(c) Other current assets	13	79.37	121.94	35.86
<b>Total current assets</b>		<b>929.65</b>	<b>747.11</b>	<b>744.28</b>
<b>Total assets</b>		<b>2,142.56</b>	<b>1,838.21</b>	<b>1,670.81</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	14 (a)	23.73	23.59	23.44
(b) Other equity	14 (b)	881.86	787.14	716.95
<b>Total equity</b>		<b>905.59</b>	<b>810.73</b>	<b>740.39</b>
<b>(2) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15	75.00	97.80	160.72
(ii) Other financial liabilities	16	0.59	0.54	0.49
(b) Provisions	17	6.53	6.28	4.26
(c) Deferred tax liabilities (net)	18	77.55	62.12	54.65
(d) Other non-current liabilities	19	28.33	3.50	0.69
<b>Total non-current liabilities</b>		<b>188.00</b>	<b>170.24</b>	<b>220.81</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	20	564.97	340.99	367.62
(ii) Trade payables	21	352.87	442.96	246.65
(iii) Other financial liabilities	22	120.56	39.68	58.85
(b) Other current liabilities	23	7.46	25.94	32.00
(c) Provisions	24	0.25	0.18	0.57
(d) Current tax liabilities (net)	25	2.86	7.49	3.92
<b>Total current liabilities</b>		<b>1,048.97</b>	<b>857.24</b>	<b>709.61</b>
<b>Total equity and liabilities</b>		<b>2,142.56</b>	<b>1,838.21</b>	<b>1,670.81</b>

Notes to the standalone financial statements 1-47

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**  
Chairman  
DIN : 00233188

**ASHOK K. GUPTA**  
Managing Director  
DIN : 01722395

**VINAY GUPTA**  
Director  
DIN : 00005149

**RASHIM TANDON**  
Partner

**DEEPAK GOYAL**  
Chief Financial Officer

**ADHISH SWAROOP**  
Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

Place: Ghaziabad  
Date: May 25, 2018

# STATEMENT OF STANDALONE PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from operations	26	4,431.17	3,433.17
II Other Income	27	35.45	4.79
<b>III Total income (I +II)</b>		<b>4,466.62</b>	<b>3,437.96</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	28	3,375.77	2,278.19
(b) Purchase of stock-in-trade		487.17	340.44
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(72.55)	5.08
(d) Excise duty expense		95.37	326.83
(e) Employee benefits expense	30	62.51	53.06
(f) Finance costs	31	70.44	62.78
(g) Depreciation and amortisation expense	32	43.98	39.77
(h) Other expenses	33	247.98	208.38
<b>Total expenses</b>		<b>4,310.67</b>	<b>3,314.53</b>
<b>V Profit before tax (III - IV)</b>		<b>155.95</b>	<b>123.43</b>
<b>VI Tax expense:</b>			
(a) Current tax		30.88	35.22
(b) Deferred tax charge/(credit)		12.38	(0.11)
<b>Total tax expense</b>		<b>43.26</b>	<b>35.11</b>
<b>VII Profit for the year (V-VI)</b>			
<b>VIII Other Comprehensive income</b>		<b>112.69</b>	<b>88.32</b>
Items that will not be reclassified to profit and loss			
Remeasurements of post employment benefit obligation		0.93	(0.71)
Income tax relating to above item		(0.32)	0.25
<b>Other Comprehensive income for the year</b>		<b>0.61</b>	<b>(0.46)</b>
<b>IX Total Comprehensive income for the year (VII+VIII)</b>		<b>113.30</b>	<b>87.86</b>
<b>X Earnings per equity share of ₹ 10 each</b>			
(a) Basic (in ₹)		47.63	37.53
(b) Diluted (in ₹)		46.76	36.72

Notes to the standalone financial statements

1-47

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**

Chairman  
DIN : 00233188

**ASHOK K. GUPTA**

Managing Director  
DIN : 01722395

**VINAY GUPTA**

Director  
DIN : 00005149

**RASHIM TANDON**

Partner

Place: Ghaziabad  
Date: May 25, 2018

**DEEPAK GOYAL**

Chief Financial Officer

Place: Ghaziabad  
Date: May 25, 2018

**ADHISH SWAROOP**

Company Secretary

# STATEMENT OF CHANGES IN STANDALONE EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

## a) Equity share capital

Particulars	(₹ in crore)
	Amount
As at April 1, 2016	23.44
Changes during the year ended March 31, 2017	0.15
<b>As at March 31, 2017</b>	<b>23.59</b>
Changes during the year ended March 31, 2018	0.14
<b>As at March 31, 2018</b>	<b>23.73</b>

## b) Other equity

Particulars	Reserves and surplus				Other Reserves	Total
	Debtore redemption reserve	Securities premium reserve	General reserve	Surplus in Statement of profit and loss	Share option outstanding account	
<b>Balance at April 1, 2016</b>	<b>18.75</b>	<b>187.37</b>	<b>25.52</b>	<b>481.83</b>	<b>3.48</b>	<b>716.95</b>
Profit for the year ended March 31, 2017	-	-	-	88.32	-	88.32
Other comprehensive income for the year, net of tax	-	-	-	(0.46)	-	(0.46)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87.86</b>	<b>-</b>	<b>87.86</b>
<b>Allocations/Appropriations:</b>						
Share option outstanding account	-	-	-	-	1.37	1.37
Securities premium on issue of shares	-	9.09	-	-	-	9.09
Transfer to Debtore Redemption Reserve	12.50	-	-	(12.50)	-	-
Dividend paid	-	-	-	(23.44)	-	(23.44)
Dividend distribution tax	-	-	-	(4.69)	-	(4.69)
	<b>12.50</b>	<b>9.09</b>	<b>-</b>	<b>(40.63)</b>	<b>1.37</b>	<b>(17.67)</b>
<b>Balance as at March 31, 2017</b>	<b>31.25</b>	<b>196.46</b>	<b>25.52</b>	<b>529.06</b>	<b>4.85</b>	<b>787.14</b>
Profit for the year ended March 31, 2018	-	-	-	112.69	-	112.69
Other comprehensive income for the year, net of tax	-	-	-	0.61	-	0.61
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113.30</b>	<b>-</b>	<b>113.30</b>
<b>Allocations/Appropriations:</b>						
Dividend paid	-	-	-	(28.31)	-	(28.31)
Dividend distribution tax	-	-	-	(0.12)	-	(0.12)
Securities premium on issue of shares	-	8.66	-	-	1.19	9.85
Transfer to Debtore Redemption Reserve	18.75	-	-	(18.75)	-	-
	<b>18.75</b>	<b>8.66</b>	<b>-</b>	<b>(47.18)</b>	<b>1.19</b>	<b>(18.58)</b>
<b>Balance as at March 31, 2018</b>	<b>50.00</b>	<b>205.12</b>	<b>25.52</b>	<b>595.18</b>	<b>6.04</b>	<b>881.86</b>

Notes to the standalone financial statements 1-47

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**  
Chairman  
DIN : 00233188

**ASHOK K. GUPTA**  
Managing Director  
DIN : 01722395

**VINAY GUPTA**  
Director  
DIN : 00005149

**RASHIM TANDON**  
Partner

**DEEPAK GOYAL**  
Chief Financial Officer

**ADHISH SWAROOP**  
Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

Place: Ghaziabad  
Date: May 25, 2018

# STATEMENT OF STANDALONE CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash flow from operating activities</b>		
Profit before tax	155.95	123.43
Adjustments for:		
Depreciation and amortisation expense	43.98	39.77
Loss / (Gain) on sale of property, plant & equipment (net)	(0.02)	0.65
Loss / (Gain) on sale of investment property	0.38	-
Finance costs	70.44	62.78
Interest income	(2.34)	(0.90)
Dividend income	(28.30)	-
Share based expenses	2.68	3.05
Provision for old stocks	0.09	-
Bad debts	0.28	-
Provision for doubtful debts	1.71	1.09
Fair valuation of forward contract	2.51	0.77
Net unrealized loss/(gain)	2.79	(0.36)
Government grant	(3.36)	-
Other receivables and advances written off	0.51	0.78
Operating profit before working capital changes	<b>247.30</b>	<b>231.06</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(141.48)	111.54
Trade receivables	(88.65)	(27.90)
Current loans and other financial assets	3.00	(2.84)
Non-current loans and other financial assets	(1.72)	(10.67)
Other current assets	42.56	(86.07)
Other non-current assets	1.58	(11.89)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(95.39)	195.91
Other current liabilities	(18.47)	(6.06)
Other current financial liabilities	(2.01)	4.04
Other non current financial liabilities	0.05	0.05
Other non current liabilities	24.83	2.82
Provisions	1.25	0.92
Cash generated (used in) operations	(27.15)	400.90
Net income tax paid	(32.78)	(23.83)
<b>Net cash flow (used in) / from operating activities (A)</b>	<b>(59.93)</b>	<b>377.07</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant & equipment, including capital advances	(167.22)	(154.20)
Proceeds from sale of property, plant & equipment	4.26	5.88
Proceed from sale of investment property	1.01	0.83
Investment in subsidiaries	(0.68)	(34.97)
Dividend income	28.30	-
Interest received		
- Fixed deposits	2.30	1.02
- others	0.01	-
<b>Net cash flow (used in) investing activities (B)</b>	<b>(132.02)</b>	<b>(181.44)</b>

# STATEMENT OF STANDALONE CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>C. Cash flow from financing activities</b>		
Proceed from non-current borrowings	75.25	-
Proceed from current borrowings	509.35	424.08
Repayment of non-current borrowings	(19.51)	(85.83)
Repayment of current borrowings	(285.37)	(450.71)
Payment of dividends	(28.31)	(23.44)
Dividend distribution tax	(0.12)	(4.69)
Proceed from issue of equity share capital	7.31	7.56
Finance costs	(66.12)	(63.07)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>192.48</b>	<b>(196.10)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>0.53</b>	<b>(0.47)</b>
Cash and cash equivalents at the beginning of the year	0.64	1.10
<b>Cash and cash equivalents at the end of the year</b>	<b>1.17</b>	<b>0.63</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents (see note 9 & 10)	1.17	0.64
Less: Bank balances not considered as Cash and cash equivalents		
(i) In other deposit accounts		
- original maturity more than 3 months	(0.02)	(0.02)
(ii) In earmarked accounts		
- Unpaid dividend accounts	(0.16)	(0.16)
Net Cash and cash equivalents (as defined in Ind AS -7 Cash Flow Statements) included in note 9	0.99	0.46

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**  
Chairman  
DIN : 00233188

**ASHOK K. GUPTA**  
Managing Director  
DIN : 01722395

**VINAY GUPTA**  
Director  
DIN : 00005149

**RASHIM TANDON**  
Partner

**DEEPAK GOYAL**  
Chief Financial Officer

**ADHISH SWAROOP**  
Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

Place: Ghaziabad  
Date: May 25, 2018

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### 1 (i) Company background

APL Apollo Tubes Limited ("the Company") is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in the business of production of ERW steel tubes. The Company has four manufacturing units, one at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh and one at Murbad, Maharashtra.

The standalone financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 25, 2018.

#### 1 (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 and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

##### (a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards" with April 1, 2016 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standard) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

##### (b) Basis of Preparation

The financial statements have been prepared on a historical cost basis, except of certain assets and liabilities which are required to be carried at fair value by Ind AS.

##### (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.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

##### (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 ₹ (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

###### (i) Sale of goods

Revenue from sale of goods is measured at fair value of consideration received or receivable. Sales are recognised, net of returns and trade discounts, rebates, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with delivery of goods to customers. Sales include excise duty but exclude sales tax / goods & service tax and value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### (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.

### (iv) Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

### (g) Government grants

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### (h) 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 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 standalone 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.

### (i) Leases

#### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### (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 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

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

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.

#### (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 octroi and other levies, transit insurance and receiving charges. Finished goods include appropriate proportion of overheads and, where applicable.

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.

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

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### 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 & 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 & 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.

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## TO THE STANDALONE FINANCIAL STATEMENTS

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### (o) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### (p) 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 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.

### (q) 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.

### (r) Contingent liabilities and contingent assets

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 assets are disclosed in the financial statements. Contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

### (s) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

### (t) Employee benefits

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

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### TO THE STANDALONE FINANCIAL STATEMENTS

#### (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 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.

#### (u) 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.

#### (v) 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.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

Other borrowing costs are expensed in the period in which they are incurred.

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

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

### 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 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,

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

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 43 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.

#### (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

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## TO THE STANDALONE FINANCIAL STATEMENTS

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.

### (x) 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.

### (y) 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.

### (z) Segment Information

The Company is engaged in 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'

### 1(iii) Recent accounting pronouncements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

#### (a) Ind AS 115 - Revenue from Contracts with Customers

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from April 1, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks & rewards. The Company is evaluating the requirements of Ind AS 115 and its effect of the financial statements.

#### (b) Ind AS 21 - Foreign currency transactions and advance consideration

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating requirements of Ind AS 21 and its effect of the financial statements.

#### (c) Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after April 1 2018. These amendments are not expected to have material effect on Company's financial statements.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### 2(a): Property, Plant and Equipment

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carrying amounts of :</b>			
Freehold land	12.81	12.54	7.10
Buildings	153.46	111.95	107.82
Plant and machinery	523.36	354.71	334.12
Office equipment	1.22	1.13	1.42
Vehicle	5.56	3.46	2.32
Furniture and fixture	5.33	4.18	3.16
Computer	0.88	0.86	0.52
	<b>702.62</b>	<b>488.83</b>	<b>456.46</b>
Capital work-in-progress	<b>39.57</b>	<b>116.96</b>	<b>31.13</b>

Particulars	Freehold land	Buildings	Plant and machinery	Office equipment	Vehicle	Furniture and fixture	Computer	Total
<b>Cost or deemed cost</b>								
<b>Balance at April 1, 2016</b>	<b>7.10</b>	<b>107.82</b>	<b>334.12</b>	<b>1.42</b>	<b>2.32</b>	<b>3.16</b>	<b>0.52</b>	<b>456.46</b>
Additions	9.47	8.88	54.92	0.61	1.89	1.49	0.64	77.90
Sales / transfer during the year	(4.03)	(0.04)	(2.31)	-	(0.17)	-	-	(6.55)
<b>Balance at March 31, 2017</b>	<b>12.54</b>	<b>116.66</b>	<b>386.73</b>	<b>2.03</b>	<b>4.04</b>	<b>4.65</b>	<b>1.16</b>	<b>527.81</b>
Additions	0.27	46.45	208.82	0.61	3.21	1.78	0.41	261.55
Sales / transfer during the year	-	-	(4.13)	-	(0.33)	-	-	(4.46)
<b>Balance at March 31, 2018</b>	<b>12.81</b>	<b>163.11</b>	<b>591.42</b>	<b>2.64</b>	<b>6.92</b>	<b>6.43</b>	<b>1.57</b>	<b>784.90</b>
<b>Accumulated depreciation</b>								
<b>Balance at April 1, 2016</b>	-	-	-	-	-	-	-	-
Elimination on disposal of assets	-	-	-	-	-	-	-	-
Depreciation expenses	-	4.71	32.02	0.90	0.58	0.47	0.30	38.98
<b>Balance at March 31, 2017</b>	-	<b>4.71</b>	<b>32.02</b>	<b>0.90</b>	<b>0.58</b>	<b>0.47</b>	<b>0.30</b>	<b>38.98</b>
Elimination on disposal of assets	-	-	0.26	-	(0.03)	-	-	0.23
Depreciation expenses	-	4.94	35.78	0.52	0.81	0.63	0.39	43.07
<b>Balance at March 31, 2018</b>	-	<b>9.65</b>	<b>68.06</b>	<b>1.42</b>	<b>1.36</b>	<b>1.10</b>	<b>0.69</b>	<b>82.28</b>
<b>Carrying amount</b>								
<b>Balance at April 1, 2016</b>	<b>7.10</b>	<b>107.82</b>	<b>334.12</b>	<b>1.42</b>	<b>2.32</b>	<b>3.16</b>	<b>0.52</b>	<b>456.46</b>
Additions	9.47	8.88	54.92	0.61	1.89	1.49	0.64	77.90
Sales / transfer during the year	(4.03)	(0.04)	(2.31)	-	(0.17)	-	-	(6.55)
Depreciation expenses	-	(4.71)	(32.02)	(0.90)	(0.58)	(0.47)	(0.30)	(38.98)
<b>Balance at March 31, 2017</b>	<b>12.54</b>	<b>111.95</b>	<b>354.71</b>	<b>1.13</b>	<b>3.46</b>	<b>4.18</b>	<b>0.86</b>	<b>488.83</b>
Additions	0.27	46.45	208.82	0.61	3.21	1.78	0.41	261.55
Sales / transfer during the year	-	-	(4.39)	-	(0.30)	-	-	(4.69)
Depreciation expenses	-	(4.94)	(35.78)	(0.52)	(0.81)	(0.63)	(0.39)	(43.07)
<b>Balance at March 31, 2018</b>	<b>12.81</b>	<b>153.46</b>	<b>523.36</b>	<b>1.22</b>	<b>5.56</b>	<b>5.33</b>	<b>0.88</b>	<b>702.62</b>

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 2(b) Investment property

(₹ in crore)

	Investment Property
<b>Cost or deemed cost</b>	
Balance at April 1, 2016	13.13
Sales / transfer during the year	(0.68)
<b>Balance at March 31, 2017</b>	<b>12.45</b>
Sales / transfer during the year	(1.24)
<b>Balance at March 31, 2018</b>	<b>11.21</b>
<b>Accumulated depreciation</b>	
Balance at April 1, 2016	-
Depreciation expenses	0.15
<b>Balance at March 31, 2017</b>	<b>0.15</b>
Depreciation expenses	0.15
<b>Balance at March 31, 2018</b>	<b>0.30</b>
<b>Carrying amount</b>	
Balance at April 1, 2016	13.13
Sales / transfer during the year	(0.68)
Depreciation expenses	(0.15)
<b>Balance at March 31, 2017</b>	<b>12.30</b>
Sales / transfer during the year	(1.24)
Depreciation expenses	(0.15)
<b>Balance at March 31, 2018</b>	<b>10.91</b>

### 2(c) Intangible Assets

(₹ in crore)

	Computer Softwares
<b>Cost or deemed cost</b>	
Balance at April 1, 2016	3.36
Additions	0.97
<b>Balance at March 31, 2017</b>	<b>4.33</b>
Additions	0.31
<b>Balance at March 31, 2018</b>	<b>4.64</b>
<b>Accumulated depreciation</b>	
Balance at April 1, 2016	-
Depreciation expenses	0.64
<b>Balance at March 31, 2017</b>	<b>0.64</b>
Depreciation expenses	0.76
<b>Balance at March 31, 2018</b>	<b>1.40</b>
<b>Carrying amount</b>	
Balance at April 1, 2016	3.36
Additions	0.97
Depreciation expenses	(0.64)
<b>Balance at March 31, 2017</b>	<b>3.69</b>
Additions	0.31
Depreciation expenses	(0.76)
<b>Balance at March 31, 2018</b>	<b>3.24</b>

#### Notes :

- (1) The Company has elected to continue with the carrying value of all of its property, plant and equipment as at the transition date, viz, April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

- (2) The Company's investment properties consists of commercial properties in India.
- (3) As at March 31, 2018, March 31, 2017, and April 1, 2016, fair value of the investment property is ₹ 11.48 crore, ₹ 14.78 crore and ₹ 15.97 crore, respectively. These valuation is based on valuation performed by Government of India approved valuer Mr. Virender Kumar Jain who have Degree of Bachelor of Architecture and is having more than 25 years of experience in valuation of properties. The fair value measurement of all the investment properties has been categorised as a level 3 fair value based on the inputs of the valuation technique used. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.
- (4) The Company has no restriction on the realisability of its investment properties and there is no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (5) During the year, borrowing cost amounting ₹ 1.16 crore (Year ended March 31, 2017 ₹ 0.50 crore, Year ended March 31, 2016 ₹ Nil) has been capitalised on qualifying assets (Refer note 31).
- (6) Property, plant & equipment as detailed in note 2(a) have been pledged as security for term loan taken as at March 31, 2018. Refer note 15 for loans taken against which these assets are pledged.

### 3 Investment

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>3 (a) Investment in subsidiaries - (unquoted, fully paid)</b>			
(i) 2,711,100 (March 31, 2017: 2,711,100, April 1, 2016: 2,711,100) equity shares of ₹ 10 each fully paid up in Apollo Metalex Private Limited - at fair value (refer note below)	132.78	132.78	132.78
(ii) 5,895,000 (March 31, 2017: 5,895,000, April 1, 2016: 5,895,000) equity shares of ₹ 10 each fully paid up in Shri Lakshmi Metal Udyog Limited - at fair value (refer note below)	223.41	223.41	223.41
(iii) 142,400 (March 31, 2017: 142,400, April 1, 2016: 142,400) equity shares of ₹ 10 each fully paid up in Blue Ocean Projects Private Limited - at cost	34.53	34.53	-
<b>Total</b>	<b>390.72</b>	<b>390.72</b>	<b>356.19</b>

#### Note :

The Company has decided to measure its investment in subsidiaries on the date of transition to Ind-AS at their fair value and consider the same as its deemed cost (refer note 47). Accordingly the Company has recorded the investment in subsidiaries at their fair value for Apollo Metalex Private Limited at ₹ 132.78 crore (original cost ₹ 7.21 crores) and Shri Lakshmi Metal Udyog Limited at ₹ 223.41 crores (original cost ₹ 36.30 crores) aggregating to ₹ 356.19 crores (original cost of ₹ 43.51 crores).

### 3 (b) Other Investment- (unquoted, fully paid)

(i) 1,111,400 (March 31, 2017: 435,400, April 1, 2016: Nil) equity shares of ₹ 10 each fully paid up in Clover Energy Private Limited - at fair value	1.11	0.44	-
<b>Total</b>	<b>1.11</b>	<b>0.44</b>	<b>-</b>
<b>Aggregate carrying value of unquoted investment</b>	<b>391.83</b>	<b>391.16</b>	<b>356.19</b>

### 4 Loans

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Loans to employees	-	0.24	0.32
<b>Total</b>	<b>-</b>	<b>0.24</b>	<b>0.32</b>

#### Note :

There are no outstanding debts due from directors or other officers of the Company.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 5 Other financial assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Claim receivable	1.12	0.16	0.05
(b) VAT credit receivable	0.84	2.09	1.17
(c) Security deposit	15.94	13.69	3.97
<b>Total</b>	<b>17.90</b>	<b>15.94</b>	<b>5.19</b>

### 6 Other non-current assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Capital advances	18.33	31.91	42.56
(b) Prepaid expenses	5.04	6.48	0.28
(c) Prepaid lease payments	18.05	18.51	12.41
(d) Payment under protest			
(i) Safe guard duty	3.90	3.90	3.90
(ii) Excise	1.33	1.11	0.18
(iii) Service tax	-	0.05	0.23
(iv) VAT	0.19	0.02	1.19
<b>Total</b>	<b>46.84</b>	<b>61.98</b>	<b>60.75</b>

### 7 Inventories

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Raw material (including stock-in-transit) (at cost)	246.24	176.86	281.99
(b) Finished goods (including stock-in-transit) (at cost or net realisable value, whichever is lower)	241.41	173.03	176.75
(c) Stores and spares (at cost)	10.00	10.55	11.88
(d) Rejection and scrap (including stock-in-transit) (at net realisable value)	6.03	1.86	3.22
<b>Total</b>	<b>503.68</b>	<b>362.30</b>	<b>473.84</b>
<b>Details of stock-in-transit</b>			
Raw material	-	0.08	27.19
Finished goods	26.25	7.38	7.54
Rejection and Scrap	0.37	0.19	-

### 8 Trade receivables

(Unsecured)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Considered good			
(i) Related parties	0.23	0.28	32.68
(ii) Other than related parties	338.79	252.58	194.15
<b>Sub total</b>	<b>339.02</b>	<b>252.86</b>	<b>226.83</b>
(b) Considered doubtful	4.68	2.97	1.88
Less: Allowance for doubtful debts (expected credit loss allowance)	(4.68)	(2.97)	(1.88)
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>339.02</b>	<b>252.86</b>	<b>226.83</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

- (i) 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 5% of the total balance of trade receivables.
- (ii) In determining the allowance for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

**(1) Movements in expected credit losses allowance of receivables are as below :** (₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Balance at the beginning of the year</b>	2.97	1.88
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.71	1.09
<b>Balance at the end of the year</b>	<b>4.68</b>	<b>2.97</b>

**(2) Ageing of trade receivables and credit risk arising there from is as below :** (₹ in crore)

Particulars	As at March 31, 2018		
	Gross credit risk	Credit losses Allowance	Net credit risk
Amounts not yet due	243.91	1.05	242.86
90 days overdue	94.16	0.44	93.72
91-180 days overdue	1.70	0.01	1.69
181-270 days overdue	0.74	0.14	0.60
271-365 days overdue	0.39	0.24	0.15
More than 365 days overdue	2.80	2.80	-
	<b>343.70</b>	<b>4.68</b>	<b>339.02</b>

(₹ in crore)

Particulars	As at March 31, 2017		
	Gross credit risk	Credit losses Allowance	Net credit risk
Amounts not yet due	152.37	0.32	152.05
90 days overdue	96.07	0.17	95.90
91-180 days overdue	3.84	0.02	3.82
181-270 days overdue	0.19	0.01	0.18
271-365 days overdue	1.01	0.10	0.91
More than 365 days overdue	2.35	2.35	-
	<b>255.83</b>	<b>2.97</b>	<b>252.86</b>

(₹ in crore)

Particulars	As at April 1, 2016		
	Gross credit risk	Credit losses Allowance	Net credit risk
Amounts not yet due	167.24	0.19	167.05
90 days overdue	58.66	0.07	58.59
91-180 days overdue	0.12	0.00	0.12
181-270 days overdue	1.23	0.48	0.75
271-365 days overdue	0.57	0.25	0.32
More than 365 days overdue	0.89	0.89	-
	<b>228.71</b>	<b>1.88</b>	<b>226.83</b>

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### (3) Ageing wise % of expected credit loss

Particulars	Expected credit loss (%)
Amounts not yet due	0.11 % - 0.43 %
0-90 days overdue	0.12 % - 0.46 %
91-180 days overdue	0.62 % - 1.62 %
181-270 days overdue	4.94 % - 39.09 %
271-365 days overdue	10.32 % - 61.96 %
More than 365 days overdue	100.00 %

**Note :**

There are no outstanding debts due from directors or other officers of the Company.

### 9 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Cash on hand	0.07	0.08	0.07
(b) Balances with banks - in current accounts	0.92	0.38	0.70
<b>Total</b>	<b>0.99</b>	<b>0.46</b>	<b>0.77</b>

### 10 Bank balances Other than Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) In earmarked accounts			
(i) unpaid dividend account	0.16	0.16	0.19
(ii) In margin money with maturity less than 12 months at inception	0.02	0.02	0.14
<b>Total</b>	<b>0.18</b>	<b>0.18</b>	<b>0.33</b>

### 11 Loans

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Loans to employees	0.86	0.65	0.27
<b>Total</b>	<b>0.86</b>	<b>0.65</b>	<b>0.87</b>

**Note :**

There are no outstanding debts due from directors or other officers of the Company.

### 12 Other financial assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Government grants			
(i) Export incentives	1.79	2.04	1.63
(ii) Licences	0.47	0.42	0.61
(b) Interest accrued	0.10	0.07	0.18
(c) Claim receivables	2.52	2.64	2.46
(d) VAT credit receivable	0.67	3.55	0.90
<b>Total</b>	<b>5.55</b>	<b>8.72</b>	<b>5.78</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### 13 Other current assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2017	April 1, 2016
(a) Prepaid expenses	1.87	1.98		0.90
(b) Prepaid lease payments	0.35	0.24		0.23
(c) Balances with government authorities				
(i) Goods and service tax credit receivable / Cenvat credit receivable	55.45	11.36		20.10
(ii) Service tax credit receivable	0.20	5.83		2.03
(iii) Custom duty	-	-		0.92
(d) Payment under protest				
(i) Excise duty	-	0.79		5.19
(ii) Income tax	0.30	0.05		-
(e) Advance to suppliers	20.87	101.58		6.49
(f) Loan to Related party (see note below)	0.29	-		-
(g) Gold coins in hand	0.04	0.11		-
<b>Total</b>	<b>79.37</b>	<b>121.94</b>		<b>35.86</b>

#### Note :

The Company has given a loan towards working capital requirements amounting to ₹ 0.29 crore (March 31, 2017: ₹ Nil, April 1, 2016: ₹ Nil) carrying interest 10% p.a. on February 19, 2018 to a wholly owned subsidiary viz. Blue Ocean Projects Private Limited. The Loan is repayable on February 18, 2019. The maximum amount outstanding during the year is ₹ 0.29 crore (March 31, 2017: ₹ Nil, April 1, 2016: ₹ Nil).

#### 14 Equity

##### 14 (a) Equity Share capital

(₹ in crore)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
(i) <b>Authorised capital</b>						
Equity shares of ₹ 10 each with voting rights	25,000,000	25.00	25,000,000	25.00	25,000,000	25.00
Add : Increase in Authorised Share Capital pursuant to Scheme of Amalgamation by 20,000,000 Equity shares of ₹ 10 each of Lloyd Line Pipes Limited (Refer note 46)	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00
	<b>45,000,000</b>	<b>45.00</b>	<b>45,000,000</b>	<b>45.00</b>	<b>45,000,000</b>	<b>45.00</b>
(ii) <b>Issued capital</b>						
Equity shares of ₹ 10 each with voting rights	23,729,805	23.73	23,589,955	23.59	23,438,636	23.44
	<b>23,729,805</b>	<b>23.73</b>	<b>23,589,955</b>	<b>23.59</b>	<b>23,438,636</b>	<b>23.44</b>
(iii) <b>Subscribed and fully paid up capital</b>						
Equity shares of ₹ 10 each with voting rights	23,729,805	23.73	23,589,955	23.59	23,438,636	23.44
	<b>23,729,805</b>	<b>23.73</b>	<b>23,589,955</b>	<b>23.59</b>	<b>23,438,636</b>	<b>23.44</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

(1) Reconciliation of the number of shares and amount outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016 :

Particulars	Number of shares			Amount		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018 (₹ in crore)	As at March 31, 2017 (₹ in crore)	As at April 1, 2016 (₹ in crore)
<b>Equity share capital</b>						
<b>Outstanding at the beginning of the year</b>	23,589,955	23,438,636	23,438,636	23.59	23.44	23.44
Add: Issued during the year	139,850	151,319	-	0.14	0.15	-
<b>Outstanding at the end of the year</b>	<b>23,729,805</b>	<b>23,589,955</b>	<b>23,438,636</b>	<b>23.73</b>	<b>23.59</b>	<b>23.44</b>

(2) Rights, Preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(3) Details of shares held by each shareholder holding more than 5% shares:-

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
APL Infrastructure Private Limited	8,025,187	33.82%	8,025,187	34.02%	8,025,187	34.24%
Kitara PIIN	3,000,000	12.64%	3,000,000	12.72%	3,000,000	12.80%
IDFC Premier Equity Fund	867,063	3.65%	1,343,699	5.70%	1,586,500	6.77%
Ashok K. Gupta	65,000	0.27%	65,000	0.28%	1,500,000	6.40%

(4) Share options granted under the Company's employee share options plans

As at March 31, 2018, executives and senior employees held options over 447,250 equity shares of the Company. As at March 31, 2017, executives and senior employees held options over 521,889 equity shares of the Company.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 39.

14 (b) Other Equity

Particulars	(₹ in crore)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities premium reserve	205.12	196.46	187.37
Debenture redemption reserve	50.00	31.25	18.75
General reserve	25.52	25.52	25.52
Surplus in Statement of profit and loss	595.18	529.06	481.83
Share option outstanding account	6.04	4.85	3.48
<b>Total</b>	<b>881.86</b>	<b>787.14</b>	<b>716.95</b>
(1) <b>Securities premium reserve</b>			
Opening balance	196.46	187.37	187.37
Add: Additions during the year	8.66	9.09	-
Closing balance	<b>205.12</b>	<b>196.46</b>	<b>187.37</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(2) Debenture redemption reserve</b>			
Opening balance	31.25	18.75	-
Add: Transferred from surplus in statement of profit and loss	18.75	12.50	18.75
Closing balance	<b>50.00</b>	<b>31.25</b>	<b>18.75</b>
<b>(3) General reserve</b>			
Opening balance	25.52	25.52	25.52
Closing balance	25.52	25.52	25.52
<b>(4) Surplus in Statement of profit and loss</b>			
Opening balance	529.06	481.83	481.83
Add: Total comprehensive income for the year	113.30	87.86	-
Less: Final dividend	28.31	23.44	-
Less: Tax on final dividend	0.12	4.69	-
Less: Transfer to debenture redemption reserve	18.75	12.50	-
Closing balance	<b>595.18</b>	<b>529.06</b>	<b>481.83</b>
<b>(5) Share option outstanding account</b>			
Opening balance	4.85	3.48	3.48
Add : Addition during the year	1.19	1.37	-
Less : Deletion during the year	-	-	-
Closing balance	<b>6.04</b>	<b>4.85</b>	<b>3.48</b>

#### Nature and purpose of Reserves :-

- (i) **Securities premium account:** 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) **Debenture redemption reserve:** The Companies Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.
- (iii) **General reserve:** General reserves represents the free profits of the company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time company distribute dividend.
- (iv) **Surplus in Statement of profit and loss:** It represents unallocated/un-distributed profits of the company. The same is available for distribution.
- (v) **Share option outstanding account:** The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share option outstanding account is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme. (Refer note 39)

### 15 Borrowings

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(a) Debentures:</b>			
11.50% Secured, listed, Non-Convertible redeemable debentures of ₹ 10 Lacs each (see note (i) below)	75.00	75.00	75.00
<b>(b) Term Loan:</b>			
- From bank			
(i) Secured (see note (ii) below)	-	22.78	85.59
<b>(c) Vehicle Loan:</b>			
- From others			
(i) Secured by way of hypothecation of vehicles	-	0.02	0.13
<b>Total</b>	<b>75.00</b>	<b>97.80</b>	<b>160.72</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### (i) Details of debentures issued by the Company

As at April 1, 2016 debenture were secured by hypothecation of current assets and movable assets of the Company (both present and future). Further these were secured by hypothecation of immovable property situated at A 19 and A 20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu).

During financial year 2016-2017 charge has been changed to first pari passu charge on both movable and immovable property, plant & equipments, present and future, of the company on the property situated at A 19 and A 20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu, and at village Bendri, Tehsil Raipur, Dist. - Raipur and second pari passu charge on entire current assets (present and future) of the company. There is no change in security in current financial year.

These debentures are redeemable at face value in one single instalment on September 28, 2019.

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non current borrowings	Current Maturities of non- current borrowings	Non current borrowings	Current Maturities of non- current borrowings	Non current borrowings	Current Maturities of non- current borrowings

#### (ii) Term loan from banks are secured as follows:

By First Pari Passu charge on property, plant & equipments of the Company (both present and future) and charge on all current assets (both present and future) of the Company. The loan was further guaranteed by personal guarantee of Mr. Sanjay Gupta (Director). Applicable rate of interest was in the range of 10.50%-10.15%. During the financial year 2016-2017, the loan was fully repaid by the Company.	-	-	-	-	40.40	9.60
By First Pari Passu charge on E-11, Land-2, Estate Home, Jaypee Greens, Greater Noida. The loan was further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. Applicable rate of interest is in the range of 9.85%-9.50%. During the financial year 2016-2017, the loan was fully repaid by the Company.	-	-	-	-	3.21	0.11
By first pari passu charge on entire property, plant & equipments, movable and immovable, present and future, of the Company situated at A 19 and A 20, Industrial Area, Sikanderabad, UP and 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and at village Bendri, Raipur, Chhattisgarh and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. During the financial year 2016-2017, the personal guarantee of Mr. Sameer Gupta has been discharged. In the current financial year 2017-2018 there has been no change in the security structure. The loan outstanding as at balance sheet is repayable in 4 quarterly instalments commencing from June 2018 and ending in March 2019 of ₹ 3 crore each. Applicable rate of interest is 8.25%.	-	12.13	12.00	12.00	24.00	12.00

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non current borrowings	Current Maturities of non- current borrowings	Non current borrowings	Current Maturities of non- current borrowings	Non current borrowings	Current Maturities of non- current borrowings
By First Pari Passu charge on property, plant & equipments of the company (existing and proposed) and charge on all current assets of the company. The loan was further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta . Applicable rate of interest was 10.25%. During the financial year 2016-2017, the loan was fully repaid by the Company.	-	-	-	-	-	14.00
By first pari passu charge on entire property, plant & equipments, movable and immovable, present and future, of the Company situated at M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta . The loan outstanding is repayable in 3 quarterly instalments commencing from June 2018 and ending in December 2018 of ₹ 1.60 crore each. Applicable rate of interest is 8.25%.	-	4.84	4.79	4.00	8.79	4.00
By first pari passu charge on entire property, plant & equipments, movable and immovable, present and future, of the Company situated at M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta . The loan outstanding is repayable in 4 quarterly instalments commencing from June 2018 and ending in March 2019 of ₹ 1.50 crore each. Applicable rate of interest is 8.25%.	-	6.04	5.99	3.20	9.19	2.40
7.87%, Secured ,listed, Non Convertible redeemable debentures of ₹ 10 Lacs each. a) Debenture are secured by first pari passu charge on both movable and immovable property, plant & equipments, present and future, of the Company on the property situated at A 19 and A 20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and at village Bendri, Tehsil Raipur, Dist. - Raipur These debentures are redeemable at face value in one single instalment on September 14, 2018	-	75.00	-	-	-	-
<b>Total</b>	<b>-</b>	<b>98.01</b>	<b>22.78</b>	<b>19.20</b>	<b>85.59</b>	<b>42.11</b>

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 16 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Deferred payment (see note (i) below)	0.59	-	0.49
<b>Total</b>	<b>0.59</b>	<b>-</b>	<b>0.49</b>

(i) The Company has a deferred liability related to sales tax for the period from year ended March, 2016 to year ended March, 2026.

### 17 Provisions

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Provision for compensated absences	1.64	1.15	0.54
(b) Provision for gratuity	4.89	5.13	3.72
<b>Total</b>	<b>6.53</b>	<b>6.28</b>	<b>4.26</b>

### 18 Deferred Tax Assets / (Liabilities)

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

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Deferred Tax Liabilities on account of			
- Property, plant & equipments and other intangible assets	89.23	73.73	67.58
- Financial Assets (carried at fair value through P&L)	-	1.03	-
- Prior period adjustment	-	-	0.79
- Financial Assets (Transaction cost on loans)	0.19	0.19	0.20
<b>Total deferred tax liabilities (A)</b>	<b>89.42</b>	<b>74.95</b>	<b>68.57</b>
(ii) Deferred Tax Assets on account of			
- Provision for doubtful debts	1.62	1.03	0.65
- Provision for employee benefit expenses	2.37	2.23	1.54
- Financial Assets (carried at fair value through P&L)	1.04	-	1.28
- Others	-	0.02	-
<b>Total deferred tax assets (B)</b>	<b>5.03</b>	<b>3.28</b>	<b>3.47</b>
<b>Minimum alternate tax credit (C)</b>	<b>6.84</b>	<b>9.55</b>	<b>10.45</b>
<b>Disclosed as Deferred Tax Liabilities (Net - A-B-C)</b>	<b>77.55</b>	<b>62.12</b>	<b>54.65</b>

(b) Movement in deferred tax liabilities	As at April 1, 2016	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Utilised not recognised in profit or loss	As at March 31, 2017
<b>Deferred Tax Liabilities</b>					
Property, plant & equipments and other intangible assets	67.58	6.15	-	-	73.73
Financial Assets (carried at fair value through P&L)	-	1.03	-	-	1.03
Prior period adjustment	0.79	(0.79)	-	-	-
Fair Valuation of transaction cost	0.20	(0.01)	-	-	0.19
<b>Total</b>	<b>68.57</b>	<b>6.38</b>	<b>-</b>	<b>-</b>	<b>74.95</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

Movement in deferred tax liabilities	As at April 1, 2016	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Utilised not recognised in profit or loss	As at March 31, 2017
<b>Deferred Tax Assets</b>					
Provision for employee benefit expenses	1.54	0.44	0.25	-	2.23
Provision for doubtful debts	0.65	0.38	-	-	1.03
Fair Valuation of financial assets	1.28	(1.28)	-	-	-
Minimum alternate tax credit	10.45	6.92	-	(7.83)	9.55
Others	-	0.02	-	-	0.02
<b>Total</b>	<b>13.92</b>	<b>6.49</b>	<b>0.25</b>	<b>(7.83)</b>	<b>12.83</b>
<b>Deferred tax liabilities</b>	<b>54.65</b>	<b>(0.11)</b>	<b>(0.25)</b>	<b>7.83</b>	<b>62.12</b>

Movement in deferred tax liabilities / asset	As at April 1, 2017	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Utilised not recognised in profit or loss	As at March 31, 2018
<b>Deferred Tax Liabilities</b>					
Property, plant & equipments and other intangible assets	73.73	15.50	-	-	89.23
Financial Assets (carried at fair value through P&L)	1.03	(1.03)	-	-	-
Prior period adjustment	-	-	-	-	-
Fair Valuation of transaction cost	0.19	-	-	-	0.19
<b>Total</b>	<b>74.95</b>	<b>14.47</b>	<b>-</b>	<b>-</b>	<b>89.42</b>
<b>Deferred Tax Assets</b>					
Provision for employee benefit expenses	2.24	0.48	(0.32)	-	2.37
Provision for doubtful debts	1.03	0.59	-	-	1.62
Fair Valuation of financial assets	-	1.04	-	-	1.04
Minimum alternate tax credit	9.55	-	-	(2.73)	6.81
Others	0.02	(0.02)	-	-	-
<b>Total</b>	<b>12.83</b>	<b>2.09</b>	<b>(0.32)</b>	<b>(2.73)</b>	<b>11.87</b>
<b>Deferred tax liabilities</b>	<b>62.12</b>	<b>12.38</b>	<b>0.32</b>	<b>2.73</b>	<b>77.55</b>

#### 19 Other Non-current liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Deferred Income (see note below)	28.33	3.50	0.69
<b>Total</b>	<b>28.33</b>	<b>3.50</b>	<b>0.69</b>

#### Note :

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

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 20 Borrowings

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(a) Loan repayable on demand</b>			
- From bank (Secured)			
(i) Cash credit (see note (i) below)	330.65	82.54	111.63
<b>(b) Others</b>			
- From bank (Secured)			
(i) Buyer's credit			
- working capital (see note (i) below)	90.69	56.87	206.91
- Capital item loan (see note (ii) below)	93.63	36.99	-
(ii) 8.20% Secured, listed, Non-Convertible redeemable debentures (see note (iii) below)	50.00	50.00	-
(iii) Term Loan (see note (iv) below)	-	25.00	-
- From bank (unsecured)			
(i) Commercial paper	-	89.59	-
- From other parties (unsecured)			
(i) Commercial paper	-	-	49.08
<b>Total</b>	<b>564.97</b>	<b>340.99</b>	<b>367.62</b>

#### Nature of security:

- (i) Working capital facilities of APL Apollo Tubes Limited from banks are secured by first pari passu charge on present and future current assets, movable property, plant & equipments, of the company and further secured by equitable mortgage on the Company's land and building situated at A-19 and A-20 Industrial Area, Sikanderabad, U.P. and at 332-338, Alur Village, Perandapalli - Hosur on first pari passu basis. Working capital limit for certain banks have been arranged against the security of all present and future movable property, plant & equipment and current assets on first passu charge basis (these working capital limit do not have any charge on immovable property, plant & equipment of the company and collaterals). Further working capital limit for one bank has only second pari passu charge on moveable and immovable property, plant & equipment of the Company.

For buyer credit facilities from one bank, these are further secured by hypothecation of imported inventories. These credit facilities are further collaterally secured by personal guarantee of Mr. Sameer Gupta, Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors). However for working capital facilities of certain banks, these are only secured by personal guarantee of Mr. Sanjay Gupta.

During the financial year 2016-2017, charge has been changed to first pari passu charge on current assets of the Company and second Pari Passu charge on property, plant & equipments (movable and immovable both) situated at A-19 and A-20 Industrial Area, Sikanderabad, U.P and 332-338, Alur-Village, Perandapalli - Hosur. These credit facilities are further collaterally secured by personal guarantee of Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors). The corporate guarantee of V.S. Exim has been released during the financial year 2016-2017 and personal guarantee of Mr. Sameer Gupta has been released during the year 2016-2017 except one bank. In the financial year 2017-2018, charge has been changed to first pari passu charge on present and future current assets of the company and second pari passu charge on property, plant & equipment (movable and immovable both) of the Company's land and building situated at A-19 and A-20 Industrial Area, Sikanderabad, U.P. and at 332-338, Alur Village, Perandapalli - Hosur and at village Bendri, Teshil Raipur, Dist - Raipur. These credit facilities are further collaterally secured by personal guarantee of Mr. Sanjay Gupta and Mr. Vinay Gupta (Promoter Director).

Working capital facilities of APL Apollo Tubes Limited (erstwhile known as Lloyds Line Pipes Limited) from banks are secured by first Pari Passu charge on present and future current assets and property, plant & equipment of the Company and further secured by exclusive charge on Company's land and building situated at Murbad, Thane, Maharashtra. These credit facilities are further collaterally secured by personal guarantee of directors of the Company i.e. Mr. Sameer Gupta, Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors), these are further secured by corporate guarantee of APL Apollo Tubes Limited, Holding Company. However in one of the bank personal guarantee has been given by Mr. Sanjay Gupta (Director).

During the financial year 2016-2017 charge has been changed to first Pari Passu charge on current assets, present and future, of the Company and further secured by second Pari Passu charge on company's entire property, plant & equipments, movable and immovable, situated at Murbad, Thane, Maharashtra. During the year personal guarantee of Mr. Sameer Gupta has been released. In the financial year 2017-2018 there has been no change in the existing security structure.

- (ii) Buyer's credit includes ₹ 93.63 crore taken for capital goods which has been approved as a sublimit under the term loan facility taken. The tenor of buyer's credit is six months which can be roll forward upto the tenor of three years

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

The term loan including buyer credit is secured by first pari passu charge on property, plant & equipments, movable and immovable, present and future, of the Company situated at A-19 and A-20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu) and land at village Bendri, Raipur (Chhattisgarh) and second pari passu charge on current assets of the Company. The loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta.

(iii) Details of debentures issued by the Company:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8.20% Secured, listed, Non-Convertible redeemable debentures of ₹ 0.10 crore each (see note (a) below)	50.00	50.00	-

(a) The debenture are secured by first pari passu charge on both movable and immovable property, plant & equipment, present and future, of the company on the property situated at A 19 and A 20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and at village Bendri, Tehsil Raipur, Dist. - Raipur

The debentures have the following Call/Put Options :

Put Option: First Put Option at par, at the end of 12th Month from the deemed date of allotment and second Put Option at par, at the end of 24th Month from the deemed date of allotment.

Call Option: First Call Option at par, at the end of 12th Month from the deemed date of allotment and second Call Option at par, at the end of 24th Month from the deemed date of allotment.

These debentures are redeemable at face value in one single instalment on February 28, 2020.

(iv) The term loan facility was secured by first pari passu charge on land & building located at A-19 & A-20 Industrial Area, Sikanderabad, Plot No 332-338, Village Alur, Perandapalli, Hosur, Tamil Nadu & at village Bendri, Raipur (Chhattisgarh) and second charge on current assets of the Company. The loan was further guaranteed by personal guarantee of Mr. Sanjay Gupta and Mr. Vinay Gupta. The loan was repayable in one single instalment on September 8, 2018. Applicable rate of interest is 8.20%

Further the term loan has call and put option which can be exercised for this facility at the end of 9 months from the date of disbursement.

During year 2017-18 the Loan has been fully repaid.

### 21 Trade payables

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Outstanding dues to Micro and small enterprises	-	-	-
(b) Outstanding dues of creditors other than micro enterprises and small enterprises	352.87	442.96	246.65
<b>Total</b>	<b>352.87</b>	<b>442.96</b>	<b>246.65</b>

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:

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(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	-	-	-
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-	-

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 22 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Security deposit	1.50	1.30	0.19
(b) Current maturities of non-current borrowings (refer note 15) (net of unamortised prepaid processing fees)	97.84	19.31	42.23
(c) Capital creditors	10.81	10.50	2.43
(d) Unclaimed dividends	0.26	0.19	0.05
(e) Derivative liabilities	0.67	3.27	8.54
(f) Interest accrued but not due on borrowings	9.48	5.11	5.41
<b>Total</b>	<b>120.56</b>	<b>39.68</b>	<b>58.85</b>

### 23 Other current liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Statutory remittances	1.72	11.41	13.34
(b) Advance from customers	4.78	5.65	12.28
(c) Deferred Income (see note below)	0.96	0.16	0.11
(d) Excise duty payable	-	8.72	6.27
<b>Total</b>	<b>7.46</b>	<b>25.94</b>	<b>32.00</b>

#### Note :

Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme.

### 24 Provisions

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Provision for compensated absences	0.10	0.07	0.45
(b) Provision for gratuity	0.15	0.11	0.12
<b>Total</b>	<b>0.25</b>	<b>0.18</b>	<b>0.57</b>

### 25 Current tax liabilities (net)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Provision for tax (net of advance tax ₹ 52.62 crore, March 31, 2017 ₹ 19.03 crore, April 1, 2016 ₹ 38.96 crore)	2.86	7.49	3.92
<b>Total</b>	<b>2.86</b>	<b>7.49</b>	<b>3.92</b>

### 26 Revenue from operations

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Sale of products (see note (i) below)	4,288.39	3,339.29
(b) Other operating revenue (see note (ii) below)	142.78	93.88
<b>Total</b>	<b>4,431.17</b>	<b>3,433.17</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

- (i) Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been replaced by GST. In accordance with 'Ind-AS 18 : Revenue' and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations for applicable periods. In view of the aforesaid restructuring of indirect taxes, Revenue from operations for year ended March 2018 is not comparable with the year ended March, 2017. Following additional information is being provided to facilitate such comparison:

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(I) Revenue from operations (Gross)	4,431.17	3,433.17
(II) Excise duty	95.37	326.83
(III) Revenue from operations (net of excise duty)(I-II)	<b>4,335.80</b>	<b>3,106.34</b>
(ii) <b>Other operating revenue comprises</b>		
Sale of scrap	137.63	88.20
Export incentives	4.21	3.22
Commission	0.77	1.48
Job work	0.17	0.98
	<b>142.78</b>	<b>93.88</b>

#### 27 Other income

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest income on fixed deposit	2.33	0.90
(b) Interest income on others	0.01	-
(c) Profit on sale of property, plant and equipment (net)	0.02	-
(d) Miscellaneous income	4.79	3.89
(e) Dividend income from a subsidiary company	28.30	-
<b>Total</b>	<b>35.45</b>	<b>4.79</b>

#### 28 Cost of materials consumed

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories as of raw material at the beginning of the year	176.86	281.99
Add: Purchases	3,445.15	2,173.06
Less: Inventories of raw material as at the end of the year	246.24	176.86
<b>Total</b>	<b>3,375.77</b>	<b>2,278.19</b>

#### 29 Change in inventories

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inventories at the end of the year:</b>		
(a) Finished goods	241.41	173.03
(b) Scrap	6.03	1.86
	<b>247.44</b>	<b>174.89</b>
<b>Inventories at the beginning of the year:</b>		
(a) Finished goods	173.03	176.75
(b) Scrap	1.86	3.22
	<b>174.89</b>	<b>179.97</b>
<b>Total</b>	<b>(72.55)</b>	<b>5.08</b>

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 30 Employee benefits expense

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries and wages	58.13	49.54
(b) Contribution to provident and other funds	2.56	2.30
(c) Gratuity expense (refer note 38)	1.18	1.03
(d) Share based expenses to employees (refer note 39)	2.68	3.05
(e) Staff welfare expenses	1.38	1.02
	<b>65.93</b>	<b>56.94</b>
(f) Less: Allocation of common expenses (refer note 35)	3.42	3.88
<b>Total</b>	<b>62.51</b>	<b>53.06</b>

During the year, the Company recognised an amount of ₹ 3.82 crore (Year ended March 31, 2017 ₹ 3.78 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :-

(i) Short term employee benefits	3.73	3.67
(ii) Post employment benefits	0.04	0.10
(iii) Other long term employee benefits	0.05	0.01
	<b>3.82</b>	<b>3.78</b>

### 31 Finance costs

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest expense :		
(i) working capital facilities	44.55	38.28
(ii) term loan	5.46	12.09
(iii) debentures	15.84	8.67
(iv) delayed payment of income tax	0.48	-
	66.33	59.04
Less : Interest capitalised (refer note 2)	1.16	0.50
	65.17	58.54
(b) Other borrowing cost	5.27	4.24
<b>Total</b>	<b>70.44</b>	<b>62.78</b>

### 32 Depreciation and amortisation expense

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Depreciation on property, plant & equipments (refer note 2(a))	43.07	38.98
(b) Depreciation on investment property (refer note 2(b))	0.15	0.15
(c) Amortisation on intangible assets (refer note 2(c))	0.76	0.64
<b>Total</b>	<b>43.98</b>	<b>39.77</b>

### 33 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Freight outward	118.88	96.52
(b) Power and fuel	35.37	30.79
(c) Consumption of stores and spare parts	30.32	30.58
(d) Derivatives measured at fair value through profit & loss account	11.95	2.07
(e) Advertisement and sales promotion	9.33	7.24
(f) Loss on foreign currency transactions (net)	6.39	-
(g) Furnace oil	5.97	5.73
(h) Rent expense	5.67	5.01
(i) Travelling and conveyance	5.19	4.75
(j) Legal and professional charges (see note below)	4.86	3.65

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
(k) Job work charges	2.83	3.44	
(l) Repair and maintenance:			
(i) Building	0.16	0.85	
(ii) Plant and machinery	2.04	2.88	
(iii) Others	0.43	0.36	
(m) Rates and taxes	1.69	5.42	
(n) Security services	0.99	0.89	
(o) Provision for doubtful debts	1.71	1.09	
(p) Bad debts written off	0.28	-	
(q) Other receivables and advances written off	0.51	0.78	
(r) Loss on sale of investment property	0.38	-	
(s) Loss on sale of property, plant and equipment (net)	-	0.65	
(t) Donations and contributions	-	1.50	
(u) Corporate social responsibility (refer note 34)	0.09	1.20	
(v) Provision on old stock	0.09	-	
(w) Miscellaneous expenses	5.03	4.26	
	<b>250.16</b>	<b>209.66</b>	
(x) Less: Allocation of common expenses (see note 35)	2.18	1.28	
<b>Total</b>	<b>247.98</b>	<b>208.38</b>	

#### Note :-

Legal and professional charges include auditor's remuneration (excluding indirect taxes) as follows :

(a) To statutory auditors		
For audit (including quarterly reviews)	0.90	0.69
For taxation matters	0.18	0.05
For other services	0.04	0.04
Reimbursement of expenses	0.02	0.07
<b>Total</b>	<b>1.14</b>	<b>0.85</b>
(b) To cost auditors for cost audit	0.02	0.01
<b>Total</b>	<b>0.02</b>	<b>0.01</b>

### 34 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 :

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent by the Company during the year ended	1.97	0.90
Amount spent during the year on purposes other than construction / acquisition of any asset	0.09	1.20

### 35 Allocation of common expenses

During the year, the Company has charged back the common expenses incurred by it to its group companies (except Blue Ocean Projects Private Limited) on cost i.e. on cost to cost basis. The allocation of common expenses has been carried out on the basis of turnover of the respective companies, as per audited financial statements of immediate preceding financial year.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 36 Earnings per Equity share

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share	112.69	88.32
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	23,656,424	23,527,243
Adjustments for calculation of diluted earnings per share:	438,325	521,889
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	24,094,749	24,049,132
(a) Basic earnings per share in ₹	47.63	37.53
(b) Diluted earnings per share in ₹	46.76	36.72

### 37 Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(a) Contingent liabilities</b>			
(1) Disputed claims/levies in respect of sales tax:			
- Statutory forms (refer note (i) below)	-	114.37	-
- Reversal of input tax credit	7.32	12.20	10.22
- Classification of goods	-	3.63	3.63
- Provisional Assessment	0.46	0.25	0.80
	<b>7.78</b>	<b>130.45</b>	<b>14.65</b>
(2) Disputed claims/levies in respect of excise duty:			
- Availability of input credit	6.32	6.95	11.17
- Reversal of input tax credit	1.64	-	-
- Excise demand on excess / shortages	5.63	5.63	0.91
- Classification of goods	-	0.03	0.25
	<b>13.59</b>	<b>12.61</b>	<b>12.33</b>
(3) Disputed claims/levies in respect of service tax:			
- Availability of input credit	0.99	0.99	1.12
(4) Disputed claims/levies in respect of Income Tax (refer note (ii) below)	3.70	1.41	-
<b>Total</b>	<b>26.06</b>	<b>145.46</b>	<b>28.10</b>

- (i) During the previous financial year ended March 31, 2017, the Company received a demand of ₹ 114.37 crore under Central Sales Tax Act, 1956 on account of non submission of various statutory forms under the mentioned Act. During current year, the Company has deposited the all required forms and said demand has been withdrawn by the sales tax authority.
- (ii) During the previous financial year ended March 31, 2017, the Company received a demand of ₹ 1.41 crore under Income Tax Act, 1961 due to disallowance of certain expenses. The Company has filed the appeal before the CIT (Commissioner of Income Tax) Appeal against the order. During the current year, the CIT-Appeal has withdrawn the above demand.  
No Provision has been considered necessary since the Company expects favourable decision in appeals.
- (iii) During the year, the Company has discounted the sales bill from the banks for ₹ 10.61 crore (March 31, 2017 ₹ 0.92 crore, April 1, 2016 ₹ 0.26 crore).

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### (b) Commitments

- (1) Estimated amount of contracts remaining to be executed on capital account and not provided for
- |   |       |       |        |
|---|-------|-------|--------|
| (i) Property, plant & equipments (₹ in crore) | 40.43 | 69.37 | 139.05 |
|---|-------|-------|--------|
- (2) The Company has obtained advance licenses under the Duty Exemption Scheme for importing input materials without payment of customs duty against submission of bonds.

The export obligation is to be fulfilled within a period of 18 months from the date of issuance of license. Under this scheme the Company has to achieve both the quantity and FOB value of exports specified in the license. Accordingly the Company is required to export goods of FOB Value of at least ₹ 64.06 crore (March 31, 2017 ₹ 52.85 crore, April 1, 2016 ₹ 145.68 crore) against which the Company has saved a duty of ₹ 7.16 crore (March 31, 2017 ₹ 9.25 crore, April 1, 2016 ₹ 62.68 crore).

- (3) 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 at least ₹ 149.49 crore (March 31, 2017 ₹ 71.84 crore, April 1, 2016 ₹ NIL) against which the Company has saved a duty of ₹ 24.91 crore (March 31, 2017 ₹ 11.98 crore, April 1, 2016 ₹ Nil).

- (4) The Company has entered in Power Supply Agreement with a Vendor. As per agreement, the Company is required to draw an 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years.
- (5) The Company has given corporate guarantees on behalf of its two subsidiaries i.e. Apollo Metalex Private Limited and Shri Lakshmi Metal Udyog Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2018 of Apollo Metalex Private Limited is ₹ 32.66 crore (March 31, 2017 ₹ 102.51 crore, April 1, 2016 ₹ 67.61 crore) and Shri Lakshmi Metal Udyog Limited is ₹ 4.37 crore (March 31, 2017 ₹ 26.01 crore, April 1, 2016 ₹ 11.62 crore).
- (6) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Company does not have any other long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.

- (c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

#### 38 Employee benefit obligations

(₹ in crore)

Particulars	As at March 31, 2018		
	Current	Non-current	Total
<b>Gratuity</b>			
Present value of obligation	0.15	4.89	5.04
<b>Total employee benefit obligations</b>	<b>0.15</b>	<b>4.89</b>	<b>5.04</b>

Particulars	As at March 31, 2017		
	Current	Non-current	Total
<b>Gratuity</b>			
Present value of obligation	0.11	5.13	5.24
<b>Total employee benefit obligations</b>	<b>0.11</b>	<b>5.13</b>	<b>5.24</b>

Particulars	As at April 1, 2016		
	Current	Non-current	Total
<b>Gratuity</b>			
Present value of obligation	0.12	3.72	3.84
<b>Total employee benefit obligations</b>	<b>0.12</b>	<b>3.72</b>	<b>3.84</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### (a) Defined benefit plans

##### (a) Gratuity

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹ 0.20 crore (March 31, 2017 ₹ 0.10 crore). Vesting occurs upon completion of 5 years of service.

##### (b) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 2.00 crore (Year ended March 31, 2017 ₹ 1.90 crore) for Provident Fund contributions, and ₹ 0.56 crore (Year ended March 31, 2017 ₹ 0.40 crore) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

##### (c) Movement of defined benefit obligation:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in crore)

Particulars	Gratuity
<b>April 1, 2016</b>	<b>3.84</b>
Current service cost	0.75
Interest expense/(income)	0.28
<b>Total amount recognised in profit or loss</b>	<b>1.03</b>
<i>Remeasurements</i>	
effect of change in financial assumptions	0.38
effect of experience adjustments	0.33
<b>Total amount recognised in other comprehensive income</b>	<b>0.71</b>
Employer contributions : Benefit payments	(0.34)
<b>March 31, 2017</b>	<b>5.24</b>
<b>April 1, 2017</b>	<b>5.24</b>
Current service cost	0.76
Interest expense/(income)	0.42
<b>Total amount recognised in profit or loss</b>	<b>1.18</b>
<i>Remeasurements</i>	
Loss due to experience	(0.62)
Loss due to change in financial assumptions	(0.31)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.93)</b>
Employer contributions : Benefit payments	(0.45)
<b>March 31, 2018</b>	<b>5.04</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### (d) Post-Employment benefits

The significant actuarial assumptions were as follows:

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate	7.86%	7.40%	7.99%
Salary growth rate	8.00%	8.00%	8.00%
Expected Return on Assets	-	-	-
Retirement age	60 Years	60 Years	60 Years
Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
Attrition Rate			
18 to 30 years	3.00%	3.00%	3.00%
30 to 45 years	2.00%	2.00%	2.00%
Above 45 years	1.00%	1.00%	1.00%

#### Notes :

- (1) The discount rate is based on the prevailing market yield of Indian Government Securities as at Balance Sheet date for the estimated term of obligation.
- (2) The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

#### (e) Sensitivity analysis

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

	Change in assumption	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Gratuity</b>		
Discount rate	1%	1%
Salary growth rate	1%	1%

	Increase by 1%	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Gratuity</b>		
Discount rate	(0.60)	(0.63)
Salary growth rate	0.72	0.75

	Decrease by 1%	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Gratuity</b>		
Discount rate	0.73	0.76
Salary growth rate	0.61	(0.63)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### (f) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

**Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

### (g) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 23.57 years.

The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in crore)		
Particulars	Year ended March 2018	Year ended March 2017
Less than a year	0.15	0.12
Between 1 - 1 years	0.19	0.18
Between 2 - 3 years	-	0.39
Between 3 - 4 years	0.40	0.30
Between 4 - 5 years	0.38	0.41
Beyond 5 years	4.62	4.07
<b>Total</b>	<b>5.74</b>	<b>5.47</b>

## 39 Share Based Payments

### (a) Employee Share Option Plan :

- (i) The ESOS scheme titled "Employee Stock Option Scheme 2015" (ESOS 2015) was approved by the shareholders through postal ballot on July 27, 2015 and December 22, 2015. 7,50,000 options are covered under the Scheme for 750,000 Equity shares.
- (ii) During the financial year 2015-16, the Nomination and Remuneration Committee in its meeting held on July 28, 2015 has granted 724,000 options respectively under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 452.60 per share.
- (iii) During the financial year 2016-17, the Nomination and Remuneration Committee in its meeting held on January 28, 2017 has granted 45,000 options under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1,028.80 per share.
- (iv) During the financial year 2017-18, the the Nomination and Remuneration Committee in its meeting held on September 9, 2017 and February 5, 2018 has granted 96,000 and 70,000 options respectively, under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1,633.05 and ₹ 2,124.10 respectively per share.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

(b) The following share based payment arrangements were in existence during the current and prior years:

Number of options granted	Grant Date	Expiry Date	Exercise Price	Fair Value at grant date
			₹	₹
724,000	July 28, 2015	January 26, 2020	452.60	168.88
46,000	January 28, 2017	July 29, 2021	1,028.80	354.56
96,000	September 9, 2017	October 3, 2022	1,633.05	602.36
70,000	February 5, 2018	August 6, 2022	2,124.10	751.33

(c) Fair value option granted in the year

The weighted average fair value of the share options granted during the financial year is ₹ 665.18 (during the year ended March 31, 2016: ₹ 354.56). Options were priced using Black Scholes Model.

	Grant on September 9, 2017	Grant on February 5, 2018
Grant date share price	1,634.00	2,085.35
Exercise Price	1,633.05	2,124.10
Expected volatility	37.9%-41.29%	36.87%-40.04%
Option Life	3-4.5	3-4.5
Dividend yield	0.73%	0.85%
Risk-free Interest Rate	6.39%-6.52%	7.18%-7.45%

(d) Movement in share option during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		₹		₹
Balance at the beginning of the year	521,889	502.28	724,000	452.60
Granted during the year	166,000	1,840.12	46,000	1,028.80
Vested during the year	1,41,625*	484.64	163,583	452.60
Lapsed during the year	100,789	-	96,792	-
Forfeited during the year	-	-	-	-
Exercised during the year	139,850	452.60	151,319	452.60
Expired during the year	-	-	-	-
Options outstanding at the end of the year	4,47,250#	987.05	521,889	502.28
Options available for grant	11,581	-	76,792	-

\* Out of these 7,875 options is due for vesting in January 2018 but not yet vested

# Out of these 7,875 options were due for vesting and 1,250 options were vested but not yet exercised

(e) Share option exercised during the year

	Number exercised/ allotted	Exercise/Allotment date	Share Price at exercise/ allotment date
			₹
Granted on July 28, 2015	139,850	October 9, 2017	1,916.55

(f) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions, i.e., employee share option plan during the year recognised in profit or loss as part of employee benefit expense is ₹ 2.68 crore ( March 31, 2017 ₹ 3.05 crore).

(g) No option expired during the year

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 40 Related party transaction :

(a) Details of related parties :	Name of related parties
(i) Subsidiaries	Apollo Metalex Private Limited Shri Lakshmi Metal Udyog Limited Blue Ocean Projects Private Limited
(ii) Key Management Personnel (KMP)	Mr. Sanjay Gupta (Chairman) Mr. Ashok Kumar Gupta (Managing Director) Mr. Vinay Gupta (Director) Mr. Romi Sehgal (Director)
(iii) Relative of KMP	Mrs. Saroj Rani Gupta (Mother of Director) Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta) Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta) Mrs. Meenakshi Gupta (Wife of Mr. Sameer Gupta) Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)
(iv) Enterprises over which any person described in (i) to (iii) above is able to exercise significant influence	APL Infrastructure Private Limited Apollo Pipes Limited Best Steel Logistics Limited (w.e.f. March 15, 2018)

### (b) Transactions during the year

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
<b>Sale of goods</b>					
Apollo Metalex Private Limited	136.13	-	-	-	136.13
	(89.74)	(-)	(-)	(-)	(89.74)
Shri Lakshmi Metal Udyog Limited	45.14	-	-	-	45.14
	(3.10)	(-)	(-)	(-)	(3.10)
Apollo Pipes Limited	-	-	-	2.36	2.36
	(-)	(-)	(-)	(0.89)	(0.89)
Best Steel Logistics Limited	-	-	-	0.08	0.08
	(-)	(-)	(-)	(-)	-
	<b>181.27</b>	-	-	<b>2.44</b>	<b>183.71</b>
	<b>(92.84)</b>	-	-	<b>(0.89)</b>	<b>(93.73)</b>
<b>Sale of scrap</b>					
Apollo Metalex Private Limited	0.36	-	-	-	0.36
	(0.72)	(-)	(-)	(-)	(0.72)
Apollo Pipes Limited	-	-	-	0.02	0.02
	(-)	(-)	(-)	(-)	-
	<b>0.36</b>	-	-	<b>0.02</b>	<b>0.38</b>
	<b>(0.72)</b>	(-)	(-)	(-)	<b>(0.72)</b>
<b>Sale of property, plant &amp; equipments</b>					
Apollo Metalex Private Limited	3.27	-	-	-	3.27
	(1.22)	(-)	(-)	(-)	(1.22)
Shri Lakshmi Metal Udyog Limited	0.21	-	-	-	0.21
	(1.35)	(-)	(-)	(-)	(1.35)
	<b>3.48</b>	-	-	-	<b>3.48</b>
	<b>(2.57)</b>	(-)	(-)	(-)	<b>(2.57)</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	(₹ in crore)				
	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
<b>Sale of licenses</b>					
Apollo Pipes Limited	-	-	-	2.09	2.09
	(-)	(-)	(-)	(0.74)	(0.74)
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(0.30)	(-)	(-)	(-)	(0.30)
	-	-	-	2.09	2.09
	<b>(0.30)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.74)</b>	<b>(1.04)</b>
<b>Purchase of stores and spares</b>					
Apollo Metalex Private Limited	0.16	-	-	-	0.16
	(1.02)	(-)	(-)	(-)	(1.02)
Apollo Pipes Limited	-	-	-	1.01	1.01
	(-)	(-)	(-)	(1.21)	(1.21)
	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>1.01</b>	<b>1.17</b>
	<b>(1.02)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1.21)</b>	<b>(2.23)</b>
<b>Purchase of property, plant &amp; equipments</b>					
Apollo Metalex Private Limited	-	-	-	-	-
	(1.71)	(-)	(-)	(-)	(1.71)
Shri Laskhmi Metal Udyog Limited	-	-	-	-	-
	(10.91)	(-)	(-)	(-)	(10.91)
	-	-	-	-	-
	<b>(12.62)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(12.62)</b>
<b>Purchase of goods</b>					
Apollo Metalex Private Limited	283.68	-	-	-	283.68
	(165.81)	(-)	(-)	(-)	(165.81)
Shri Lakshmi Metal Udyog Limited	205.70	-	-	-	205.70
	(150.17)	(-)	(-)	(-)	(150.17)
Apollo Pipes Limited	-	-	-	1.65	1.65
	(-)	(-)	(-)	(2.32)	(2.32)
	<b>489.38</b>	<b>-</b>	<b>-</b>	<b>1.65</b>	<b>491.03</b>
	<b>(315.98)</b>	<b>(-)</b>	<b>(-)</b>	<b>(2.32)</b>	<b>(318.30)</b>
<b>Purchase of licence</b>					
Apollo Metalex Private Limited	-	-	-	-	-
	(0.38)	(-)	(-)	(-)	(0.38)
	-	-	-	-	-
	<b>(0.38)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.38)</b>
<b>Purchase of scrap</b>					
Apollo Metalex Private Limited	9.19	-	-	-	9.19
	(6.99)	(-)	(-)	(-)	(6.99)
Shri Lakshmi Metal Udyog Limited	3.62	-	-	-	3.62
	(4.84)	(-)	(-)	(-)	(4.84)
	<b>12.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.81</b>
	<b>(11.83)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(11.83)</b>

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
<b>Rent Paid</b>					
APL Infrastructure Private Limited	-	-	-	0.15	<b>0.15</b>
	-	-	-	(0.76)	(0.76)
Best Steel Logistics Limited	-	-	-	0.54	<b>0.54</b>
	-	-	-	-	-
Mrs. Saroj Rani Gupta	-	-	-	-	-
	-	-	(0.48)	-	(0.48)
Mrs. Neera Gupta	-	-	0.02	-	0.02
	-	-	(0.28)	-	(0.28)
Mrs. Vandana Gupta	-	-	0.02	-	0.02
	-	-	(0.28)	-	(0.28)
Mrs. Meenakshi Gupta	-	-	0.02	-	0.02
	-	-	(0.28)	-	(0.28)
	-	-	0.06	0.69	0.75
	-	-	(1.32)	(0.76)	(2.08)
<b>Rent received</b>					
Apollo Metalex Private Limited	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(0.01)
	-	-	-	-	-
	<b>(0.01)</b>	-	-	-	<b>(0.01)</b>
<b>Commission received</b>					
Apollo Metalex Private Limited	0.52	-	-	-	0.52
	(1.09)	(-)	(-)	(-)	(1.09)
Shri Lakshmi Metal Udyog Limited	0.25	-	-	-	0.25
	(0.39)	(-)	(-)	(-)	(0.39)
	<b>0.77</b>	-	-	-	<b>0.77</b>
	<b>(1.48)</b>	(-)	(-)	(-)	<b>(1.48)</b>
<b>Job work receipts</b>					
Apollo Metalex Private Limited	0.17	-	-	-	0.17
	(0.98)	(-)	(-)	(-)	(0.98)
	<b>0.17</b>	-	-	-	<b>0.17</b>
	<b>(0.98)</b>	(-)	(-)	(-)	<b>(0.98)</b>
<b>Job work expenses</b>					
Apollo Metalex Private Limited	0.25	-	-	-	0.25
	(1.81)	(-)	(-)	(-)	(1.81)
	<b>0.25</b>	-	-	-	<b>0.25</b>
	<b>(1.81)</b>	(-)	(-)	(-)	<b>(1.81)</b>
<b>Handling charges</b>					
APL Infrastructure Private Limited	(-)	(-)	(-)	0.05	0.05
	-	-	-	(0.58)	(0.58)
	(-)	(-)	(-)	<b>0.05</b>	<b>0.05</b>
	-	-	-	<b>(0.58)</b>	<b>(0.58)</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	(₹ in crore)				
	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
<b>Rebate and discount received</b>					
Apollo Metalex Private Limited	0.71	-	-	-	0.71
	(0.51)	(-)	(-)	(-)	(0.51)
	<b>0.71</b>	-	-	-	<b>0.71</b>
	<b>(0.51)</b>	(-)	(-)	(-)	<b>(0.51)</b>
<b>Loading and unloading charges</b>					
Apollo Metalex Private Limited	0.09	-	-	-	0.09
	(0.58)	(-)	(-)	(-)	(0.58)
	<b>0.09</b>	-	-	-	<b>0.09</b>
	<b>(0.58)</b>	(-)	(-)	(-)	<b>(0.58)</b>
<b>Allocation of common expenses</b>					
<b>(a) Employee benefit expenses:</b>					
Apollo Metalex Private Limited	1.90	-	-	-	1.90
	(1.18)	(-)	(-)	(-)	(1.18)
Shri Lakshmi Metal Udyog Limited	1.52	-	-	-	1.52
	(0.94)	(-)	(-)	(-)	(0.94)
	<b>3.42</b>	-	-	-	<b>3.42</b>
	<b>(2.12)</b>	(-)	(-)	(-)	<b>(2.12)</b>
<b>(b) Operating expenses:</b>					
Apollo Metalex Private Limited	2.08	-	-	-	2.08
	(1.45)	(-)	(-)	(-)	(1.45)
Shri Lakshmi Metal Udyog Limited	0.10	-	-	-	0.10
	(1.60)	(-)	(-)	(-)	(1.60)
	<b>2.18</b>	-	-	-	<b>2.18</b>
	<b>(3.05)</b>	(-)	(-)	(-)	<b>(3.05)</b>
<b>Salary</b>					
Mr. Sanjay Gupta	-	3.00	-	-	3.00
	(-)	(3.00)	(-)	(-)	(3.00)
Mr. Romi Sehgal	-	0.82	-	-	0.82
	(-)	(0.78)	(-)	(-)	(0.78)
Mr. Rahul Gupta	-	-	0.30	-	0.30
	(-)	(-)	(0.30)	(-)	(0.30)
	-	<b>3.82</b>	<b>0.30</b>	-	<b>4.12</b>
	(-)	<b>(3.78)</b>	<b>(0.30)</b>	(-)	<b>(4.08)</b>
<b>Director's sitting fees</b>					
Mr. Vinay Gupta	-	-	0.03	-	0.03
	(-)	(-)	(0.03)	(-)	(0.03)
	-	-	<b>0.03</b>	-	<b>0.03</b>
	(-)	(-)	<b>(0.03)</b>	(-)	<b>(0.03)</b>
<b>Dividend paid</b>					
APL Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(8.03)	(8.03)

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Mr. Ashok Kumar Gupta	-	-	-	-	-
	(-)	(1.12)	(-)	(-)	(1.12)
		-	-	-	-
	(-)	(1.12)	(-)	(8.03)	(9.15)
<b>Advance given for purchase of property</b>					
Mrs. Neera Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(14.00)	(14.00)
	(-)	(-)	(-)	(-)	(-)
Assawa Associates Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(9.00)	(9.00)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	(-)	(9.00)	(23.00)	(32.00)
	(-)	(-)	(-)	(-)	(-)
<b>Advances received for supply of raw materials</b>					
Best Steel Logistics Limited	-	-	-	50.80	50.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	59.00	59.00
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	109.80	109.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
<b>Refund of advances received for supply of raw materials</b>					
Best Steel Logistics Limited	-	-	-	50.80	50.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	59.00	59.00
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	109.80	109.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
<b>Refund of advance given for purchase of property</b>					
Mrs. Neera Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(14.00)	(14.00)
	(-)	(-)	(-)	(-)	(-)
Assawa Associates Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(9.00)	(9.00)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	(-)	(9.00)	(23.00)	(32.00)
	(-)	(-)	(-)	(-)	(-)
<b>(c) Balances outstanding at the end of the year</b>					
<b>Trade receivables</b>					
Apollo Metalex Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
	(32.68)	(-)	(-)	(-)	(32.68)
Apollo Pipes Limited	-	-	-	0.23	0.23
	(-)	(-)	(-)	(0.28)	(0.28)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	0.23	0.23
	(-)	(-)	(-)	(0.28)	(0.28)
	(32.68)	(-)	(-)	(-)	(32.68)
<b>Claim Receivable</b>					
Apollo Metalex Private Limited	1.82	-	-	-	1.82
	(0.35)	(-)	(-)	(-)	(0.35)
	(-)	(-)	(-)	(-)	(-)
Shri Laksmi Metal Udyog Private Limited	1.03	-	-	-	1.03
	(0.36)	(-)	(-)	(-)	(0.36)
	(-)	(-)	(-)	(-)	(-)
	2.85	-	-	-	2.85
	(0.71)	(-)	(-)	(-)	(0.71)
	(-)	(-)	(-)	(-)	(-)

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
<b>Expenses payable</b>					
Shri Lakshmi Metal Udyog Private Limited	0.80	-	-	-	0.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
	<b>0.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.80</b>
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
<b>Security given</b>					
Mrs. Neera Gupta	-	-	3.00	-	3.00
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	3.00	-	3.00
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	3.00	-	3.00
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	5.00	5.00
	(-)	(-)	(-)	(5.00)	(5.00)
	(-)	(-)	(-)	(-)	(-)
	<b>-</b>	<b>-</b>	<b>9.00</b>	<b>5.00</b>	<b>14.00</b>
	(-)	(-)	(9.00)	(5.00)	(14.00)
	(-)	(-)	(-)	(-)	(-)
<b>Advance given to related party</b>					
Blue Ocean Projects Private Limited	0.29	-	-	-	0.29
(refer note 13)	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
	<b>0.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.29</b>
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
<b>Trade payables</b>					
Apollo Metalex Private Limited	-	-	-	-	-
	(23.37)	(-)	(-)	(-)	(23.37)
	(-)	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(72.78)	(-)	(-)	(-)	(72.78)
	(45.06)	(-)	(-)	(-)	(45.06)

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	(₹ in crore)				
	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
APL Infrastructure Private Limited	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(0.14)	(0.14)
Apollo Pipes Limited	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(0.01)
	(-)	(-)	(-)	(0.67)	(0.67)
Best Steel Logistics Limited	-	-	-	0.58	0.58
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
Mrs. Neera Gupta	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
Mr. Sanjay Gupta	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(0.20)	(-)	(0.20)
Mr. Rahul Gupta	-	-	0.05	-	0.05
	(-)	(-)	(0.01)	(-)	(0.01)
	(-)	(-)	0.01	(-)	0.01
	-	-	0.08	0.63	0.71
	<b>(96.15)</b>	<b>(-)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(96.17)</b>
	<b>(45.06)</b>	<b>(-)</b>	<b>(0.19)</b>	<b>(0.81)</b>	<b>(46.06)</b>

#### Notes :

- Figures in the bracket relates to previous year ended March 31, 2017 and April 1, 2016
- As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
- The term loan and other credit facilities of the Company are also secured by personal guarantee of directors of the Company, Mr. Sanjay Gupta and Mr. Vinay Gupta.

#### 41 Income tax expense

The reconciliation of estimated income tax to income tax expense is as below :-

Particulars	(₹ in crore)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Profit before tax as per standalone statement of profit and loss</b>	<b>155.95</b>	<b>123.43</b>
Income tax expenses calculated as per tax rates of Income tax act of 34.608% (March 31, 2017 : 34.608%)	53.97	42.72
(i) Income exempt from tax / items not deductible	(9.63)	(7.77)
(ii) Tax on income at different rates (refer note below)	(1.08)	0.16
<b>Tax expense as reported</b>	<b>43.26</b>	<b>35.11</b>

In February, 2018, the Indian Corporate effective tax rate were changed from 34.608% to 34.944% and substantively enacted and will be effective from April 1, 2018. As a result, the relevant deferred tax balances have been remeasured.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### 42 Fair value measurements

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016.

(₹ in crore)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets - Non Current</b>						
Investments						
- Other investments	-	1.11	-	0.44	-	-
Loans to employees	-	-	-	0.24	-	0.32
Security deposit	-	15.94	-	13.69	-	3.97
Claim receivable	-	1.12	-	0.16	-	0.05
Others	-	0.84	-	2.09	-	1.17
<b>Financial assets - Current</b>						
Loans to employees		0.86		0.65		0.87
Claim receivable		2.52		2.65		2.46
Government grants	-	2.26	-	2.46	-	2.24
Trade receivables	-	339.02	-	252.86	-	226.83
Cash and cash equivalents	-	0.99	-	0.46	-	0.77
Bank balances other than cash and cash equivalents	-	0.18	-	0.18	-	0.33
Others	-	0.77	-	3.61	-	1.08
<b>Total financial assets</b>	<b>-</b>	<b>365.61</b>	<b>-</b>	<b>279.49</b>	<b>-</b>	<b>240.09</b>
<b>Financial liabilities - Non Current</b>						
Borrowings	-	75.00	-	97.80	-	160.72
Deferred payment	-	0.59	-	0.54	-	0.49
<b>Financial liabilities - Current</b>						
Borrowings	-	662.81	-	360.30	-	409.85
Interest accrued but not due on borrowings	-	9.48	-	5.11	-	5.41
Security deposit	-	1.50	-	1.30	-	0.19
Derivative liabilities	0.67	-	3.27	-	8.54	-
Trade payables	-	363.68	-	453.46	-	249.08
Others	-	0.26	-	0.19	-	0.05
<b>Total financial liabilities</b>	<b>0.67</b>	<b>1,113.32</b>	<b>3.27</b>	<b>918.70</b>	<b>8.54</b>	<b>825.79</b>

#### (a) Financial assets and liabilities measured at fair value - recurring fair value measurements :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Level 2	Level 2	Level 2
<b>Financial Liabilities</b>			
- Liability for foreign currency forward contracts	0.67	3.27	8.54
<b>Total financial liabilities</b>	<b>0.67</b>	<b>3.27</b>	<b>8.54</b>

Fair value of forward contracts determined by reference to quote from financial institution.

#### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

**(c) Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

**(d) Valuation inputs and relationships to fair value- Investment Property (Level 3)**

Particulars	Fair Value as at		
	March 31, 2018	March 31, 2017	April 1, 2016
Investment property*	11.48	14.78	15.97

The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

**43 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.

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.

**(i) Foreign currency risk**

The Company's functional currency in Indian ₹ (INR). The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and 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 ₹ and any relevant foreign currency result's in the increase in the Company's overall debt positions in ₹ 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. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payable as when the exposure arises.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### Details of derivative instruments and unhedged foreign currency exposure :-

- (1) The position of foreign currency exposure to the Company as at the end of the year are as follows :

Forward contract outstanding	Buy/Sell	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In USD	Buy	20,832,327	30,473,968	40,908,456
Equivalent amount in ₹ in crore	Buy	135.50	197.59	271.47
In EURO	Buy	6,072,382	2,133,402	30,329,393
Equivalent amount in ₹ in crore	Buy	48.96	14.77	201.18
In USD	Sell	6,000,000	-	-
Equivalent amount in ₹ in crore	Sell	39.03	-	-
In EURO	Sell	500,000	-	-
Equivalent amount in ₹ in crore	Sell	4.03	-	-

- (2) 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, 2018	As at March 31, 2017	As at April 1, 2016
<b>Receivables:</b>			
USD	-	1,552,974	987,929
Equivalent in ₹ in crore	-	10.07	6.55
EURO	-	163,278	197,216
Equivalent in ₹ in crore	-	1.13	1.48
<b>Payables:</b>			
USD	-	245,095	3,696
Equivalent in ₹ in crore	-	1.59	2.45
EURO	-	99,050	-
Equivalent in ₹ in crore	-	0.69	-
<b>Advance paid to vendors:</b>			
USD	-	1,506,135	2,263,425
Equivalent in ₹ in crore	-	9.77	15.01
EURO	1,952,567	1,511,200	2,785,346
Equivalent in ₹ in crore	15.74	10.47	20.92
<b>Advance Received from Customers:</b>			
USD	143,866	81,473	14,248
Equivalent in ₹ in crore	0.94	0.53	0.09
EURO	21,603	133,195	46,460
Equivalent in ₹ in crore	0.17	0.93	0.35

#### Sensitivity

If INR is depreciated or appreciated by 2.5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the company are given below:

Particulars	Impact on profit after tax	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>EURO sensitivity</b>		
INR/EURO Increases by 2.5% (March 31, 2017 - 2.5%)	-	(0.01)
INR/EURO Decreases by 2.5% (March 31, 2017 - 2.5%)	-	0.01
<b>USD sensitivity</b>		
INR/USD Increases by 2.5% (March 31, 2017 - 2.5%)	-	(0.14)
INR/USD Decreases by 2.5% (March 31, 2017 - 2.5%)	-	0.14

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in ₹ and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowings	514.97	265.99	367.62
Fixed rate borrowings	222.84	192.11	202.95
<b>Total borrowings</b>	<b>737.81</b>	<b>458.10</b>	<b>570.57</b>

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

Particulars	Balance	% of total loans
<b>As at March 31, 2018</b>		
Bank overdrafts, bank loans, Cash Credit	514.97	70%
<b>As at March 31, 2017</b>		
Bank overdrafts, bank loans, Cash Credit	265.99	58%
<b>As at April 1, 2016</b>		
Bank overdrafts, bank loans, Cash Credit	367.62	64%

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in crore)

Particulars	Impact on profit after tax	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest rates - increase by 50 basis points (50 bps)	(1.68)	(0.87)
Interest rates - decrease by 50 basis points (50 bps)	1.68	0.87

#### (b) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company.

Company's trade receivables are generally categorized into following categories:

1. Export customers
2. Institutional customers
3. Dealers

In case of export sales, in order to mitigate credit risk, generally sales are made on advance payment terms. Where export sales are not made on advance payment terms, the same are secured through letter of credit or bank guarantee, etc.

In case of sale to institutional customers certain credit period is allowed. In order to mitigate credit risk, majority of the sales are secured by letter of credit, bank guarantee, post dated cheques, etc.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

In case of sale to dealers certain credit period is allowed. In order to mitigate credit risk, majority of the sales made to dealers are secured by way of post dated cheques (PDC).

Further, Company has an ongoing credit evaluation process in respect of customers who are allowed credit period.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Reconciliation of loss allowance provision - Trade receivables		(₹ in crore)
Allowance for credit loss on April 1, 2016		1.88
Charge in statement of profit and loss		1.09
<b>Allowance for credit loss on March 31, 2017</b>		<b>2.97</b>
Charge in statement of profit and loss		1.99
Utilised during the year		(0.28)
<b>Allowance for credit loss on March 31, 2018</b>		<b>4.68</b>

#### (c) Liquidity risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities..

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows:

Particulars	(₹ in crore)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Floating rate</b>	393.91	585.57	401.62
<b>Nature of facility</b>	Working Capital	Working Capital	Working Capital

(ii) Maturities of financial liabilities

The table below analyses the company's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### Contractual maturities of financial liabilities :-

Particulars	(₹ in crore)			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
<b>Non-derivatives</b>				
<b>As at March 31, 2018</b>				
Borrowings	662.81	75.00	-	737.81
Interest accrued but not due on borrowings	9.48	-	-	9.48
Trade Payables	363.68	-	-	363.68
Security Deposits	1.50	-	-	1.50
Deferred payment	-	-	0.59	0.59
Others	0.26	-	-	0.26
<b>Total non-derivative liabilities</b>	<b>1,037.73</b>	<b>75.00</b>	<b>0.59</b>	<b>1,113.32</b>
<b>As at March 31, 2017</b>				
Borrowings	360.30	97.80	-	458.10
Interest accrued but not due on borrowings	5.11	-	-	5.11
Trade Payables	453.46	-	-	453.46
Security Deposits	1.30	-	-	1.30

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Deferred payment	-	-	0.54	0.54
Others	0.19	-	-	0.19
<b>Total non-derivative liabilities</b>	<b>820.36</b>	<b>97.80</b>	<b>0.54</b>	<b>918.70</b>
<b>As at April 1, 2016</b>				
Borrowings	409.85	160.72	-	570.57
Interest accrued but not due on borrowings	5.41	-	-	5.41
Trade Payables	249.08	-	-	249.08
Security Deposits	0.19	-	-	0.19
Deferred payment	-	-	0.49	0.49
Others	0.05	-	-	0.05
<b>Total non-derivative liabilities</b>	<b>664.58</b>	<b>160.72</b>	<b>0.49</b>	<b>825.79</b>

#### 44 Reconciliation of liabilities arising from financing activities

(₹ in crore)

Particulars	As at April 1, 2016	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2017
Non-current borrowings	160.72	(62.92)	-	97.80
Current borrowings	367.62	(30.14)	3.51	340.99
Current maturities of non-current borrowings	42.23	(22.92)	-	19.31
<b>Total liabilities from financing activities</b>	<b>570.57</b>	<b>(115.98)</b>	<b>3.51</b>	<b>458.10</b>

(₹ in crore)

Particulars	As at March 31, 2017	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2018
Non-current borrowings	97.80	(22.80)	-	75.00
Current borrowings	340.99	221.57	2.41	564.97
Current maturities of non-current borrowings	19.31	78.53	-	97.84
<b>Total liabilities from financing activities</b>	<b>458.10</b>	<b>277.30</b>	<b>2.41</b>	<b>737.81</b>

#### 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 borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, 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 borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non current borrowings	75.00	97.80	160.72
Current maturities of non current borrowings	97.84	19.31	42.23
Current borrowings	564.97	340.99	367.62
Less: Cash and cash equivalents	(0.99)	(0.46)	(0.77)
Less: Bank balances other than cash and cash equivalents	(0.18)	(0.18)	(0.33)
<b>Total Debts</b>	<b>736.64</b>	<b>457.46</b>	<b>569.47</b>
<b>Total equity</b>	<b>905.59</b>	<b>810.73</b>	<b>740.39</b>
<b>Gearing Ratio</b>	<b>0.81</b>	<b>0.56</b>	<b>0.77</b>

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

### (b) Dividends

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Final dividend for the year ended March 31, 2018 of ₹ 14 (March 31, 2017 - ₹ 12) (excluding dividend distribution tax)	33.22	28.31
Dividends not recognised at the end of the reporting period		
Dividend Distribution Tax	33.22	28.31
	<b>6.76</b>	<b>5.76</b>

The Board of Directors have recommended a final dividend of ₹ 14 per share for the year ended March 31, 2018 which is subject to the approval of the shareholders in the ensuing annual general meeting.

### 46 Scheme of Amalgamation

APL Apollo Tubes Limited ("Company" or "Transferee Company") had filed a scheme of amalgamation ('the Scheme') of Lloyds Line Pipes Limited ("a wholly owned subsidiary" or "Transferor Company") with APL Apollo Tubes Limited under section 391 read with section 394 of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013.

Hon'ble National Company Law Tribunal, Principal Bench at New Delhi vide its order dated August 7, 2017 and rectification order dated September 19, 2017 approved the scheme of amalgamation ("Scheme") of Lloyds Line Pipes Limited with APL Apollo Tubes Limited (APL) under Section 230 and 232 of Companies Act, 2013 with effect from the appointed date i.e. April 1, 2015. The scheme became effective upon filing of the aforesaid order with Registrar of Companies ('ROC') on October 18, 2017. Pursuant to the scheme :

- All assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company.
- The Amalgamation has been accounted under the " Pooling of interest method" as per then prevailing Accounting Standard (AS 14) referred in the scheme which requires line by line addition into APL and excess of the amount of investment in subsidiary cancelled on amalgamation of subsidiary with the Company has been adjusted against the accumulated reserves in terms of accounting treatment for amalgamation prescribed under the scheme. Further pursuant to the scheme, authorised share capital of the Company has increased by corresponding Authorised Share capital of transferor company of 2 crore equity shares of ₹ 10 each aggregating to ₹ 20 crore.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

Details of assets and liabilities acquired on amalgamation and treatment of the difference between the net assets acquired and cost of investment by the Transferee Company is as under:

(₹ in crore)

Particulars	As at April 1, 2015
<b>Value of assets acquired :</b>	
Fixed assets	
Tangible assets	138.51
Capital work-in-progress	0.23
Long Term loans and advances	1.36
Inventory	74.95
Trade Receivables	40.34
Cash and bank balance	5.74
Short-term loans and advances	16.92
Other Current assets	1.12
<b>Total Assets (A)</b>	<b>279.17</b>
Less:	
<b>Value of liabilities acquired:</b>	
Long-term borrowings	58.99
Deferred tax liabilities (net)	15.58
Other long term liabilities	1.06
Long-Term provisions	1.43
Short-term borrowings	11.41
Trade payables	117.92
Other current liabilities	9.41
Short-term provisions	3.82
<b>Total Liabilities (B)</b>	<b>219.62</b>
<b>Net Assets acquired on amalgamation (A-B)</b>	<b>59.55</b>
Less:	
Adjustment for cancellation of carrying value of investment in Transferor Company	33.25
Addition on Amalgamation- Reserves of the Transferor Company taken over	39.56
<b>Adjustment on amalgamation (refer note 47 B (b))</b>	<b>13.26</b>

#### 47 First-time adoption of Ind AS

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

The accounting policies set out in Note 1 (ii) have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these standalone financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (Company's date of transition to Ind AS). In preparing its opening Ind AS Balance Sheet, the company has adjusted the amounts reported previously in standalone financial statements prepared in accordance with the applicable accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

### A Exemptions and exceptions availed

#### (a) Ind AS optional exemptions

##### (i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

##### (ii) Investments in subsidiaries

Ind AS 101, for the purpose of standalone financial statements, permits a first-time adopter to measure its investment in subsidiaries on the date of transition at deemed cost which can be either its:

- (i) fair value at the date of transition to Ind AS; or
- (ii) previous GAAP carrying amount at that date.

The company has decided to measure its investment in subsidiaries on the date of transition to Ind AS at fair value as their respective deemed cost.

#### (b) Ind AS mandatory exceptions

##### (i) Estimates

Estimates made under Ind AS at April 1, 2016 are consistent with the estimates as under previous GAAP.

##### (ii) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e., April 1, 2016.

##### (iii) Business combination

In accordance with Ind AS transitional provision, the Company opted not to restate business combination which occurred prior to the transition date.

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### B Reconciliation between previous GAAP and Ind AS :-

##### (a) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 1, 2016

(₹ in crore)

Particulars	Notes to reconciliation	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
<b>I. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment	1 & 8	504.56	(15.73)	488.83	468.84	(12.38)	456.46
(b) Capital work-in-progress		116.96	-	116.96	31.13	-	31.13
(c) Investment property		12.30	-	12.30	13.13	-	13.13
(d) Intangible assets		3.69	-	3.69	3.36	-	3.36
(e) Investment in subsidiaries	2	78.04	312.68	390.72	43.51	312.68	356.19
(f) Financial assets							
(i) Investment		0.44	-	0.44	-	-	-
(ii) Loans		0.24	-	0.24	0.32	-	0.32
(iii) Other financial assets		15.94	-	15.94	5.19	-	5.19
(g) Other non-current assets	1 & 11	43.48	18.50	61.98	48.05	12.70	60.75
<b>Total non-current assets</b>		<b>775.65</b>	<b>315.45</b>	<b>1,091.10</b>	<b>613.53</b>	<b>313.00</b>	<b>926.53</b>
<b>(2) Current assets</b>							
(a) Inventories		362.30	-	362.30	473.84	-	473.84
(b) Financial assets							
(i) Trade receivables	7	253.16	(0.30)	252.86	228.71	(1.88)	226.83
(ii) Cash and cash equivalents		0.46	-	0.46	0.77	-	0.77
(iii) Bank balance other than (ii) above		0.18	-	0.18	0.33	-	0.33
(iv) Loans		0.65	-	0.65	0.87	-	0.87
(v) Other financial assets	3	6.35	2.37	8.72	4.69	1.09	5.78
(c) Other current assets	11	121.15	0.79	121.94	35.32	0.54	35.86
<b>Total current assets</b>		<b>744.25</b>	<b>2.86</b>	<b>747.11</b>	<b>744.53</b>	<b>(0.25)</b>	<b>744.28</b>
<b>Total assets</b>		<b>1,519.90</b>	<b>318.31</b>	<b>1,838.21</b>	<b>1,358.06</b>	<b>312.75</b>	<b>1,670.81</b>
<b>II. EQUITY AND LIABILITIES</b>							
<b>(1) Equity</b>							
(a) Equity share capital		23.59	-	23.59	23.44	-	23.44
(b) Other equity	Note 47 B (b)	471.11	316.03	787.14	381.38	335.57	716.95
<b>Total equity</b>		<b>494.70</b>	<b>316.03</b>	<b>810.73</b>	<b>404.82</b>	<b>335.57</b>	<b>740.39</b>
<b>(2) Non-current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		97.80	-	97.80	160.72	-	160.72
(ii) Other financial liabilities	11	1.04	(0.50)	0.54	1.04	(0.55)	0.49
(b) Provisions		6.28	-	6.28	4.26	-	4.26
(c) Deferred tax liabilities (net)	12	61.00	1.12	62.12	55.59	(0.94)	54.65
(d) Other non-current liabilities	8	-	3.50	3.50	-	0.69	0.69
<b>Total non-current liabilities</b>		<b>166.12</b>	<b>4.12</b>	<b>170.24</b>	<b>221.61</b>	<b>(0.80)</b>	<b>220.81</b>
<b>(3) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		340.99	-	340.99	367.62	-	367.62
(ii) Trade payables	3	441.90	1.06	442.96	244.34	2.31	246.65
(iii) Other financial liabilities	4	42.73	(3.05)	39.68	55.15	3.70	58.85
(b) Other current liabilities	8	25.79	0.15	25.94	31.91	0.09	32.00
(c) Provisions	5	0.18	-	0.18	28.69	(28.12)	0.57
(d) Current tax liabilities (net)		7.49	-	7.49	3.92	-	3.92
<b>Total current liabilities</b>		<b>859.08</b>	<b>(1.84)</b>	<b>857.24</b>	<b>731.63</b>	<b>(22.02)</b>	<b>709.61</b>
<b>Total equity and liabilities</b>		<b>1,519.90</b>	<b>318.31</b>	<b>1,838.21</b>	<b>1,358.06</b>	<b>312.75</b>	<b>1,670.81</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### (b) Reconciliation of total equity as at March 31, 2017 and April 1, 2016.

(₹ in crore)

Particulars	Notes to reconciliation	As at March 31, 2017	As at April 1, 2016
Equity Share Capital		23.59	23.44
Reserves & Surplus		369.83	323.79
Reserves & Surplus of erstwhile Lloyd Lines Pipes Limited as at April 1, 2016		114.54	70.85
Less : Adjustment on amalgamation (refer note 46)		(13.26)	(13.26)
<b>Total equity (shareholder's funds) under previous GAAP</b>		<b>494.70</b>	<b>404.82</b>
<b>Adjustments</b>			
Fair valuation of equity investments in subsidiaries	2	312.68	312.68
Share based payments	3	1.30	0.59
Fair valuations of Forward contracts	4	3.04	(3.69)
Proposed Dividend	5	-	28.12
Prior Period adjustment	6	-	(1.80)
Other GAAP adjustments	7,8 & 11	0.13	(1.27)
Tax effects of adjustments	12	(1.12)	0.94
<b>Total adjustments</b>		<b>316.03</b>	<b>335.57</b>
<b>Total equity as per Ind AS</b>		<b>810.73</b>	<b>740.39</b>

#### (c) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(₹ in crore)

Particulars	Notes to reconciliation	Previous GAAP	Effect of transition to Ind AS	Ind AS
I Revenue from operations		3,433.17	-	3,433.17
Less : Excise duty expense	10	326.83	(326.83)	-
Revenue from operations (net)		<b>3,106.34</b>	<b>326.83</b>	<b>3,433.17</b>
II Other Income	8,9 & 11	2.33	2.46	4.79
<b>III Total income (I +II)</b>		<b>3,108.67</b>	<b>329.29</b>	<b>3,437.96</b>
<b>IV Expenses</b>				
Cost of materials consumed		2,278.19	-	2,278.19
Purchase of stock-in-trade		340.44	-	340.44
Changes in inventories of finished goods, work-in-progress and stock-in-trade		5.08	-	5.08
Excise duty expense	10	-	326.83	326.83
Employee benefits expense	3	50.73	2.33	53.06
Finance costs	4 & 9	60.04	2.74	62.78
Depreciation and amortisation expense	1 & 8	39.91	(0.14)	39.77
Other expenses		218.55	(10.17)	208.38
<b>Total expenses</b>		<b>2,992.94</b>	<b>321.59</b>	<b>3,314.53</b>
<b>V Profit before tax (III - IV)</b>		<b>115.73</b>	<b>7.70</b>	<b>123.43</b>
<b>VI Tax expense:</b>				
(a) Current tax		35.22	-	35.22
(b) Deferred tax charge/(credit)	12	(2.42)	2.31	(0.11)
Total tax expense		32.80	2.31	35.11
<b>VII Profit for the year (V-VI)</b>		<b>82.93</b>	<b>5.39</b>	<b>88.32</b>
<b>VIII Other Comprehensive Income</b>				
Items that will not be reclassified to profit and loss				
Remeasurements of post employment benefit obligation	13	-	(0.71)	(0.71)
Income tax relating to above item	12	-	0.25	0.25
<b>Other Comprehensive Income for the year</b>		<b>-</b>	<b>(0.46)</b>	<b>(0.46)</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>82.93</b>	<b>4.93</b>	<b>87.86</b>

## Notes

### TO THE STANDALONE FINANCIAL STATEMENTS

#### (d) Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in crore)

Particulars	Note to reconciliation	Year ended March 31, 2017
Profit after tax as per previous GAAP		82.93
<b>Adjustments</b>		
Share based payments	3	(3.05)
Fair valuation of forward contracts	4	6.74
Prior Period adjustment	6	1.80
Other GAAP adjustments	7 & 11	1.96
Tax effects of adjustments	12	(2.06)
<b>Total adjustments</b>		<b>5.39</b>
<b>Profit after tax as per Ind AS</b>		<b>88.32</b>
Other comprehensive income (Net of Tax)	13	(0.46)
<b>Total comprehensive income as per Ind AS</b>		<b>87.86</b>

#### (e) Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2017

(₹ in crore)

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	398.57	(21.50)	377.07
Net cash flow from investing activities	(175.11)	(6.33)	(181.44)
Net cash flow from financing activities	(223.66)	27.56	(196.10)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(0.20)</b>	<b>(0.27)</b>	<b>(0.47)</b>
<b>Cash and cash equivalents as at April 1, 2016</b>	<b>0.77</b>	<b>0.33</b>	<b>1.10</b>
<b>Cash and cash equivalents as at March 31, 2017</b>	<b>0.57</b>	<b>0.06</b>	<b>0.63</b>

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

#### Notes to the reconciliation

1 Under the previous GAAP, advance rentals paid for land lease were disclosed under property, plant and equipment and amortised to profit and loss over the operating lease period. Under Ind AS, all lease arrangements are classified as operating or finance lease based on transfer of risks and rewards and the period of use relative to the economic life. The effect of this change has resulted in reclassification of amounts from property, plant and equipment to other financial assets on transition date (April 1, 2016) and as March 31, 2017. Further depreciation expenses for the year ended March 31, 2017 has been reclassified to rental expenses.

2 Ind AS 101, for the purpose of standalone financial statements, permits a first-time adopter to measure its investment in subsidiaries at fair value on the date of transition as its deemed cost. Accordingly, the company has fair valued its investment in subsidiaries at fair value on the date of transition with corresponding impact in retained earnings.

3 Under previous GAAP, excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price was amortized by the company on straight-line basis over the vesting period.

Under Ind AS, all the stock options granted to the employees are required to be measured at fair value at each reporting period. Accordingly, outstanding options as on the date of transition (granted but not vested) has been measured at fair value with corresponding impact to the equity.

4 Under previous GAAP, premium on forward contracts were amortised over the period of contracts on straight line basis. Further, mark-to-market (MTM) gain/losses were recognised on the basis of closing rate on the forward contract with similar maturity.

Under Ind AS, no premium expense on forward contract is recognised and MTM gains/losses are recognised on the basis of fair value of the similar forward contract of remaining tenure.

Accordingly, deferred premium on forward contracts outstanding on the date of transition has been derecognised with corresponding impact in retained earnings. Further, MTM difference between previous GAAP and Ind AS has been recognised with corresponding impact to retained earnings.

# Notes

## TO THE STANDALONE FINANCIAL STATEMENTS

- 5 Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements was considered as an adjusting event. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.
- 6 Relates to prior period expense of year ended March 31, 2016 which were debited in year ended March 31, 2017 under previous GAAP. Under Ind AS, the same have been restated to respective years.
- 7 Under Ind AS, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.
- 8 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. Under Ind AS, these grants are required to be capitalised in the property, plant & equipment with the corresponding deferred income liability in Balance Sheet. Property, plant & equipment are depreciated over the useful life of assets and deferred income liability is amortised over the useful life of asset.
- 9 In order to promote export, the Reserve Bank of India (RBI) has issued the scheme of Interest Subvention on the behalf of Government of India whereby the Company is entitled to reduced interest rate on its borrowings (by 3 % p.a.). Under Ind AS, interest saved under government grants is recognised as interest income and corresponding interest expense in finance costs.
- 10 Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS, the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of Statement of Standalone Profit & Loss as part of expense.
- 11 Other GAAP adjustments includes adjustment on account of financial assets and liabilities measured at amortised cost
- 12 The various transitional adjustments have deferred tax implications which have been accounted for by the Company. Deferred tax adjustment have been recognised in relation to the underlying transaction either in retained earnings or other comprehensive income, on the date of transition.
- 13 Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, gain/loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the year ended March 31, 2017.

### For and on behalf of the Board of Directors

**SANJAY GUPTA**  
Chairman  
DIN : 00233188

**ASHOK K. GUPTA**  
Managing Director  
DIN : 01722395

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK GOYAL**  
Chief Financial Officer

**ADHISH SWAROOP**  
Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

# Consolidated Financial Statement

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF APL APOLLO TUBES LIMITED Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **APL APOLLO TUBES LIMITED** (hereinafter referred to as "the Holding Company ") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 46 of the Consolidated Ind AS Financial Statements in respect of scheme of Amalgamation ('Scheme') approved by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi. The Holding Company has applied the accounting treatment in accordance with the said scheme for accounting for amalgamation of Lloyds Line Pipes Limited (a subsidiary company) with APL Apollo Tubes Limited under Section 230 and 232 of Companies Act, 2013 with effect from the appointed date i.e. April 1, 2015.

Our opinion is not modified in respect of this matter.

### Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 10.62 crores as at March 31, 2018, total revenues of ₹ Nil and net cash outflows amounting to ₹ 0.80 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the report of the other auditor .

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statement of the subsidiary incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the report of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements. (Refer Note 37(a) of Consolidated Ind AS Financial Statements)
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. (Refer Note 37(b) (6) of Consolidated Ind AS Financial Statements)
    - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India. (Refer Note 37(c) of Consolidated Ind AS Financial Statements)

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**RASHIM TANDON**  
Partner  
(Membership No. 95540)

Ghaziabad  
May 25, 2018  
RT/AL/2018

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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")

In conjunction with our audit of consolidated Ind AS financial statements of **APL APOLLO TUBES LIMITED** ("the Company") as of and for the year March 31, 2018, we have audited the internal financial controls over financial reporting of **APL APOLLO TUBES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to "the Group") incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective board of directors of the Holding company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies 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, including adherence to company's policies, 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the subsidiary company, which are companies incorporated in India, in terms of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Holding company and its subsidiary companies which are companies incorporated in India.

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the other matter paragraph below, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the respective companies 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".

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**RASHIM TANDON**  
Partner  
(Membership No. 95540)

Ghaziabad  
May 25, 2018  
RT/AL/2018

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

(₹ in crore)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>I. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	2(a)	848.66	630.84	598.89
(b) Capital work-in-progress	2(a)	45.95	122.39	31.97
(c) Investment property	2(b)	10.91	12.30	13.13
(d) Intangible assets	2(c)	3.25	3.68	3.37
(e) Goodwill		23.00	23.00	23.00
(f) Financial Assets				
(i) Investment	3	1.11	0.44	-
(ii) Loans	4	-	0.43	0.32
(iii) Other financial assets	5	20.00	18.52	8.10
(g) Non-current tax assets (net)	6	-	0.24	-
(h) Other non-current assets	7	89.89	114.93	72.45
<b>Total non-current assets</b>		<b>1,042.77</b>	<b>926.77</b>	<b>751.23</b>
<b>(2) Current assets</b>				
(a) Inventories	8	591.49	469.61	594.36
(b) Financial assets				
(i) Trade receivables	9	432.13	294.87	218.17
(ii) Cash and cash equivalents	10	6.62	1.39	1.02
(iii) Bank balance other than (ii) above	11	0.18	0.18	0.33
(iv) Loans	12	1.16	0.77	1.38
(v) Other financial assets	13	22.75	19.18	14.52
(c) Other current assets	14	84.08	131.81	46.01
<b>Total current assets</b>		<b>1,138.41</b>	<b>917.81</b>	<b>875.79</b>
<b>Total assets</b>		<b>2,181.18</b>	<b>1,844.58</b>	<b>1,627.02</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	15 (a)	23.73	23.59	23.44
(b) Other equity	15 (b)	814.12	679.77	545.62
<b>Total equity</b>		<b>837.85</b>	<b>703.36</b>	<b>569.06</b>
<b>(2) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16	78.20	104.92	187.58
(ii) Other financial liabilities	17	0.59	0.54	0.49
(b) Provisions	18	7.81	7.21	5.07
(c) Deferred tax liabilities (net)	19	99.41	81.31	73.54
(d) Other non-current liabilities	20	29.00	3.96	0.69
<b>Total non-current liabilities</b>		<b>215.01</b>	<b>197.94</b>	<b>267.37</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	595.15	463.97	410.17
(ii) Trade payables	22	379.27	392.03	256.47
(iii) Other financial liabilities	23	124.75	49.09	71.32
(b) Other current liabilities	24	12.51	29.59	36.79
(c) Provisions	25	0.29	0.20	0.78
(d) Current tax liabilities (net)	26	16.35	8.40	15.06
<b>Total current liabilities</b>		<b>1,128.32</b>	<b>943.28</b>	<b>790.59</b>
<b>Total equity and liabilities</b>		<b>2,181.18</b>	<b>1,844.58</b>	<b>1,627.02</b>

Notes to the consolidated financial statements

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In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**

Chairman  
DIN : 00233188

**ASHOK K. GUPTA**

Managing Director  
DIN : 01722395

**VINAY GUPTA**

Director  
DIN : 00005149

**RASHIM TANDON**

Partner

**DEEPAK GOYAL**

Chief Financial Officer

**ADHISH SWAROOP**

Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

Place: Ghaziabad  
Date: May 25, 2018

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from operations	27	5,472.38	4,377.65
II Other Income	28	8.01	5.97
<b>III Total income (I +II)</b>		<b>5,480.39</b>	<b>4,383.62</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	29	4,568.16	3,158.03
(b) Purchase of stock-in-trade		56.23	62.07
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(76.06)	12.30
(d) Excise duty expense		137.61	453.75
(e) Employee benefits expense	31	86.16	75.35
(f) Finance costs	32	81.30	72.03
(g) Depreciation and amortisation expense	33	53.41	50.90
(h) Other expenses	34	329.24	283.18
<b>Total expenses</b>		<b>5,236.05</b>	<b>4,167.61</b>
<b>V Profit before tax (III - IV)</b>		<b>244.34</b>	<b>216.01</b>
<b>VI Tax expense:</b>			
(a) Current tax		71.11	65.60
(b) Income tax of earlier year		-	1.26
(c) Deferred tax charge/(credit)		15.10	(2.96)
<b>Total tax expense</b>		<b>86.21</b>	<b>63.90</b>
<b>VII Profit for the year (V-VI)</b>		<b>158.13</b>	<b>152.11</b>
<b>VIII Other Comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of post employment benefit obligation		0.94	(0.46)
Income tax relating to above item		(0.33)	0.16
<b>Other Comprehensive income for the year</b>		<b>0.61</b>	<b>(0.30)</b>
<b>IX Total Comprehensive income for the year (VII+VIII)</b>		<b>158.74</b>	<b>151.81</b>
<b>X Earnings per equity share of ₹ 10 each</b>			
(a) Basic (In ₹)		66.84	64.65
(b) Diluted (In ₹)		65.63	63.25

Notes to the consolidated financial statements

1-48

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**  
Chairman  
DIN : 00233188

**ASHOK K. GUPTA**  
Managing Director  
DIN : 01722395

**VINAY GUPTA**  
Director  
DIN : 00005149

**RASHIM TANDON**  
Partner

**DEEPAK GOYAL**  
Chief Financial Officer

**ADHISH SWAROOP**  
Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

Place: Ghaziabad  
Date: May 25, 2018

# STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

## a) Equity share capital (₹ in crore)

Particulars	Amount
As at April 1, 2016	23.44
Changes during the year ended March 31, 2017	0.15
<b>As at March 31, 2017</b>	<b>23.59</b>
Changes during the year ended March 31, 2018	0.14
<b>As at March 31, 2018</b>	<b>23.73</b>

## b) Other equity

(₹ in crore)

Particulars	Reserves and surplus				Other Reserves Share option outstanding account	Total
	Debenture redemption reserve	Securities premium reserve	General reserve	Surplus in Statement of profit and loss		
<b>Balance at April 1, 2016</b>	<b>18.75</b>	<b>187.37</b>	<b>28.87</b>	<b>307.15</b>	<b>3.48</b>	<b>545.62</b>
Profit for the year ended March 31, 2017	-	-	-	152.11	-	152.11
Other comprehensive income for the year, net of tax	-	-	-	(0.30)	-	(0.30)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151.81</b>	<b>-</b>	<b>151.81</b>
<b>Allocations/Appropriations:</b>						
Share option outstanding account	-	-	-	-	1.37	1.37
Security premium on issue of shares	-	9.09	-	-	-	9.09
Transfer to Debenture Redemption Reserve	12.50	-	-	(12.50)	-	-
Dividend paid	-	-	-	(23.44)	-	(23.44)
Dividend distribution tax	-	-	-	(4.68)	-	(4.68)
	<b>12.50</b>	<b>9.09</b>	<b>-</b>	<b>(40.62)</b>	<b>1.37</b>	<b>(17.66)</b>
<b>Balance as at March 31, 2017</b>	<b>31.25</b>	<b>196.46</b>	<b>28.87</b>	<b>418.34</b>	<b>4.85</b>	<b>679.77</b>
Profit for the year ended March 31, 2018	-	-	-	158.13	-	158.13
Other comprehensive income for the year, net of tax	-	-	-	0.61	-	0.61
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158.74</b>	<b>-</b>	<b>158.74</b>
<b>Allocations/Appropriations:</b>						
Dividend paid	-	-	-	(28.31)	-	(28.31)
Dividend distribution tax	-	-	-	(5.93)	-	(5.93)
Security premium on issue of shares	-	8.66	-	-	1.19	9.85
Transfer to Debenture Redemption Reserve	18.75	-	-	(18.75)	-	-
	<b>18.75</b>	<b>8.66</b>	<b>-</b>	<b>(52.99)</b>	<b>1.19</b>	<b>(24.39)</b>
<b>Balance as at March 31, 2018</b>	<b>50.00</b>	<b>205.12</b>	<b>28.87</b>	<b>524.09</b>	<b>6.04</b>	<b>814.12</b>

Notes to the consolidated financial statements 1-48

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**  
Chairman  
DIN : 00233188

**ASHOK K. GUPTA**  
Managing Director  
DIN : 01722395

**VINAY GUPTA**  
Director  
DIN : 00005149

**RASHIM TANDON**  
Partner

**DEEPAK GOYAL**  
Chief Financial Officer

**ADHISH SWAROOP**  
Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

Place: Ghaziabad  
Date: May 25, 2018

# STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash flow from operating activities</b>	244.34	216.01
Profit before tax		
Adjustments for:		
Depreciation and amortisation expense	53.40	50.92
Loss / (gain) on sale of property, plant & equipment	0.08	0.97
Finance costs	81.30	72.04
Interest income	(2.38)	(0.92)
Loss/(gain) on sale of investment property	0.38	-
Provision for old stocks	0.12	-
Government grant	(3.36)	-
Fair valuation of forward contract	2.51	0.77
Bad debts	0.28	-
Net unrealised exchange loss/(gain)	2.79	(0.36)
Provision for doubtful debts	1.71	1.19
Share based expenses	3.65	3.76
Other receivables and advances written off	0.93	0.87
Operating profit before working capital changes	<b>385.75</b>	<b>345.25</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(122.00)	124.74
Trade receivables	(140.18)	(78.76)
Current loans and other financial assets	(3.99)	(4.19)
Non-current loans and other financial assets	(1.05)	(10.54)
Other current assets	47.73	(85.81)
Other non-current assets	2.08	(45.93)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(21.67)	131.40
Other current liabilities	(17.08)	(7.20)
Other current financial liabilities	(4.72)	4.82
Other non current financial liabilities	0.05	0.05
Other non current liabilities	25.04	3.27
Provisions	1.63	1.11
Cash generated (used in) operations	151.59	378.21
Net income tax paid	(60.22)	(62.86)
<b>Net cash flow (used in) / from operating activities (A)</b>	<b>91.37</b>	<b>315.35</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant & equipment including capital advances	(172.68)	(177.14)
Proceeds from sale of property, plant & equipment	4.75	6.12
Proceed from sale of investment property	0.86	0.68
Change in other investments	(0.69)	(0.44)
Interest received	2.39	1.08
<b>Net cash flow (used in) investing activities (B)</b>	<b>(165.37)</b>	<b>(169.70)</b>

# STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>C. Cash flow from financing activities</b>		
Proceed from non-current borrowings	75.05	10.76
Repayment of non-current borrowings	(25.47)	(119.97)
Proceed from current borrowings	452.42	548.00
Repayment of current borrowings	(321.29)	(494.21)
Payment of dividends	(28.31)	(23.44)
Dividend distribution tax	(5.93)	(4.68)
Proceed from issue of equity share capital	9.98	10.62
Finance costs	(77.22)	(72.51)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>79.23</b>	<b>(145.43)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>5.23</b>	<b>0.22</b>
Cash and cash equivalents at the beginning of the year	1.57	1.35
<b>Cash and cash equivalents at the end of the year</b>	<b>6.80</b>	<b>1.57</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents (see note 10 & 11)	6.80	1.57
Less: Bank balances not considered as Cash and cash equivalents		
(i) In other deposit accounts		
- original maturity more than 3 months	0.02	0.02
(ii) In earmarked accounts		
- Unpaid dividend accounts	0.16	0.16
Net Cash and cash equivalents (as defined in Ind AS-7 Cash Flow Statements) included in note 10	6.62	1.39

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**SANJAY GUPTA**  
Chairman  
DIN : 00233188

**ASHOK K. GUPTA**  
Managing Director  
DIN : 01722395

**VINAY GUPTA**  
Director  
DIN : 00005149

**RASHIM TANDON**  
Partner

**DEEPAK GOYAL**  
Chief Financial Officer

**ADHISH SWAROOP**  
Company Secretary

Place: Ghaziabad  
Date: May 25, 2018

Place: Ghaziabad  
Date: May 25, 2018

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1 (i) Company background

APL Apollo Tubes Limited ("the Company" or "the Holding Company") is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in the business of production of ERW steel tubes. The Company has three wholly owned subsidiaries in India (the Company and its subsidiaries constitute "the Group"). The Group has seven manufacturing units, three at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh, one at Murbad, Maharashtra and one at Bengaluru, Karnataka.

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 25, 2018.

#### 1 (ii) Significant accounting policies

The significant accounting policies applied by the Group 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 and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

##### (a) Principles of consolidation

The consolidated financial statements relate to APL Apollo Tubes Limited, the holding company and its subsidiary companies (hereinafter collectively referred as "the Group"). The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2018.
- b. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.
- c. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' is determined

separately for each subsidiary company and such amounts are not set off between different entities.

- d. Goodwill arising on consolidation is not amortised but tested for impairment.
- e. Following wholly owned Indian subsidiaries have been considered in the preparation of consolidated financial statements:
  - Apollo Metalex Private Limited
  - Shri Lakshmi Metal Udyog Limited
  - Blue Ocean Projects Private Limited

##### (b) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards" with April 1, 2016 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Group has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standard) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

##### (c) Basis of Preparation

The financial statements have been prepared on a historical cost basis, except of certain assets and liabilities which are required to be carried at fair value by Ind AS.

##### (d) 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.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (e) 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.

### (f) Foreign currency translation

#### (i) Functional and presentation currency

The financial statements are presented in Indian ₹ (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).

### (g) Revenue recognition

#### (i) Sale of goods

Revenue from sale of goods is measured at fair value of consideration received or receivable. Sales are recognised, net of returns and trade discounts, rebates, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with delivery of goods to customers. Sales include excise duty but exclude sales tax / goods & service tax and value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### (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.

### (iv) Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

### (h) Government grants

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### (i) 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 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 consolidated 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.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

#### (j) Leases

##### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### (k) Impairment of assets

At each balance sheet date, the Group 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 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.

#### (l) 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.

#### (m) 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 octroi and other levies, transit insurance and receiving charges. Finished goods include appropriate proportion of overheads and, where applicable.

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.

#### (n) 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.

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

##### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property,

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### 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 & 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 & 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

### (o) 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.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### (p) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on

a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### (q) 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 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.

### (r) 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.

### (s) Contingent liabilities and contingent assets

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 assets are disclosed in the financial statements. Contingent liabilities, contingent assets

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

and commitments are reviewed at each Balance Sheet date.

#### (t) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

#### (u) 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 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.

#### (v) 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

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### (w) 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.

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

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

## 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

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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 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 43 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.

#### (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.

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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.

#### (y) 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.

#### (z) 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.

#### (zz) Segment Information

The Group is engaged in the business of production of ERW steel tubes. As the Group'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'.

#### 1 (iii) Recent accounting pronouncements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

##### (a) Ind AS 115 - Revenue from Contracts with Customers

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from April 1, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks & rewards. The Company is evaluating the requirements of Ind AS 115 and its effect of the financial statements.

##### (b) Ind AS 21 - Foreign currency transactions and advance consideration

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration : On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating requirements of Ind AS 21 and its effect of the financial statements.

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### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (c) Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments

retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after April 1 2018. These amendments are not expected to have material effect on Company's financial statements.

## Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2(a) : Property, Plant and Equipment

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carrying amounts of :</b>			
Freehold land	20.71	20.44	15.00
Buildings	184.50	143.73	137.64
Plant and machinery	629.00	456.06	437.75
Office equipment	1.34	1.23	1.53
Vehicle	6.81	4.26	3.18
Furniture and fixture	5.37	4.24	3.24
Computer	0.93	0.88	0.55
	<b>848.66</b>	<b>630.84</b>	<b>598.89</b>
Capital work-in-progress	<b>45.95</b>	<b>122.39</b>	<b>31.97</b>

	Freehold land	Buildings	Plant and machinery	Office equipment	Vehicle	Furniture and fixture	Computer	Total
<b>Cost or deemed cost</b>								
<b>Balance at April 1, 2016</b>	<b>15.00</b>	<b>137.64</b>	<b>437.75</b>	<b>1.53</b>	<b>3.18</b>	<b>3.24</b>	<b>0.55</b>	<b>598.89</b>
Additions	9.47	12.10	62.83	0.66	1.97	1.49	0.65	89.17
Sales / transfer during the year	(4.03)	(1.26)	(6.74)	(0.20)	(0.15)	(0.03)	(0.20)	(12.61)
<b>Balance at March 31, 2017</b>	<b>20.44</b>	<b>148.48</b>	<b>493.84</b>	<b>1.99</b>	<b>5.00</b>	<b>4.70</b>	<b>1.00</b>	<b>675.45</b>
Additions	0.27	46.79	221.37	0.67	3.90	1.78	0.46	275.24
Sales / transfer during the year	-	-	(4.54)	-	(0.34)	-	-	(4.88)
<b>Balance at March 31, 2018</b>	<b>20.71</b>	<b>195.27</b>	<b>710.67</b>	<b>2.66</b>	<b>8.56</b>	<b>6.48</b>	<b>1.46</b>	<b>945.81</b>
<b>Accumulated depreciation</b>								
<b>Balance at April 1, 2016</b>	-	-	-	-	-	-	-	-
Elimination on disposal of assets	-	(1.22)	(3.86)	(0.20)	(0.01)	(0.03)	(0.20)	(5.52)
Depreciation expenses	-	5.97	41.64	0.96	0.75	0.49	0.32	50.13
<b>Balance at March 31, 2017</b>	-	<b>4.75</b>	<b>37.78</b>	<b>0.76</b>	<b>0.74</b>	<b>0.46</b>	<b>0.12</b>	<b>44.61</b>
Elimination on disposal of assets	-	-	0.07	-	(0.03)	-	-	0.04
Depreciation expenses	-	6.02	43.82	0.56	1.04	0.65	0.41	52.50
<b>Balance at March 31, 2018</b>	-	<b>10.77</b>	<b>81.67</b>	<b>1.32</b>	<b>1.75</b>	<b>1.11</b>	<b>0.53</b>	<b>97.15</b>
<b>Carrying amount</b>								
<b>Balance at April 1, 2016</b>	<b>15.00</b>	<b>137.64</b>	<b>437.75</b>	<b>1.53</b>	<b>3.18</b>	<b>3.24</b>	<b>0.55</b>	<b>598.89</b>
Additions	9.47	12.10	62.83	0.66	1.97	1.49	0.65	89.17
Sales / transfer during the year	(4.03)	(0.04)	(2.88)	-	(0.14)	-	-	(7.09)
Depreciation expenses	-	(5.97)	(41.64)	(0.96)	(0.75)	(0.49)	(0.32)	(50.13)
<b>Balance at March 31, 2017</b>	<b>20.44</b>	<b>143.73</b>	<b>456.06</b>	<b>1.23</b>	<b>4.26</b>	<b>4.24</b>	<b>0.88</b>	<b>630.84</b>
Additions	0.27	46.79	221.37	0.67	3.90	1.78	0.46	275.24
Sales / transfer during the year	-	-	(4.61)	-	(0.31)	-	-	(4.92)
Depreciation expenses	-	(6.02)	(43.82)	(0.56)	(1.04)	(0.65)	(0.41)	(52.50)
<b>Balance at March 31, 2018</b>	<b>20.71</b>	<b>184.50</b>	<b>629.00</b>	<b>1.34</b>	<b>6.81</b>	<b>5.37</b>	<b>0.93</b>	<b>848.66</b>

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TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2(b) Investment property

(₹ in crore)

	Investment Property
<b>Cost or deemed cost</b>	
<b>Balance at April 1, 2016</b>	<b>13.13</b>
Sales / transfer during the year	(0.68)
<b>Balance at March 31, 2017</b>	<b>12.45</b>
Sales / transfer during the year	(1.24)
<b>Balance at March 31, 2018</b>	<b>11.21</b>
<b>Accumulated depreciation</b>	
<b>Balance at April 1, 2016</b>	-
Depreciation expenses	0.15
<b>Balance at March 31, 2017</b>	<b>0.15</b>
Depreciation expenses	0.15
<b>Balance at March 31, 2018</b>	<b>0.30</b>
<b>Carrying amount</b>	
<b>Balance at April 1, 2016</b>	<b>13.13</b>
Sales / transfer during the year	(0.68)
Depreciation expenses	(0.15)
<b>Balance at March 31, 2017</b>	<b>12.30</b>
Sales / transfer during the year	(1.24)
Depreciation expenses	(0.15)
<b>Balance at March 31, 2018</b>	<b>10.91</b>

### 2(c) Intangible Assets

(₹ in crore)

	Computer Softwares
<b>Cost or deemed cost</b>	
<b>Balance at April 1, 2016</b>	<b>3.37</b>
Additions	0.93
<b>Balance at March 31, 2017</b>	<b>4.30</b>
Additions	0.33
<b>Balance at March 31, 2018</b>	<b>4.63</b>
<b>Accumulated depreciation</b>	
<b>Balance at April 1, 2016</b>	-
Depreciation expenses	0.62
<b>Balance at March 31, 2017</b>	<b>0.62</b>
Depreciation expenses	0.76
<b>Balance at March 31, 2018</b>	<b>1.38</b>
<b>Carrying amount</b>	
<b>Balance at April 1, 2016</b>	<b>3.37</b>
Additions	0.93
Depreciation expenses	(0.62)
<b>Balance at March 31, 2017</b>	<b>3.68</b>
Additions	0.33
Depreciation expenses	(0.76)
<b>Balance at March 31, 2018</b>	<b>3.25</b>

#### Notes :

- (1) The Group has elected to continue with the carrying value of all of its property, plant and equipment as at the transition date, viz, April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (2) The Group's investment properties consists of commercial properties in India.
- (3) As at March 31, 2018, March 31, 2017, and April 1, 2016, fair value of the investment property is ₹ 11.48 crore, ₹ 14.78 crore and ₹ 15.97 crore, respectively. These valuation are based on valuation performed by Government of India approved valuer Mr. Virender Kumar Jain who have Degree of Bachelor of Architecture and is having more than 25 years of experience in valuation of properties. The fair value measurement of all the investment properties has been categorised as a level 3 fair value based on the inputs of the valuation technique used. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.
- (4) The Group has no restriction on the realisability of its investment properties and there is no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (5) During the year, borrowing cost amounting ₹ 1.16 crore (Year ended March 31, 2017 ₹ 0.50 crore, Year ended March 31, 2016 ₹ Nil) has been capitalised on qualifying assets (Refer note 32).
- (6) Property, plant & equipment as detailed in 2(a) have been pledged as security for term loan taken as at March 31, 2018. Refer note 16 for loans taken against which these assets are pledged.

### 3 Investment

				(₹ in crore)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
<b>(a) Other Investments - (unquoted) :</b>				
(i) 1,111,400 (March 31, 2017: 435,400, April 1, 2016: Nil) equity shares of ₹ 10 each fully paid up in Clover Energy Private Limited - at fair value	1.11	0.44	-	
<b>Total</b>	<b>1.11</b>	<b>0.44</b>	<b>-</b>	

### 4 Loans

(Unsecured, considered good)

				(₹ in crore)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
(a) Loans to employees	-	0.43	0.32	
<b>Total</b>	<b>-</b>	<b>0.43</b>	<b>0.32</b>	

#### Note :

There are no outstanding debts due from directors or other officers of the Company.

### 5 Other financial assets

(Unsecured, considered good)

				(₹ in crore)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
(a) Claim receivable	0.62	0.33	5.36	
(b) VAT credit receivable	1.02	2.40	2.69	
(c) Security deposit	18.36	15.79	0.05	
<b>Total</b>	<b>20.00</b>	<b>18.52</b>	<b>8.10</b>	

### 6 Current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
(a) Advance income tax (net of provision as at March 31, 2017 ₹ 51.64 crore)	-	0.24	-	
<b>Total</b>	<b>-</b>	<b>0.24</b>	<b>-</b>	

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#### 7 Other non-current assets (Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Capital advances	18.70	41.66	45.11
(b) Prepaid expenses	47.22	49.35	8.92
(c) Prepaid lease payments	18.05	18.51	12.41
(d) Balances with government authorities			
(i) VAT credit receivable	-	-	-
(e) Payment under protest			
(i) Safe guard duty	3.90	3.90	3.90
(ii) Excise duty	1.52	1.31	0.38
(iii) Service tax	-	0.05	0.23
(iv) VAT	0.50	0.15	1.48
(f) Claim receivable	-	-	0.02
<b>Total</b>	<b>89.89</b>	<b>114.93</b>	<b>72.45</b>

#### 8 Inventories

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Raw material (including stock-in-transit) (at cost)	301.37	254.95	364.68
(b) Finished goods (including stock-in-transit) (at cost or net realisable value, whichever is lower)	269.64	198.09	208.81
(c) Stores and spares (at cost)	13.16	13.76	16.48
(d) Rejection and scrap (including stock-in-transit) (at net realisable value)	7.32	2.81	4.39
<b>Total</b>	<b>591.49</b>	<b>469.61</b>	<b>594.36</b>
<b>Details of stock-in-transit</b>			
Raw material	0.30	0.22	27.19
Finished goods	36.44	10.99	13.73
Rejection and Scrap	0.60	0.34	-

#### 9 Trade receivables (Unsecured)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Considered good			
(i) Related parties	0.23	0.27	-
(ii) Other than related parties	431.90	294.60	218.17
<b>Sub total</b>	<b>432.13</b>	<b>294.87</b>	<b>218.17</b>
(b) Considered doubtful	4.68	3.06	1.88
Less: Allowance for credit loss (expected credit loss allowance)	(4.68)	(3.06)	(1.88)
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>432.13</b>	<b>294.87</b>	<b>218.17</b>

- (i) 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 5% of the total balance of trade receivables.
- (ii) In determining the allowance for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Movements in allowance for credit losses of receivables is as below :

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	3.06	1.88
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.62	1.18
<b>Balance at the end of the year</b>	<b>4.68</b>	<b>3.06</b>

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

(₹ in crore)

Particulars	As at March 31, 2018		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	294.07	1.06	293.01
90 days overdue	136.72	0.44	136.28
91-180 days overdue	1.88	0.01	1.87
181-270 days overdue	0.74	0.13	0.61
271-365 days overdue	0.60	0.24	0.36
More than 365 days overdue	2.80	2.80	-
	<b>436.81</b>	<b>4.68</b>	<b>432.13</b>

(₹ in crore)

Particulars	As at March 31, 2017		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	211.12	0.33	210.79
90 days overdue	78.02	0.17	77.85
91-180 days overdue	5.05	0.02	5.03
181-270 days overdue	0.28	0.01	0.27
271-365 days overdue	1.03	0.10	0.93
More than 365 days overdue	2.43	2.43	-
	<b>297.93</b>	<b>3.06</b>	<b>294.87</b>

(₹ in crore)

Particulars	As at April 1, 2016		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	183.35	0.19	183.16
90 days overdue	33.70	0.07	33.63
91-180 days overdue	0.30	-	0.30
181-270 days overdue	1.23	0.48	0.75
271-365 days overdue	0.58	0.25	0.32
More than 365 days overdue	0.89	0.89	-
	<b>220.05</b>	<b>1.88</b>	<b>218.17</b>

(3) Ageing wise % of expected credit loss

(₹ in crore)

Particulars	Expected credit loss (%)
Amounts not yet due	0.10 % - 0.36 %
0-90 days overdue	0.20 % - 0.32 %
91-180 days overdue	0.39 % - 0.63 %
181-270 days overdue	3.28 % - 39.09 %
271-365 days overdue	10.07 % - 43.93 %
More than 365 days overdue	100.00 %

**Note :**

There are no outstanding debts due from directors or other officers of the Company.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 10 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Cash on hand	0.14	0.17	0.21
(b) Balances with banks - in current accounts	6.48	1.22	0.81
<b>Total</b>	<b>6.62</b>	<b>1.39</b>	<b>1.02</b>

#### 11 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) In earmarked accounts			
(i) unpaid dividend account	0.16	0.16	0.19
(ii) In margin money with maturity less than 12 months at inception	0.02	0.02	0.14
<b>Total</b>	<b>0.18</b>	<b>0.18</b>	<b>0.33</b>

#### 12 Loans

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Loans to employees	1.16	0.77	1.38
<b>Total</b>	<b>1.16</b>	<b>0.77</b>	<b>1.38</b>

**Note:**

There are no outstanding debts due from directors or other officers of the Company.

#### 13 Other financial assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Government grants			
(i) Export incentives	2.48	3.09	1.95
(ii) Licences in hand	0.47	0.79	0.71
(iii) Duty draw back receivable	-	-	0.36
(b) Interest accrued	0.10	0.12	0.27
(c) Claim receivables	0.96	1.55	1.45
(d) Other advance	13.00	-	-
(e) VAT credit receivable	5.74	13.63	9.78
<b>Total</b>	<b>22.75</b>	<b>19.18</b>	<b>14.52</b>

#### 14 Other current assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Prepaid expenses	2.60	2.68	1.26
(b) Prepaid lease payments	0.35	0.24	0.23
(c) Balances with government authorities			
(i) Goods and service tax credit receivable / Cenvat credit receivable	55.45	13.67	22.64
(ii) Service tax credit receivable	0.20	6.79	2.92
(iii) Custom duty	-	-	0.92
(d) Payment under protest			
(i) Excise duty	-	1.99	6.67
(ii) Income Tax	0.30	0.05	-
(e) Advance to suppliers	25.14	106.28	11.37
(f) Gold coins in hand	0.04	0.11	-
<b>Total</b>	<b>84.08</b>	<b>131.81</b>	<b>46.01</b>

# Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 15 Equity

### 15(a) Equity Share capital

(₹ in crore)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>(i) Authorised capital</b>						
Equity shares of ₹ 10 each with voting rights	2,50,00,000	25.00	2,50,00,000	25.00	2,50,00,000	25.00
Add : Increase in Authorised Share Capital pursuant to Scheme of Amalgamation by 20,000,000 Equity shares of ₹ 10 each of Lloyd Line Pipes Limited	2,00,00,000	20.00	2,00,00,000	20.00	2,00,00,000	20.00
	<b>4,50,00,000</b>	<b>45.00</b>	<b>4,50,00,000</b>	<b>45.00</b>	<b>4,50,00,000</b>	<b>45.00</b>
<b>(ii) Issued capital</b>						
Equity shares of ₹ 10 each with voting rights	2,37,29,805	23.73	2,35,89,955	23.59	2,34,38,636	23.44
	<b>2,37,29,805</b>	<b>23.73</b>	<b>2,35,89,955</b>	<b>23.59</b>	<b>2,34,38,636</b>	<b>23.44</b>
<b>(iii) Subscribed and fully paid up capital</b>						
Equity shares of ₹ 10 each with voting rights	2,37,29,805	23.73	2,35,89,955	23.59	2,34,38,636	23.44
	<b>2,37,29,805</b>	<b>23.73</b>	<b>2,35,89,955</b>	<b>23.59</b>	<b>2,34,38,636</b>	<b>23.44</b>

### (1) Reconciliation of the number of shares and amount outstanding at the March 31, 2018, March 31, 2017 and April 1, 2016 :

Particulars	Number of shares			Amount		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
				(₹ in crore)	(₹ in crore)	(₹ in crore)
<b>Equity share capital</b>						
Outstanding at the beginning of the year	2,35,89,955	2,34,38,636	2,34,38,636	23.59	23.44	23.44
Add: Issued during the year	1,39,850	1,51,319	-	0.14	0.15	-
Outstanding at the end of the year	<b>2,37,29,805</b>	<b>2,35,89,955</b>	<b>2,34,38,636</b>	<b>23.73</b>	<b>23.59</b>	<b>23.44</b>

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

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (3) Details of shares held by each shareholder holding more than 5% shares:-

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
APL Infrastructure Private Limited	80,25,187	33.82%	80,25,187	34.02%	80,25,187	34.24%
Kitara PIIN	30,00,000	12.64%	30,00,000	12.72%	30,00,000	12.80%
IDFC Premier Equity Fund	8,67,063	3.65%	13,43,699	5.70%	15,86,500	6.77%
Ashok K. Gupta	65,000	0.27%	65,000	0.28%	15,00,000	6.40%

#### (4) Share options granted under the Company's employee share options plans

As at March 31, 2018, executives and senior employees held options over 447,250 equity shares of the Company. As at March 31, 2017, executives and senior employees held options over 521,889 equity shares of the Company.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 39.

#### 15 (b) Other Equity

Particulars	(₹ in crore)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities premium reserve	205.12	196.46	187.37
Debenture redemption reserve	50.00	31.25	18.75
General reserve	28.87	28.87	28.87
Surplus in Statement of profit and loss	524.09	418.34	307.15
Share option outstanding account	6.04	4.85	3.48
<b>Total</b>	<b>814.12</b>	<b>679.77</b>	<b>545.62</b>
<b>(1) Securities premium</b>			
Opening balance	196.46	187.37	187.37
Add: Additions during the year	8.66	9.09	-
Closing balance	<b>205.12</b>	<b>196.46</b>	<b>187.37</b>
<b>(2) Debenture redemption reserve</b>			
Opening balance	31.25	18.75	-
Add: Transferred from surplus in statement of profit and loss	18.75	12.50	18.75
Closing balance	<b>50.00</b>	<b>31.25</b>	<b>18.75</b>
<b>(3) General reserve</b>			
Opening balance	28.87	28.87	28.37
Add: Transferred from surplus in statement of profit and loss	-	-	0.50
Closing balance	<b>28.87</b>	<b>28.87</b>	<b>28.87</b>
<b>(4) Surplus in Statement of profit and loss</b>			
Opening balance	418.34	307.15	307.15
Add: Total comprehensive income for the year	158.74	151.81	-
Less: Final dividend	28.31	23.44	-
Less: Tax on final dividend	5.93	4.68	-
Less: Transfer to debenture redemption reserve	18.75	12.50	-
Closing balance	<b>524.09</b>	<b>418.34</b>	<b>307.15</b>
<b>(5) Share option outstanding account</b>			
Opening balance	4.85	3.48	3.48
Add : Addition during the year	1.19	1.37	-
Less : Deletion during the year	-	-	-
Closing balance	<b>6.04</b>	<b>4.85</b>	<b>3.48</b>

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Nature and purpose of Reserves :-

- (i) **Securities premium account:** 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) **Debenture redemption reserve:** The Companies Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.
- (iii) **General reserve:** General reserves represents the free profits of the company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time company distribute dividend.
- (iv) **Surplus in Statement of profit and loss:** It represents unallocated/un-distributed profits of the company. The same is available for distribution.
- (v) **Share option outstanding account:** The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share option outstanding account is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme. (refer note 39)

### 16 Borrowings

		(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
<b>(a) Debentures:</b>				
11.50% Secured, listed, Non-Convertible redeemable debentures of ₹ 10 Lacs each (see note (i) below)	75.00	75.00	75.00	
<b>(b) Term Loan:</b>				
-From bank				
(i) Secured (see note (ii) below)	3.20	29.78	101.47	
-From Others				
(i) Secured (see note (iii) below)	-	-	10.76	
<b>(c) Vehicle Loan:</b>				
-From others				
(i) Secured by way of hypothecation of vehicles	-	0.14	0.35	
<b>Total</b>	<b>78.20</b>	<b>104.92</b>	<b>187.58</b>	

#### (i) Details of debentures issued by the Company

At April 1, 2016 debenture were secured by Hypothecation of current assets and movable property, plant & equipment of the Company (both present and future). Further these were secured by hypothecation of immovable property situated at A 19 and A 20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu).

During 2016-2017 charge has been changed to first pari passu charge on both movable and immovable property, plant & equipment, present and future, of the company on the property situated at A 19 and A 20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu, and at village Bendri, Tehsil Raipur, Dist. - Raipur and second pari passu charge on entire current assets (present and future) of the company.

There is no change in security in current year

These debentures are redeemable at face value in one single installment on September 28, 2019.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non current debts	Current Maturities of non-current Debt	Non current debts	Current Maturities of non-current Debt	Long-Term Debts	Current Maturities of non-current Debt
<b>(ii) Term loan from banks are secured as follows:</b>						
<b>In case of Holding Company :</b>						
By First Pari Passu charge on property, plant & equipment of the Company (both present and future) and charge on all current assets (both present and future) of the Company. The loan was further guaranteed by personal guarantee of Mr. Sanjay Gupta (Director). Applicable rate of interest was in the range of 10.50%-10.15%. During the financial year 2016-2017, the loan was fully repaid by the Company.	-	-	-	-	40.40	9.60
By First Pari Passu charge on E-11, Land-2, Estate Home, Jaypee Greens, Greater Noida. The loan was further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta. Applicable rate of interest is in the range of 9.85%-9.50%. During the financial year 2016-2017, the loan was fully repaid by the Company.	-	-	-	-	3.21	0.11
By first pari passu charge on entire property, plant & equipment, movable and immovable, present and future, of the Company situated at A 19 and A 20, Industrial Area, Sikanderabad, UP and 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and at village Bendri, Raipur, Chhattisgarh and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. During the financial year 2016-2017, the personal guarantee of Mr. Sameer Gupta has been discharged. In the current financial year 2017-2018 there has been no change in the security structure. The loan outstanding as at balance sheet is repayable in 4 quarterly instalments commencing from June 2018 and ending in March 2019 will be of ₹ 3 crore each. Applicable rate of interest is 8.25%.	-	12.13	12.00	12.00	24.00	12.00

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non current debts	Current Maturities of non-current Debt	Non current debts	Current Maturities of non-current Debt	Long-Term Debts	Current Maturities of non-current Debt
By First Pari Passu charge on property, plant & equipment of the company (existing and proposed) and charge on all current assets of the company. The loan was further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta . Applicable rate of interest was 10.25%. During the financial year 2016-2017, the loan was fully repaid by the Company.	-	-	-	-	-	14.00
By first pari passu charge on entire property, plant & equipment, movable and immovable, present and future, of the Company situated at M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta . The loan outstanding as at balance sheet is repayable in 3 quarterly instalments commencing from June 2018 and ending in December 2018 will be of ₹ 1.60 crore each. Applicable rate of interest is 8.25%.	-	4.84	4.79	4.00	8.79	4.00
By first pari passu charge on entire property, plant & equipment, movable and immovable, present and future, of the Company situated at M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta . The loan outstanding as at balance sheet is repayable in 4 quarterly instalments commencing from June 2018 and ending in March 2019 will be of ₹ 1.50 crore each. Applicable rate of interest is 8.25%.	-	6.04	5.99	3.20	9.19	2.40

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crore)					
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non current debts	Current Maturities of non-current Debt	Non current debts	Current Maturities of non-current Debt	Long-Term Debts	Current Maturities of non-current Debt
7.87%, Secured, listed, Non-Convertible redeemable debentures of ₹ 10 Lacs each (see note (a) below)						
a) Debenture are secured by first pari passu charge on both movable and immovable property, plant & equipment, present and future, of the company on the property situated at A 19 and A 20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and at village Bendri, Tehsil Raipur, Dist. - Raipur	-	75.00	-	-	-	-
These debentures are redeemable at face value in one single instalment on September 14, 2018						
<b>In case of Shri Lakshmi Metal Udyog Limited :</b>						
By First Pari Passu charge on property, plant & equipment, movable and immovable, present and future on Company's land and building situated at KIADB, Industrial area, Plot No-9 to 11, Balagaranahalli Village, Attibele, Bangalore and second pari passu charge on current assets of the Company (present and future). The loan is further guaranteed by personal guarantee of Directors of the Company i.e Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited, the holding company. The loan outstanding as at balance sheet is repayable in 07 quarterly instalments commencing from May 2018 and ending in November 2019 of ₹ 6,000,000 each. Applicable rate of interest is in the range of 10.50%-9.50%.	1.80	2.40	4.20	2.40	6.60	2.40
<b>In case of Apollo Metalex Private Limited :</b>						
Term Loan are secured by First Pari Passu charge on movable and immovable assets of the company (present and future) situated at A-2 and A-25, Industrial Area, Sikanderabad, UP and second charge on current assets of the Company. These credit facilities are further secured by personal guarantee of Directors of the Company i.e. Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors), and corporate guarantee of M/s. APL Apollo Tubes Limited, holding company. The Loan outstanding as at balance sheet is repayable in 8 quarterly instalments commencing from June 2018 and ending in March 2020 of ₹ 3,500,000 each. Applicable rate of interest is in the range of 10.50%- 9.50%.	1.40	1.40	2.80	1.40	4.20	1.40

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non current debts	Current Maturities of non-current Debt	Non current debts	Current Maturities of non-current Debt	Long-Term Debts	Current Maturities of non-current Debt
By First Pari Passu charge on the current assets of the company (present and future) and factory land and building at A-2, Industrial Area, Sikanderabad, UP. The Loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. During the year the charge has been revised to First Pari Passu charge on movable and immovable assets of the Company (present and future) situated at A-2 and A-25, Industrial Area, Sikanderabad, UP and second charge on current assets of the Company. The Loan outstanding as at balance sheet is repayable in 4 quarterly instalments commencing from June 2017 and ending in March 2018 of ₹ 5,625,000 each. Applicable rate of interest is in the range of 11.70%-11.40%.	-	-	-	2.25	2.25	2.25
By First Pari Passu Charge on V-2, Land-2, One Villa, Jaypee Greens, Greater Noida. The Loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta. Applicable rate of interest is 9.85%. During the current financial year, the loan has been fully repaid by the Company.	-	-	-	-	2.83	0.10
<b>Total</b>	<b>3.20</b>	<b>101.81</b>	<b>29.78</b>	<b>25.25</b>	<b>101.47</b>	<b>48.26</b>
<b>(iii) Term loan from financial instruments are secured as follows:</b>						
<b>In case of Apollo Metalex Private Limited :</b>						
By First Pari Passu Charge on Industrial Land & Building including entire fixed assets at A-25, Sikanderabad, UP. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited. Applicable rate of interest is in the range of 11.50%-10.25%. During the current financial year, the loan has been fully repaid by the Company.	-	-	-	-	10.76	3.59

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 17 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Deferred payment (see note (i) below)	0.59	0.54	0.49
<b>Total</b>	<b>0.59</b>	<b>0.54</b>	<b>0.49</b>

#### Note :

The Company has a deferred liability related to sales tax for the period from year ended March, 2016 to year ended March, 2026.

#### 18 Provisions

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Provision for compensated absences	1.96	1.31	0.50
(b) Provision for gratuity	5.85	5.90	4.57
<b>Total</b>	<b>7.81</b>	<b>7.21</b>	<b>5.07</b>

#### 19 Deferred Tax Liabilities (net)

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

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Deferred Tax Liabilities on account of			
- Property, plant & equipments and other intangible assets	110.66	94.02	87.73
- Financial Assets (carried at fair value through P&L)	(0.23)	1.03	-
- Prior period adjustment	-	-	1.04
- Others	0.07	-	-
- Financial Assets (Transaction cost on loans)	0.26	0.24	0.25
<b>Total deferred tax liabilities (A)</b>	<b>110.76</b>	<b>95.29</b>	<b>89.02</b>
(ii) Deferred Tax Assets on account of			
- Provision for doubtful debts	1.64	1.06	0.65
- Provision for employee benefit expenses	2.83	2.57	1.83
- Financial Assets (carried at fair value through P&L)	-	-	1.34
- Others	-	0.80	(0.06)
<b>Total deferred tax assets (B)</b>	<b>4.47</b>	<b>4.43</b>	<b>3.76</b>
<b>Minimum alternate tax credit (C)</b>	<b>6.88</b>	<b>9.55</b>	<b>11.72</b>
<b>Disclosed as Deferred Tax Liabilities (Net - A-B-C)</b>	<b>99.41</b>	<b>81.31</b>	<b>73.54</b>

# Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

(b) Movement in deferred tax liabilities / asset	As at April 1, 2016	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Utilised not recognised in profit or loss	As at March 31, 2017
<b>Deferred Tax Liabilities</b>					
Property, plant & equipments and other intangible assets	87.73	6.29	-	-	94.02
Financial Assets (carried at fair value through P&L)	-	1.03	-	-	1.03
Prior period adjustment	1.04	(1.04)	-	-	-
Fair Valuation of transaction cost	0.25	(0.01)	-	-	0.24
<b>Total</b>	<b>89.02</b>	<b>6.27</b>	<b>-</b>	<b>-</b>	<b>95.29</b>
<b>Deferred Tax Assets</b>					
Provision for employee benefit expenses	1.83	0.58	0.16	-	2.57
Provision for doubtful debts	0.65	0.41	-	-	1.06
Fair Valuation of financial assets	1.34	(1.34)	-	-	-
Minimum alternate tax credit	11.72	8.72	-	(10.89)	9.55
Others	(0.06)	0.86	-	-	0.80
<b>Total</b>	<b>15.48</b>	<b>9.23</b>	<b>0.16</b>	<b>(10.89)</b>	<b>13.98</b>
<b>Deferred tax liabilities</b>	<b>73.54</b>	<b>(2.96)</b>	<b>(0.16)</b>	<b>10.89</b>	<b>81.31</b>

Movement in deferred tax liabilities / asset	As at March 31, 2017	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Utilised not recognised in profit or loss	As at March 31, 2018
<b>Deferred Tax Liabilities</b>					
Property, plant & equipments and other intangible assets	94.02	16.64	-	-	110.66
Financial Assets (carried at fair value through P&L)	1.03	(1.26)	-	-	(0.23)
Others	-	0.07	-	-	0.07
Fair Valuation of transaction cost	0.24	0.02	-	-	0.26
<b>Total</b>	<b>95.29</b>	<b>15.47</b>	<b>-</b>	<b>-</b>	<b>110.76</b>
<b>Deferred Tax Assets</b>					
Provision for employee benefit expenses	2.57	0.59	(0.33)	-	2.83
Provision for doubtful debts	1.06	0.58	-	-	1.64
Minimum alternate tax credit	9.55	-	-	(2.67)	6.88
Others	0.80	(0.80)	-	-	-
<b>Total</b>	<b>13.98</b>	<b>0.37</b>	<b>(0.33)</b>	<b>(2.67)</b>	<b>11.35</b>
<b>Deferred tax liabilities</b>	<b>81.31</b>	<b>15.10</b>	<b>0.33</b>	<b>2.67</b>	<b>99.41</b>

## Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 20 Other Non-current liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Deferred Income (see note below)	29.00	3.96	0.69
<b>Total</b>	<b>29.00</b>	<b>3.96</b>	<b>0.69</b>

**Note :**

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

### 21 Borrowings

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) <b>Loan repayable on demand</b>			
- From bank (Secured)			
(i) Cash credit (see note (i) below)	360.54	122.62	144.32
(b) <b>Others</b>			
- From bank (Secured)			
(i) Buyer's credit			
- working capital (see note (i) below)	90.69	90.09	216.77
- Capital item loan (see note (ii) below)	93.63	36.99	-
(ii) 8.20% Secured, listed, Non-Convertible redeemable debentures (see note (iii) below)	50.00	50.00	-
(iii) Term Loan (see note (iv) below)	-	25.00	-
- From bank (unsecured)			
(i) Commercial paper	-	73.58	49.08
- From other parties (unsecured)			
(i) Commercial paper	-	64.59	-
Others	0.29	1.10	-
<b>Total</b>	<b>595.15</b>	<b>463.97</b>	<b>410.17</b>

**Nature of security:**

(i) Working capital facilities of APL Apollo Tubes Limited from banks are secured by first pari passu charge on present and future current assets, movable property, plant & equipment, of the company and further secured by equitable mortgage on the Company's land and building situated at A-19 and A-20 Industrial Area, Sikanderabad, U.P, and at 332-338, Alur Village, Perandapalli - Hosur on first pari passu basis. Working capital limit for certain banks have been arranged against the security of all present and future movable property, plant & equipment and current assets on first passu charge basis (these working capital limit do not have any charge on immovable property, plant & equipment of the company and collaterals). Further working capital limit for one bank has only second pari passu charge on moveable and immovable property, plant & equipment of the Company.

For buyer credit facilities from one bank, these are further secured by hypothecation of imported inventories. These credit facilities are further collaterally secured by personal guarantee of Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors). However for working capital facilities of certain banks, these are only secured by personal guarantee of Mr. Sanjay Gupta. Also in case of working capital limit from one banks, these are only secured by corporate guarantee of V.S. Exim Private Limited, a Company under significant influence of the directors.

During the current financial year 2016-2017, charge has been changed to first pari passu charge on current assets of the Company and second Pari Passu charge on property, plant & equipment (movable and immovable both) situated at A-19 and A-20 Industrial Area, Sikanderabad, U.P and 332-338, Alur-Village, Perandapalli - Hosur. These credit facilities are further collaterally secured by personal guarantee of Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors). The corporate guarantee of V.S. Exim has been released during the financial year 2016-2017 and personal guarantee of Mr. Sameer Gupta has been released during the year 2016-2017 except one bank. In the financial year 2017-2018, charge has been changed to first pari passu charge on present and

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

future current assets of the company and second pari passu charge on property, plant & equipment (movable and immovable both) of the Company's land and building situated at A-19 and A-20 Industrial Area, Sikanderabad, U.P, and at 332-338, Alur Village, Perandapalli - Hosur and at village Bendri, Teshil Raipur, Dist - Raipur. These credit facilities are further collaterely secured by personal guarantee of Mr. Sanjay Gupta and Mr. Vinay Gupta (Promoter Director).

Working capital facilities of APL Apollo Tubes Limited (erstwhile known as Lloyds Line Pipes Limited) from banks are secured by first Pari Passu charge on present and future current assets and property, plant & equipment of the Company and further secured by exclusive charge on Company's land and building situated at Murbad, Thane, Maharashtra. These credit facilities are further collaterly secured by personal guarantee of directors of the Company i.e. Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors), these are further secured by corporate guarantee of APL Apollo Tubes Limited, Holding Company. However in one of the bank personal guarantee has been given by Mr. Sanjay Gupta (Director).

During the financial year 2016-2017 charge has been changed to first Pari Passu charge on current assets, present and future, of the Company and further secured by second Pari Passu charge on company's entire property, plant & equipment, movable and immovable, situated at Murbad, Thane, Maharashtra. During the year personal guarantee of Mr. Sameer Gupta has been released. In the financial year 2017-2018 there has been no change in the existing security structure.

Working capital facilities from banks are secured by first pari passu charge on current assets and property, plant & equipment, present and future, of the Company situated at A-2, Industrial Area, Sikanderabad, UP and second pari passu charge on property, plant & equipment of the Company located at A-25, Industrial Area, Sikanderabad, UP. During the current financial year, the charge has been revised to first pari passu charge on current assets, present and future, and second pari passu charge on property, plant & equipment of the Company situated at A-2 and A-25, Industrial Area, Sikanderabad, UP. These credit facilities are further secured by personal guarantee of Directors of the Company i.e. Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors), and corporate guarantee of M/s. APL Apollo Tubes Limited, holding company.

Working capital facilities from banks are secured by first pari passu charge on current assets and property, plant & equipment, present and future, of the Company and further secured by exclusive charge on company's land and building situated at KIADB, Industrial area, Plot No-9 to 11, Balagaranahalli Village, Attibele, Bangalore. These credit facilities are further secured by personal guarantee of directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta, these are further secured by corporate guarantee of APL Apollo Tubes Limited, the holding company. In the Financial year 2017-2018 working capital facilities from HDFC Bank are secured by first pari passu charge on current assets of the company and first pari passu charge on property, plant & equipment, present and future, on company's land and building situated at KIADB, Industrial area, Plot No-9 to 11, Balagaranahalli Village, Attibele, Bangalore and for UBI working capital facility are secured by first pari passu charge on current assets of the company and second charge on property, plant & equipment, present and future, on company's land and building situated at KIADB, Industrial area, Plot No-9 to 11, Balagaranahalli Village, Attibele, Bangalore. These credit facilities are further secured by personal guarantee of directors of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta, these are further secured by corporate guarantee of APL Apollo Tubes Limited, the holding company.

- (ii) Buyer's credit includes ₹ 93.63 crore taken for capital goods which has been approved as a sublimit under the term loan facility taken during the financial year. The tenor of buyer's credit is six months which can be roll forward upto the tenor of three years.

The term loan including buyer credit is secured by first pari passu charge on property, plant & equipment, movable and immovable, present and future, of the Company situated at A-19 and A-20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu) and land at village Bendri, Raipur (Chhattisgarh) and second pari passu charge on current assets of the Company. The loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta.

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### TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

(iii) Details of debentures issued by the Company:	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8.20% Secured, listed, Non-Convertible redeemable debentures of ₹ 10 Lacs each (see note (a) below)	50.00	50.00	-

8.20% Secured, listed, Non-Convertible redeemable debentures of ₹ 0.10 crore each (see note (a) below)

(a) The debenture are secured by first pari passu charge on both movable and immovable property, plant & equipment, present and future, of the company on the property situated at A 19 and A 20, Industrial Area, Sikanderabad, UP, 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and at village Bendri, Tehsil Raipur, Dist. - Raipur

The debentures have the following Call/Put Options:

Put Option: First Put Option at par, at the end of 12th Month from the deemed date of allotment and second Put Option at par, at the end of 24th Month from the deemed date of allotment

Call Option: First Call Option at par, at the end of 12th Month from the deemed date of allotment and second Call Option at par, at the end of 24th Month from the deemed date of allotment.

These debentures are redeemable at face value in one single instalment on February 28, 2020.

(iv) The term loan facility was secured by first pari passu charge on land & building located at A-19 & A-20 Industrial Area, Sikanderabad, Plot No 332-338, Village Alur, Perandapalli, Hosur, Tamil Nadu & at village Bendri, Raipur (Chattisgarh) and second charge on current assets of the Company. The loan was further guaranteed by personal guarantee of Mr. Sanjay Gupta and Mr. Vinay Gupta. The loan was repayable in one single installment on September 8, 2018. Applicable rate of interest is 8.20%

Further the term loan has call and put option which can be exercised for this facility at the end of 9 months from the date of disbursement

During year 2017-18 the Loan has been fully repaid.

## 22 Trade payable

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Total outstanding dues of creditors other than micro enterprises and small enterprises	379.27	392.03	256.47
<b>Total</b>	<b>379.27</b>	<b>392.03</b>	<b>256.47</b>

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:

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(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	-	-	-
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-	-

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 23 Other financial liabilities

		(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
(a) Security deposit	1.50	1.30	0.19	
(b) Current maturities of non-current debt (refer note 16) (net of unamortised prepaid processing fees)	101.77	25.47	52.06	
(c) Capital creditors	10.87	11.89	3.86	
(d) Unclaimed dividends	0.26	0.19	0.05	
(e) Derivative liabilities	0.81	4.78	9.23	
(f) Interest accrued but not due on borrowings	9.54	5.46	5.93	
<b>Total</b>	<b>124.75</b>	<b>49.09</b>	<b>71.32</b>	

### 24 Other current liabilities

		(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
(a) Statutory remittances	5.58	12.36	13.98	
(b) Advance from customers	5.71	7.01	14.57	
(c) Deferred Income	0.96	0.18	0.11	
(d) Excise duty payable	-	10.04	8.12	
(e) Corporate dividend tax payable	0.26	-	-	
<b>Total</b>	<b>12.51</b>	<b>29.59</b>	<b>36.79</b>	

### 25 Provisions

		(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
(a) Provision for compensated absences	0.12	0.08	0.63	
(b) Provision for gratuity	0.17	0.12	0.15	
<b>Total</b>	<b>0.29</b>	<b>0.20</b>	<b>0.78</b>	

### 26 Current tax liabilities (net)

		(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
(a) Provision for tax (net of advance tax ₹ 131.52 crore) (March 31, 2017 ₹ 88.55 crore, April 1, 2016 ₹ 72.22 crore)	16.35	8.40	15.06	
	<b>16.35</b>	<b>8.40</b>	<b>15.06</b>	

### 27 Revenue from operations

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
(a) Sale of products	5,293.74	4,258.83	
(b) Other operating revenue	178.64	118.82	
<b>Total</b>	<b>5,472.38</b>	<b>4,377.65</b>	

(i) Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been replaced by GST. In accordance with 'Ind-AS 18 : Revenue' and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations for applicable periods. In view of the aforesaid

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### TO THE CONSOLIDATED FINANCIAL STATEMENTS

restructuring of indirect taxes, Revenue from operations for year ended March 31, 2018 is not comparable with the year ended March 31, 2017. Following additional information is being provided to facilitate such comparison:

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(I) Revenue from operations (Gross)	5,472.38	4,377.65
(II) Excise duty	137.61	453.75
(III) Revenue from operations (net of excise duty)(I-II)	<b>5,334.77</b>	<b>3,923.90</b>
(ii) <b>Other operating revenue comprises</b>		
Sale of scrap	172.33	111.16
Export incentives	5.37	5.20
Commission	0.77	1.48
Job work	0.17	0.98
	<b>178.64</b>	<b>118.82</b>

### 28 Other income

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest income on fixed deposit	2.37	0.92
(b) Interest income on others	-	-
(c) Gain on sale of property, plant and equipment (net)	0.02	0.98
(d) Miscellaneous income	5.62	4.07
<b>Total</b>	<b>8.01</b>	<b>5.97</b>

### 29 Cost of materials consumed

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories as of raw material at the beginning of the year	254.95	364.69
Add: Purchases	4,614.58	3,048.29
Less: Inventories of raw material as at the end of the year	301.37	254.95
<b>Total</b>	<b>4,568.16</b>	<b>3,158.03</b>

### 30 Change in inventories

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inventories at the end of the year:</b>		
(a) Finished goods	269.64	198.09
(b) Scrap	7.32	2.81
	<b>276.96</b>	<b>200.90</b>
<b>Inventories at the beginning of the year:</b>		
(a) Finished goods	198.09	208.81
(b) Scrap	2.81	4.39
	<b>200.90</b>	<b>213.20</b>
<b>Total</b>	<b>(76.06)</b>	<b>12.30</b>

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31 Employee benefits expense

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
(a) Salaries and wages	75.73	65.44	
(b) Contribution to provident and other funds	3.65	3.24	
(c) Gratuity expense (refer note 37)	1.45	1.28	
(d) Share based expenses to employees (refer note 38)	3.65	3.76	
(e) Staff welfare expenses	1.68	1.63	
<b>Total</b>	<b>86.16</b>	<b>75.35</b>	

During the year, the Company recognised an amount of ₹ 7.47 crore (March 31, 2017 ₹ 6.36 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :

(i) Short term employee benefits	7.38	6.20
(ii) Post employment benefits	0.04	0.12
(iii) Other long term employee benefits	0.05	0.04
	<b>7.47</b>	<b>6.36</b>

### 32 Finance costs

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
(a) Interest expense :			
(i) working capital facilities	52.75	47.05	
(ii) term loan	6.52	11.68	
(iii) debentures	15.86	8.69	
(iv) delayed payment of income tax	1.48	-	
	76.61	67.42	
Less : Interest capitalised (refer note 2)	1.16	0.50	
	75.45	66.92	
(b) Other borrowing cost	5.85	5.11	
<b>Total</b>	<b>81.30</b>	<b>72.03</b>	

### 33 Depreciation and amortisation expense

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
(a) Depreciation on property, plant & equipments (refer note 2(a))	52.50	50.13	
(b) Depreciation on investment property (refer note 2(b))	0.15	0.15	
(c) Amortisation on intangible assets (refer note 2(c))	0.76	0.62	
<b>Total</b>	<b>53.41</b>	<b>50.90</b>	

### 34 Other expenses

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
(a) Freight outward	153.99	125.26	
(b) Power and fuel	53.70	48.43	
(c) Consumption of stores and spare parts	42.29	45.78	
(d) Derivatives measured at fair value through profit & loss	13.76	3.72	
(e) Advertisement and sales promotion	9.33	7.24	
(f) Loss on foreign currency transactions (net)	6.39	-	
(g) Furnace oil	12.73	10.40	
(h) Rent expense	6.27	5.72	
(i) Travelling and conveyance	5.50	4.16	
(j) Legal and professional charges (see note below)	5.83	4.23	

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		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
(k) Job work charges	2.65	1.92	
(l) Repair and maintenance:			
(i) Building	0.47	1.10	
(ii) Plant and machinery	2.81	3.53	
(iii) Others	0.50	0.43	
(m) Rates and taxes	2.20	5.74	
(n) Security services	1.40	1.47	
(o) Provision for doubtful debts	1.62	1.19	
(p) Bad debts written off	0.37	-	
(q) Other receivables and advances written off	0.93	0.87	
(r) Loss on sale of investment property	0.38	-	
(s) Loss on sale of property, plant and equipment (net)	0.08	0.97	
(t) Corporate social responsibility (refer note 35)	0.09	1.20	
(u) Provision on old stock	0.12	-	
(v) Miscellaneous expenses	5.83	9.82	
<b>Total</b>	<b>329.24</b>	<b>283.18</b>	

#### Note :-

Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows :

(a) To statutory auditors			
For audit (including quarterly reviews)	1.20	0.93	
For taxation matters	0.18	0.05	
For other services	0.06	0.06	
Reimbursement of expenses	0.02	0.07	
<b>Total</b>	<b>1.46</b>	<b>1.11</b>	
(b) To cost auditors for cost audit	0.03	0.02	
<b>Total</b>	<b>0.03</b>	<b>0.02</b>	

### 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 :

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
Gross amount required to be spent by the Company during the year	3.42	2.57	
Amount spent during the year on purposes other than construction / acquisition of any asset	0.09	1.20	

### 36 Earnings per Equity share

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

		(₹ in crore)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
Profit attributable to the equity holders of the company used in calculating basic / diluted earnings per share	158.13	152.11	
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,36,56,424	2,35,27,243	
Adjustments for calculation of diluted earnings per share:			
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	4,38,325	5,21,889	
(a) Basic earnings per share in ₹	2,40,94,749	2,40,49,132	
(b) Diluted earnings per share in ₹	66.84	64.65	
	65.63	63.25	

# Notes

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### 37 Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>(a) Contingent liabilities</b>			
(1) Disputed claims/levies in respect of sales tax:			
- Statutory forms (refer note (i) below)	-	114.39	0.01
- Reversal of input tax credit	9.93	14.68	11.35
- Classification of goods	0.36	3.99	3.99
- Provisional Assessment	0.90	0.69	3.03
	<b>11.19</b>	<b>133.75</b>	<b>18.38</b>
(2) Disputed claims/levies in respect of excise duty:			
- Availability of input credit	20.13	20.74	20.24
- Reversal of input tax credit	1.64	-	-
- Excise demand on excess / shortages	5.66	5.66	5.66
- Classification of goods	-	0.03	0.25
	<b>27.43</b>	<b>26.43</b>	<b>26.15</b>
(3) Disputed claims/levies in respect of service tax:			
- Availability of input credit	0.99	0.99	0.18
(4) Disputed claims/levies in respect of Income Tax (refer note (ii) below)	3.70	1.41	-
<b>Total</b>	<b>43.32</b>	<b>162.58</b>	<b>44.71</b>

- (i) During the previous financial year ended March 31, 2018, the Group received a demand of ₹ 114.39 crore under Central Sales Tax Act, 1956 on account of non submission of various statutory forms under the mentioned Act. During current year, the Group has deposited the all required forms and said demand has been withdrawn by the sales tax authority.
- (ii) During the previous financial year ended March 31, 2017, the Group received a demand of ₹ 1.41 crore under Income Tax Act, 1961 due to disallowance of certain expenses. The Group has filed the appeal before the CIT (Commissioner of Income Tax) Appeal against the order. During the current year, the CIT-Appeal has withdrawn the above demand.
- No Provision has been considered necessary since the Group expects favourable decision in appeals.
- (iii) (iii) During the year, the Group has discounted the sales bill from the banks for ₹ 10.61 crore (March 31, 2017 ₹ 2.79 crore, April 1, 2016 ₹ 0.26 crore).

#### (b) Commitments

- (1) Estimated amount of contracts remaining to be executed on capital account and not provided for
- |   |       |       |        |
|---|-------|-------|--------|
| (i) Property, plant & equipments (₹ in crore) | 42.48 | 99.10 | 145.35 |
|---|-------|-------|--------|
- (2) The Group has obtained advance licenses under the Duty Exemption Scheme for importing input materials without payment of customs duty against submission of bonds. The export obligation is to be fulfilled within a period of 18 months from the date of issuance of license. Under this scheme the Group has to achieve both the quantity and FOB value of exports specified in the license. Accordingly the Group is required to export goods of FOB Value of at least ₹ 68.95 crore (March 31, 2017 ₹ 71.76 crore, April 1, 2016 ₹ 150.00 crore) against which the Group has saved a duty of ₹ 12.03 crore (March 31, 2017 ₹ 13.84 crore, April 1, 2016 ₹ 64.97 crore).
- (3) The Group 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 Group has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Group is required to export of FOB value of at least ₹ 154.49 crore (March 31, 2017 ₹ 85.24 crore, April 1, 2016 ₹ Nil) against which the Group has saved a duty of ₹ 25.74 crore (March 31, 2017 ₹ 14.21 crore, April 1, 2016 ₹ Nil).

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (4) The Group has entered in Power Supply Agreement with a Vendor. As per agreement, the Group is required to draw an 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years.
- (5) The Holding Company has given corporate guarantees on behalf of its two subsidiaries i.e. Apollo Metalex Private Limited and Shri Lakshmi Metal Udyog Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2018 of Apollo Metalex Private Limited is ₹ 32.66 crore (March 31, 2017 ₹ 102.51 crore, April 1, 2016 ₹ 67.61 crore) and Shri Lakshmi Metal Udyog Limited is ₹ 4.37 crore (March 31, 2017 ₹ 26.01 crore, April 1, 2016 ₹ 11.62 crore).
- (6) The Group has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Group does not have any other long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.
- (c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

### 38 Employee benefit obligations

Particulars	As at March 31, 2018		
	Current	Non-current	Total
(₹ in crore)			
<b>Gratuity</b>			
Present value of obligation	0.17	5.85	6.02
<b>Total employee benefit obligations</b>	<b>0.17</b>	<b>5.85</b>	<b>6.02</b>

Particulars	As at March 31, 2017		
	Current	Non-current	Total
(₹ in crore)			
<b>Gratuity</b>			
Present value of obligation	0.12	5.90	6.02
<b>Total employee benefit obligations</b>	<b>0.12</b>	<b>5.90</b>	<b>6.02</b>

Particulars	As at April 1, 2016		
	Current	Non-current	Total
(₹ in crore)			
<b>Gratuity</b>			
Present value of obligation	0.15	4.57	4.72
<b>Total employee benefit obligations</b>	<b>0.15</b>	<b>4.57</b>	<b>4.72</b>

#### (a) Defined benefit plans

##### a) Gratuity

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹ 0.20 crore (Previous Year ₹ 0.10 crore). Vesting occurs upon completion of 5 years of service.

#### (b) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 2.72 crore (Year ended March 31, 2017 ₹ 2.52 crore) for Provident Fund contributions, and ₹ 0.93 crore (Year ended March 31, 2017 ₹ 0.72 crore) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (c) Movement of defined benefit obligation:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	(₹ in crore)
<b>April 1, 2016</b>	<b>4.72</b>
Current service cost	0.93
Interest expense/(income)	0.35
<b>Total amount recognised in profit or loss</b>	<b>1.28</b>
Remeasurements	
effect of change in financial assumptions	0.45
effect of experience adjustments	0.01
<b>Total amount recognised in other comprehensive income</b>	<b>0.46</b>
Employer contributions: Benefit payments	(0.44)
<b>March 31, 2017</b>	<b>6.02</b>
<b>April 1, 2017</b>	<b>6.02</b>
Current service cost	0.97
Interest expense/(income)	0.48
<b>Total amount recognised in profit or loss</b>	<b>1.45</b>
Remeasurements	
Loss due to experience	(0.54)
Loss due to change in financial assumptions	(0.40)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.94)</b>
Employer contributions: Benefit payments	(0.51)
<b>March 31, 2018</b>	<b>6.02</b>

#### (d) Post-Employment benefits

The significant actuarial assumptions were as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate	7.86%	7.40%	7.99%
Salary growth rate	8.00%	8.00%	8.00%
Expected Return on Assets	-	-	-
Mortality	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
Attrition Rate			
18 to 30 years	3.00%	3.00%	3.00%
30 to 45 years	2.00%	2.00%	2.00%
Above 45 years	1.00%	1.00%	1.00%

#### Notes :

- (1) The discount rate is based on the prevailing market yield of Indian Government Securities as at Balance Sheet date for the estimated term of obligation.
- (2) The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (e) Sensitivity analysis

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

Particulars	Change in assumption	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Gratuity</b>		
Discount rate	1%	1%
Salary growth rate	1%	1%

Particulars	Increase by 1%	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Gratuity</b>		
Discount rate	(0.75)	(0.76)
Salary growth rate	0.90	0.91

Particulars	Decrease by 1%	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Gratuity</b>		
Discount rate	0.91	0.92
Salary growth rate	0.46	(0.77)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

#### (f) Risk exposure

The defined benefit obligations have the undermentioned risk exposures:

**Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

#### (g) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 18.28 to 23.57 years.

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	(₹ in crore)	
	Year ended March 2018	Year ended March 2017
Less than a year	0.18	0.13
Between 1 - 1 years	0.28	0.19
Between 2 - 3 years	0.03	0.46
Between 3 - 4 years	0.44	0.33
Between 4 - 5 years	0.44	0.45
Beyond 5 years	5.45	4.74
<b>Total</b>	<b>6.81</b>	<b>6.30</b>

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 39 Share Based Payments

#### (a) Employee Share Option Plan :

- (i) The ESOS scheme titled "Employee Stock Option Scheme 2015" (ESOS 2015) was approved by the shareholders through postal ballot on July 27, 2015 and December 22, 2015. 7,50,000 options are covered under the Scheme for 750,000 Equity shares.
- (ii) During the financial year 2015-16, the Nomination and Remuneration Committee in its meeting held on July 28, 2015 has granted 724,000 options respectively under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 452.60 per share.
- (iii) During the financial year 2016-17, the Nomination and Remuneration Committee in its meeting held on January 28, 2017 has granted 45,000 options under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1,028.80 per share.
- (iv) During the financial year 2017-18, the the Nomination and Remuneration Committee in its meeting held on September 9, 2017 and February 5, 2018 has granted 96,000 and 70,000 options respectively, under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1,633.05 and ₹ 2,124.10 respectively per share.

#### (b) The following share based payment arrangements were in existence during the current and prior years:

Number of options granted	Grant Date	Expiry Date	Exercise Price	Fair Value at grant date
			₹	₹
7,24,000	July 28, 2015	January 26, 2020	452.6	168.88
46,000	January 28, 2017	July 29, 2021	1028.8	354.56
96,000	September 9, 2017	October 3, 2022	1633.05	602.36
70,000	February 5, 2018	August 6, 2022	2124.1	751.33

#### (c) Fair value option granted in the year

The weighted average fair value of the share options granted during the financial year is ₹ 665.18 (during the year ended March 31, 2016: ₹ 354.56). Options were priced using Black Scholes Model.

	Grant on September 9, 2017	Grant on February 5, 2018
Grant date share price	1,634.00	2,085.35
Exercise Price	1633.05	2124.1
Expected volatility	37.9%-41.29%	36.87%-40.04%
Option Life	3-4.5	3-4.5
Dividend yield	0.73%	0.85%
Risk-free Interest Rate	6.39%-6.52%	7.18%-7.45%
Others (Describe)	-	-

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (d) Movement in share option during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	2017-18		2016-17	
	Number of options	Weighted Average Exercise Price ₹	Number of options	Weighted Average Exercise Price ₹
Balance at the beginning of the year	5,21,889	502.28	7,24,000	452.60
Granted during the year	1,66,000	1,840.12	46,000	1,028.80
Vested during the year	1,41,625*	484.64	1,63,583	452.60
Lapsed during the year	1,00,789	-	96,792	-
Forfeited during the year	-	-	-	-
Exercised during the year	1,39,850	452.60	1,51,319	452.60
Expired during the year	-	-	-	-
Options outstanding at the end of the year	4,47,250#	987.05	5,21,889	502.28
Options available for grant	11,581	-	76,792	-

\* Out of these 7,875 options is due for vesting in January 2018 but not yet vested

# Out of these 7,875 options were due for vesting and 1,250 options were vested but not yet exercised

#### (e) Share option exercised during the year

	Number exercised/ allotted	Exercise/ Allotment date	Share Price at exercise/ allotment date ₹
Granted on July 28, 2015	1,39,850	October 9, 2017	1,916.55

#### (f) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions, i.e., employee share option plan during the year recognised in profit or loss as part of employee benefit expense is ₹ 3.65 crore (March 31, 2017 ₹ 3.76 crore).

(g) No option expired during the year.

#### 40 Related party transaction :

(a)	Details of related parties :	Name of related parties
(i)	Key Management Personnel (KMP)	Mr. Sanjay Gupta (Chairman) Mr. Ashok Kumar Gupta (Managing Director) Mr. Vinay Gupta (Director) Mr. Romi Sehgal (Director)
(ii)	Relative of KMP	Mrs. Saroj Rani Gupta (Mother of Director) Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta) Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta) Mrs. Meenakshi Gupta (Wife of Mr. Sameer Gupta) Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)
(iii)	Enterprises over which any person described in (i) to (ii) above is able to exercise significant influence	APL Infrastructure Private Limited Apollo Pipes Limited Best Steel Logistics Limited (w.e.f. March 15, 2018)

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
					(₹ in crore)
<b>(b) Transactions during the year</b>					
<b>Sale of goods</b>					
Apollo Pipes Limited	-	-	-	2.36	2.36
	(-)	(-)	(-)	(0.89)	(0.89)
Best Steel Logistics Limited	-	-	-	0.08	0.08
	(-)	(-)	(-)	-	-
	-	-	-	<b>2.43</b>	<b>2.43</b>
	(-)	(-)	(-)	<b>(0.89)</b>	<b>(0.89)</b>
<b>Sale of scrap</b>					
Apollo Pipes Limited	-	-	-	0.02	0.02
	(-)	(-)	(-)	(-)	(-)
	-	-	-	<b>0.02</b>	<b>0.02</b>
	(-)	(-)	(-)	(-)	(-)
<b>Sale of licenses</b>					
Apollo Pipes Limited	-	-	-	3.66	3.66
	(-)	(-)	(-)	(1.53)	(1.53)
	-	-	-	<b>3.66</b>	<b>3.66</b>
	(-)	(-)	(-)	<b>(1.53)</b>	<b>(1.53)</b>
<b>Purchase of stores and consumables</b>					
Apollo Pipes Limited	-	-	-	1.01	1.01
	(-)	(-)	(-)	(1.21)	(1.21)
	-	-	-	<b>1.01</b>	<b>1.01</b>
	(-)	(-)	(-)	<b>(1.21)</b>	<b>(1.21)</b>
<b>Purchase of property, plant &amp; equipment</b>					
Apollo Pipes Limited	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(0.04)
	-	-	-	-	-
	(-)	(-)	(-)	<b>(0.04)</b>	<b>(0.04)</b>
<b>Purchase</b>					
Apollo Pipes Limited	-	-	-	3.86	3.86
	(-)	(-)	(-)	(3.34)	(3.34)
	-	-	-	<b>3.86</b>	<b>3.86</b>
	(-)	(-)	(-)	<b>(3.34)</b>	<b>(3.34)</b>
<b>Rent paid</b>					
APL Infrastructure Private Limited	-	-	-	0.15	0.15
	(-)	(-)	(-)	(0.76)	(0.76)
Assawa Associates Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(0.14)	(0.14)
Best Steel Logistics Limited	-	-	-	0.54	0.54
	(-)	(-)	(-)	(-)	-
Mrs. Saroj Rani Gupta	-	-	-	-	-
	(-)	(-)	(0.72)	(-)	(0.72)
Mrs. Neera Gupta	-	-	0.02	-	0.02
	(-)	(-)	(0.28)	(-)	(0.28)
Mrs. Vandana Gupta	-	-	0.02	-	0.02
	(-)	(-)	(0.28)	(-)	(0.28)
Mrs. Meenakshi Gupta	-	-	0.02	-	0.02
	(-)	(-)	(0.28)	(-)	(0.28)
	-	-	<b>0.06</b>	<b>0.69</b>	<b>0.75</b>
	(-)	(-)	<b>(1.56)</b>	<b>(0.90)</b>	<b>(2.46)</b>

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
(₹ in crore)					
<b>Job work expenses</b>					
Apollo Pipes Limited	-	-	-	-	-
	(-)	(-)	(-)	(0.03)	(0.03)
	-	-	-	-	-
	(-)	(-)	(-)	(0.03)	(0.03)
<b>Handling charges</b>					
APL Infrastructure Private Limited	-	-	-	0.05	0.05
	(-)	(-)	(-)	(0.58)	(0.58)
	-	-	-	0.05	0.05
	(-)	(-)	(-)	(0.58)	(0.58)
<b>Salary</b>					
Mr. Sanjay Gupta	-	3.00	-	-	3.00
	(-)	(3.00)	(-)	(-)	(3.00)
Mr. Vinay Gupta	-	1.56	-	-	1.56
	(-)	(1.56)	(-)	(-)	(1.56)
Mr. Sharad Mahendra	-	2.09	-	-	2.09
	(-)	(1.02)	(-)	(-)	(1.02)
Mr. Romi Sehgal	-	-	0.74	-	0.74
	(-)	(-)	(0.28)	(-)	(0.28)
Mr. Rahul Gupta	-	-	0.30	-	0.30
	(-)	(-)	(0.30)	(-)	(0.30)
	-	6.65	1.04	-	7.69
	(-)	(5.58)	(0.58)	(-)	(6.16)
<b>Director's sitting fees</b>					
Mr. Vinay Gupta	-	-	0.03	-	0.03
	(-)	(-)	(0.03)	(-)	(0.03)
	-	-	0.03	-	0.03
	(-)	(-)	(0.03)	(-)	(0.03)
<b>Dividend paid</b>					
APL Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(8.03)	(8.03)
Mr. Ashok Kumar Gupta	-	-	-	-	-
	(-)	(1.12)	(-)	(-)	(1.12)
	-	-	-	-	-
	(-)	(1.12)	(-)	(8.03)	(9.15)
<b>Advance given for purchase of property</b>					
Mrs. Neera Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(14.00)	(14.00)
	(-)	(-)	(-)	(-)	(-)
Assawa Associates Private Limited	-	-	-	-	-

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
					(₹ in crore)
	(-)	(-)	(-)	(9.00)	(9.00)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	(-)	(9.00)	(23.00)	(32.00)
	(-)	(-)	(-)	(-)	(-)
<b>Advances received from supply of raw materials</b>					
Best Steel Logistics Limited	-	-	-	50.80	50.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	59.00	59.00
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	109.80	109.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
<b>Refund of advances received for supply of raw materials</b>					
Best Steel Logistics Limited	-	-	-	50.80	50.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	59.00	59.00
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	109.80	109.80
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
<b>Refund of advance given for purchase of property</b>					
Mrs. Neera Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	-	-	-
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(14.00)	(14.00)
	(-)	(-)	(-)	(-)	(-)
Assawa Associates Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(9.00)	(9.00)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	(-)	(9.00)	(23.00)	(32.00)
	(-)	(-)	(-)	(-)	(-)

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (c) Balances outstanding at the end of the year

Particulars	(₹ in crore)				
	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
<b>Trade receivables</b>					
Apollo Pipes Limited	-	-	-	0.26	0.26
	(-)	(-)	(-)	(0.28)	(0.28)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	<b>0.26</b>	<b>0.26</b>
	(-)	(-)	(-)	<b>(0.28)</b>	<b>(0.28)</b>
	(-)	(-)	(-)	(-)	(-)
<b>Security given</b>					
Mrs. Neera Gupta	-	-	3.00	-	3.00
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	3.00	-	3.00
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	3.00	-	3.00
	(-)	(-)	(3.00)	(-)	(3.00)
	(-)	(-)	(-)	(-)	(-)
APL Infrastructure Private Limited	-	-	-	5.00	5.00
	(-)	(-)	(-)	(5.00)	(5.00)
	(-)	(-)	(-)	(-)	(-)
	-	-	<b>9.00</b>	<b>5.00</b>	<b>14.00</b>
	(-)	(-)	<b>(9.00)</b>	<b>(5.00)</b>	<b>(14.00)</b>
	(-)	(-)	(-)	(-)	(-)
<b>Loans</b>					
Mr. Sharad Mahendra	-	-	-	-	-
	(-)	(0.25)	(-)	(-)	(0.25)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	<b>(0.25)</b>	(-)	(-)	<b>(0.25)</b>
	(-)	(-)	(-)	(-)	(-)
<b>Trade payables</b>					
APL Infrastructure Private Limited	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(0.08)	(0.08)
Apollo Pipes Limited	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(0.01)
	(-)	(-)	(-)	(0.76)	(0.76)
Best Steel Logistics Limited	-	-	-	0.58	0.58
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)

# Notes

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(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Mrs. Neera Gupta	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
Mrs. Vandana Gupta	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
Mrs. Meenakshi Gupta	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)
Mr. Sanjay Gupta	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(0.20)	(-)	(0.20)
Mr. Rahul Gupta	-	-	0.05	-	0.05
	(-)	(-)	(0.01)	(-)	(0.01)
	(-)	(-)	0.01	(-)	0.01
	-	-	<b>0.08</b>	<b>0.63</b>	<b>0.71</b>
	(-)	(-)	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
	(-)	(-)	<b>(0.19)</b>	<b>(0.84)</b>	<b>(1.03)</b>
<b>Advances</b>					
APL Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(0.03)	(0.03)
Apollo Pipes Limited	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(0.07)
	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	(-)	(-)	<b>(0.07)</b>	<b>(0.07)</b>
	(-)	(-)	(-)	<b>(0.03)</b>	<b>(0.03)</b>

### Notes :

- (1) Figures in the bracket relates to previous year ended March 31, 2017 and April 1, 2016
- (2) As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
- (3) The term loan and other credit facilities of the Company are also secured by personal guarantee of directors of the Company, Mr. Sanjay Gupta and Mr. Vinay Gupta.

## 41 Income tax expense

The reconciliation of estimated income tax to income tax expense is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Profit before tax as per consolidated statement of profit and loss</b>	<b>244.34</b>	<b>216.01</b>
Income tax expenses calculated as per tax rates of Income tax act of 34.608% (March 31, 2017 : 34.608%)	84.56	74.76
(i) Income exempt from tax / items not deductible	2.66	(11.07)
(ii) Tax on income at different rates	(1.01)	0.20
<b>Tax expense as reported</b>	<b>86.21</b>	<b>63.89</b>

In February, 2018, the Indian Corporate effective tax rate were changed from 34.608% to 34.944% and substantively enacted and will be effective from April 1, 2018. As a result, the relevant deferred tax balances have been remeasured.

## Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 42 Fair value measurements

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016.

(₹ in crore)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets - Non Current</b>						
Investments						
- in equity instruments	-	1.11	-	0.44	-	-
Loans to employees	-	-	-	0.43	-	0.32
Security deposit	-	18.36	-	15.79	-	0.05
Claim receivable	-	0.62	-	0.33	-	5.36
Others	-	1.02	-	2.40	-	2.69
<b>Financial assets - Current</b>						
Loans to employees	-	1.16	-	0.77	-	1.38
Claim receivable	-	0.96	-	1.55	-	1.45
Trade receivables	-	432.13	-	294.87	-	218.17
Cash and cash equivalents	-	6.62	-	1.39	-	1.02
Other Bank Balance	-	0.18	-	0.18	-	0.33
Government grants	-	2.95	-	3.88	-	3.02
Others	-	18.84	-	13.75	-	10.05
<b>Total financial assets</b>	<b>-</b>	<b>483.95</b>	<b>-</b>	<b>335.78</b>	<b>-</b>	<b>243.84</b>
<b>Financial liabilities - Non current</b>						
Borrowings	-	78.20	-	104.92	-	187.58
Interest accrued but not due on borrowings	-	9.54	-	5.46	-	5.93
Security Deposits	-	1.50	-	1.30	-	0.19
Deferred payment	-	0.59	-	0.54	-	0.49
Others	-	0.26	-	0.19	-	0.05
<b>Financial liabilities - current</b>						
Borrowings	-	696.92	-	489.44	-	462.23
Derivative liabilities	0.81	-	4.78	-	9.23	-
Trade payables	-	390.14	-	403.92	-	260.33
<b>Total financial liabilities</b>	<b>0.81</b>	<b>1,177.15</b>	<b>4.78</b>	<b>1,005.77</b>	<b>9.23</b>	<b>916.80</b>

#### (a) Financial assets and liabilities measured at fair value - recurring fair value measurements :

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
<b>Financial Liabilities</b>						
- Liability for forward contracts	0.81	-	4.78	-	9.23	-
<b>Total financial liabilities</b>	<b>0.81</b>	<b>-</b>	<b>4.78</b>	<b>-</b>	<b>9.23</b>	<b>-</b>

Fair value of forward contracts determined by reference to quote from financial institution.

#### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

### (c) Assets and liabilities which are measured at amortised cost for which fair values are disclosed

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

### (d) Valuation inputs and relationships to fair value- Investment Property (Level 3)

Particulars	Fair Value as at		
	March 31, 2018	March 31, 2017	April 1, 2016
Investment property*	11.48	14.78	15.97

The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

### 43 Financial risk management objectives

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

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.

##### (i) Foreign currency risk

The Company's functional currency in Indian ₹ (INR). The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and 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 ₹ and any relevant foreign currency result's in the increase in the Company's overall debt positions in ₹ 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. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payable as when the exposure arises.

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### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Details of derivative instruments and unhedged foreign currency exposure :-

(1) The position of foreign currency exposure to the Company as at the end of the year are as follows :

Forward contract outstanding	Buy/Sell	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In USD	Buy	2,08,32,327	3,04,73,968	4,66,63,253
Equivalent amount in ₹ in crore	Buy	135.50	197.59	309.64
In EURO	Buy	60,72,382	21,33,402	3,03,29,393
Equivalent amount in ₹ in crore	Buy	48.96	14.77	201.18
In USD	Sell	70,00,000	51,59,968	14,93,747
Equivalent amount in ₹ in crore	Sell	45.77	34.68	9.91
In EURO	Sell	10,00,000	-	-
Equivalent amount in ₹ in crore	Sell	8.16	-	-

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

Forward contract outstanding	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Receivables:</b>			
USD	11,12,273	24,22,253	13,42,561
Equivalent in ₹ in crore	6.48	15.71	8.90
EURO	-	1,63,278	1,97,216
Equivalent in ₹ in crore	-	1.13	1.48
<b>Payables:</b>			
USD	-	2,45,095	3,696
Equivalent in ₹ in crore	-	1.59	2.45
EURO	-	2,05,450	-
Equivalent in ₹ in crore	-	1.43	-
<b>Advance paid to vendors:</b>			
USD	17,24,000	29,06,135	22,63,425
Equivalent in ₹ in crore	11.21	18.85	15.01
EURO	21,72,567	15,11,200	31,00,146
Equivalent in ₹ in crore	17.51	10.47	23.28
<b>Advance Received from Customers:</b>			
USD	1,43,866	1,77,622	80,281
Equivalent in ₹ in crore	0.94	1.15	0.53
EURO	21,603	1,33,195	46,460
Equivalent in ₹ in crore	0.17	0.93	0.35

#### Sensitivity

If INR is depreciated or appreciated by 2.5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the company are given below:

Particulars	Impact on profit after tax	
	Year ended March 31, 2018	Year ended March 31, 2017
EURO sensitivity		
INR/EURO Increases by 2.5% (March 31, 2017 - 2.5%)	-	0.00
INR/EURO Decreases by 2.5% (March 31, 2017 - 2.5%)	-	(0.00)
USD sensitivity		
INR/USD Increases by 2.5% (March 31, 2017 - 2.5%)	(0.11)	(0.23)
INR/USD Decreases by 2.5% (March 31, 2017 - 2.5%)	0.11	0.23

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in ₹ and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Particulars	(₹ in crore)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowings	544.86	387.86	410.17
Fixed rate borrowings	230.26	206.50	239.64
<b>Total borrowings</b>	<b>775.12</b>	<b>594.36</b>	<b>649.81</b>

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

Particulars	(₹ in crore)	
	Balance	% of total loans
<b>As at March 31, 2018</b>		
Bank overdrafts, bank loans, Cash Credit	544.86	70%
<b>As at March 31, 2017</b>		
Bank overdrafts, bank loans, Cash Credit	387.86	65%
<b>As at April 1, 2016</b>		
Bank overdrafts, bank loans, Cash Credit	410.17	63%

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	(₹ in crore)	
	Impact on profit after tax	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest rates – increase by 50 basis points (50 bps)	(2.72)	(1.94)
Interest rates – decrease by 50 basis points (50 bps)	2.72	1.94

### (b) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company.

Company's trade receivables are generally categories into following categories:

1. Export customers
2. Institutional customers
3. Dealers

In case of export sales, in order to mitigate credit risk, generally sales are made on advance payment terms. Where export sales are not made on advance payment terms, the same are secured through letter of credit or bank guarantee, etc.

In case of sale to institutional customers certain credit period is allowed. In order to mitigate credit risk, majority of the sales are secured by letter of credit, bank guarantee, post dated cheques, etc.

In case of sale to dealers certain credit period is allowed. In order to mitigate credit risk, majority of the sales made to dealers are secured by way of post dated cheques (PDC).

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### TO THE CONSOLIDATED FINANCIAL STATEMENTS

Further, Company has an ongoing credit evaluation process in respect of customers who are allowed credit period.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

#### Reconciliation of loss allowance provision - Trade receivables

	(₹ in crore)
Allowance for credit loss on April 1, 2016	1.88
Charge in statement of profit and loss	1.18
<b>Allowance for credit loss on March 31, 2017</b>	<b>3.06</b>
Charge in statement of profit and loss	1.62
Utilised during the year	-
<b>Allowance for credit loss on March 31, 2018</b>	<b>4.68</b>

#### (c) Liquidity risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Floating rate</b>	567.01	665.31	534.09
<b>Nature of facility</b>	Working Capital	Working Capital	Working Capital

(ii) Maturities of financial liabilities

The table below analyses the company's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### Contractual maturities of financial liabilities :-

Particulars				(₹ in crore)
				Total
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	
<b>Non-derivatives</b>				
<b>As at March 31, 2018</b>				
Borrowings	696.92	78.20	-	775.12
Interest accrued but not due on borrowings	9.54	-	-	9.54
Trade payables	390.14	-	-	390.14
Security Deposits	1.50	-	-	1.50
Deferred payment	-	-	0.59	0.59
Others	0.26	-	-	0.26
<b>Total non-derivative liabilities</b>	<b>1,098.36</b>	<b>78.20</b>	<b>0.59</b>	<b>1,177.15</b>
<b>As at March 31, 2017</b>				
Borrowings	489.43	104.93	-	594.36
Interest accrued but not due on borrowings	5.46	-	-	5.46
Trade payables	403.92	-	-	403.92
Security Deposits	1.30	-	-	1.30
Deferred payment	-	-	0.54	0.54
Others	0.19	-	-	0.19
<b>Total non-derivative liabilities</b>	<b>900.30</b>	<b>104.93</b>	<b>0.54</b>	<b>1,005.77</b>

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
<b>As at April 1, 2016</b>				
Borrowings	462.22	187.59	-	649.81
Interest accrued but not due on borrowings	5.93	-	-	5.93
Trade payables	260.33	-	-	260.33
Security Deposits	0.19	-	-	0.19
Deferred payment	-	-	0.49	0.49
Others	0.05	-	-	0.05
<b>Total non-derivative liabilities</b>	<b>728.72</b>	<b>187.59</b>	<b>0.49</b>	<b>916.80</b>

#### 44 Reconciliation of liabilities arising from financing activities

(₹ in crore)

Particulars	As at April 1, 2016	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2017
Non-current borrowings	187.58	(82.66)	-	104.92
Current borrowings	410.17	48.93	4.87	463.97
Current maturities of non-current borrowings	52.06	(26.59)	-	25.47
<b>Total liabilities from financing activities</b>	<b>649.81</b>	<b>(60.32)</b>	<b>4.87</b>	<b>594.36</b>

(₹ in crore)

Particulars	As at March 31, 2017	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2018
Non-current borrowings	104.92	(26.72)	-	78.20
Current borrowings	463.97	128.77	2.41	595.15
Current maturities of non-current borrowings	25.47	76.30	-	101.77
<b>Total liabilities from financing activities</b>	<b>594.36</b>	<b>178.35</b>	<b>2.41</b>	<b>775.12</b>

#### 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 borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, 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 borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

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### TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in crore)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non current borrowings	78.20	104.92	187.58
Current maturities of non current borrowings	101.77	25.47	52.06
Current borrowings	595.15	463.97	410.17
Less: Cash and cash equivalents	(6.62)	(1.39)	(1.02)
Less: Bank balances other than cash and cash equivalents	(0.18)	(0.18)	(0.33)
<b>Total Debts</b>	<b>768.32</b>	<b>592.78</b>	<b>648.46</b>
<b>Total equity</b>	<b>837.85</b>	<b>703.36</b>	<b>569.06</b>
<b>Gearing Ratio</b>	<b>0.92</b>	<b>0.84</b>	<b>1.14</b>

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

#### (b) Dividends

Particulars	(₹ in crore)	
	Year ended March 31, 2018	Year ended March 31, 2017
Final dividend for the year ended March 31, 2018 of ₹ 14 (March 31, 2017 - ₹ 12) (excluding dividend distribution tax)	33.22	28.31
Dividends not recognised at the end of the reporting period	33.22	28.31
Dividend Distribution Tax	6.76	5.76

The Board of Directors have recommended a final dividend of ₹ 14 per share for the year ended March 31, 2018 which is subject to the approval of the shareholders in the ensuing annual general meeting.

#### 46 Scheme of Amalgamation

APL Apollo Tubes Limited ("Company" or "Transferee Company") had filed a scheme of amalgamation ('the Scheme') of Lloyds Line Pipes Limited ("a wholly owned subsidiary" or "Transferor Company") with APL Apollo Tubes Limited under section 391 read with section 394 of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013.

Hon'ble National Company Law Tribunal, Principal Bench at New Delhi vide its order dated August 7, 2017 and rectification order dated September 19, 2017 approved the scheme of amalgamation ("Scheme") of Lloyds Line Pipes Limited with APL Apollo Tubes Limited (APL) under Section 230 and 232 of Companies Act, 2013 with effect from the appointed date i.e. April 1, 2015. The scheme became effective upon filing of the aforesaid order with Registrar of Companies ('ROC') on October 18, 2017. Pursuant to the scheme :

- All assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company.

-The Amalgamation has been accounted under the " Pooling of interest method" as per then prevailing Accounting Standard (AS 14) referred in the scheme which requires line by line addition into APL and excess of the amount of investment in subsidiary cancelled on amalgamation of subsidiary with the Company has been adjusted against the accumulated reserves in terms of accounting treatment for amalgamation prescribed under the scheme. Further pursuant to the scheme, authorised share capital of the Company has increased by corresponding Authorised Share capital of transferor company of 2 crore equity shares of ₹ 10 each aggregating to ₹ 20 crore.

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of assets and liabilities acquired on amalgamation and treatment of the difference between the net assets acquired and cost of investment by the Transferee Company is as under:

(₹ in crore)

Particulars	As at April 1, 2015
<b>Value of assets acquired :</b>	
Fixed assets	
Tangible assets	138.51
Capital work-in-progress	0.23
Long Term loans and advances	1.36
Inventory	74.95
Trade Receivables	40.34
Cash and bank balance	5.74
Short-term loans and advances	16.92
Other Current assets	1.12
<b>Total Assets (A)</b>	<b>279.17</b>
Less:	
<b>Value of liabilities acquired:</b>	
Long-term borrowings	58.99
Deferred tax liabilities (net)	15.58
Other long term liabilities	1.06
Long-Term provisions	1.43
Short-term borrowings	11.41
Trade payables	117.92
Other current liabilities	9.41
Short-term provisions	3.82
<b>Total Liabilities (B)</b>	<b>219.62</b>
<b>Net Assets acquired on amalgamation (A-B)</b>	<b>59.55</b>
Less:	
Adjustment for cancellation of carrying value of investment in Transferor Company	33.25
Addition on Amalgamation- Reserves of the Transferor Company taken over	39.56
Preacquisition losses	6.64
<b>Adjustment of goodwill on amalgamation</b>	<b>19.90</b>

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### 47 Disclosure of additional information as required by Schedule III to the Companies Act, 2013 :

(a) As at March 31, 2018 and for the year ended March 31, 2018

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities As % of consolidated net assets	Share in profit or loss As % of consolidated profit or loss	Share in other comprehensive income As % of consolidated other comprehensive income	Share in total comprehensive income As % of total comprehensive income
<b>A. Holding Company</b>				
APL Apollo Tubes Limited	76.61%	59.23%	99.23%	59.36%
<b>B. Subsidiaries</b>				
<b>a) Indian</b>				
(1) Shri Lakshmi Metal Udyog Limited	10.73%	20.09%	7.02%	20.05%
(2) Apollo Metalex Private Limited	11.79%	20.74%	-6.25%	20.65%
(3) Blue Ocean Projects Private Limited	0.87%	-0.06%	-	-0.06%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Adjustment due to consolidation	1,182.08 (344.23)	190.26 (52.13)	0.61	190.87 (52.13)
<b>Consolidated Net Assets/ Profit</b>	<b>837.85</b>	<b>158.13</b>	<b>0.61</b>	<b>158.74</b>

(b) As at March 31, 2017 and for the year ended March 31, 2017

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities As % of consolidated net assets	Share in profit or loss As % of consolidated profit or loss	Share in other comprehensive income As % of consolidated other comprehensive income	Share in total comprehensive income As % of total comprehensive income
<b>A. Holding Company</b>				
APL Apollo Tubes Limited	77.67%	59.32%	150.54%	59.13%
<b>B. Subsidiaries</b>				
<b>a) Indian</b>				
(1) Shri Lakshmi Metal Udyog Limited	11.76%	22.20%	-2.37%	22.24%
(2) Apollo Metalex Private Limited	9.57%	18.56%	-48.17%	18.71%
(3) Blue Ocean Projects Private Limited	1.00%	-0.08%	-	-0.07%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Adjustment due to consolidation	1,043.78 (340.42)	148.89 3.22	(0.30)	148.60 3.21
<b>Consolidated Net Assets/ Profit</b>	<b>703.36</b>	<b>152.11</b>	<b>(0.30)</b>	<b>151.81</b>

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 48 First-time adoption of Ind AS

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

The accounting policies set out in Note 1(ii) have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these standalone financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (Company's date of transition to Ind AS). In preparing its opening Ind AS Balance Sheet, the company has adjusted the amounts reported previously in standalone financial statements prepared in accordance with the applicable accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS..

#### A Exemptions and exceptions availed

##### (a) Ind AS optional exemptions

###### (i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

##### (b) Ind AS mandatory exceptions

###### (i) Estimates

Estimates made under Ind AS at April 1, 2016 are consistent with the estimates as under previous GAAP.

###### (ii) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e., April 1, 2016.

###### (iii) Business combination

In accordance with Ind AS transitional provision, the Company opted not to restate business combination which occurred prior to the transition date.

## Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

### B Reconciliation between previous GAAP and Ind AS :-

#### (a) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 1, 2016

(₹ in crore)

Particulars	Notes to reconciliation	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
<b>I. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment	1 & 8	663.91	(33.07)	630.84	619.94	(21.05)	598.89
(b) Capital work-in-progress		122.39	-	122.39	31.97	-	31.97
(c) Investment property		12.30	-	12.30	13.13	-	13.13
(d) Intangible assets		3.68	-	3.68	3.37	-	3.37
(e) Goodwill	2	47.06	(24.06)	23.00	23.00	-	23.00
(f) Financial assets							
(i) Investment		0.44	-	0.44	-	-	-
(ii) Loans		0.43	-	0.43	0.32	-	0.32
(iii) Other financial assets		18.52	-	18.52	8.10	-	8.10
(g) Non-current tax assets (net)		0.24	-	0.24	-	-	-
(h) Other non-current assets	1 & 11	54.89	60.04	114.93	51.12	21.33	72.45
<b>Total non-current assets</b>		<b>923.86</b>	<b>2.91</b>	<b>926.77</b>	<b>750.95</b>	<b>0.28</b>	<b>751.23</b>
<b>(2) Current assets</b>							
(a) Inventories		469.61	-	469.61	594.36	-	594.36
(b) Financial assets							
(i) Trade receivables	7	295.18	(0.31)	294.87	220.05	(1.88)	218.17
(ii) Cash and cash equivalents		1.39	-	1.39	1.02	-	1.02
(iii) Bank balance other than (ii) above		0.18	-	0.18	0.33	-	0.33
(iv) Loans		0.77	-	0.77	1.38	-	1.38
(v) Other financial assets	3	17.93	1.25	19.18	13.41	1.11	14.52
(c) Other current assets	11	130.50	1.31	131.81	45.17	0.84	46.01
<b>Total current assets</b>		<b>915.56</b>	<b>2.25</b>	<b>917.81</b>	<b>875.72</b>	<b>0.07</b>	<b>875.79</b>
<b>Total assets</b>		<b>1,839.42</b>	<b>5.16</b>	<b>1,844.58</b>	<b>1,626.67</b>	<b>0.35</b>	<b>1,627.02</b>
<b>II. EQUITY AND LIABILITIES</b>							
<b>(1) Equity</b>							
(a) Equity share capital		23.59	-	23.59	23.44	-	23.44
(b) Other equity	Note 48 B (b)	676.81	2.96	679.77	524.21	21.41	545.62
<b>Total equity</b>		<b>700.40</b>	<b>2.96</b>	<b>703.36</b>	<b>547.65</b>	<b>21.41</b>	<b>569.06</b>
<b>(2) Non-current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		104.92	-	104.92	187.58	-	187.58
(ii) Other financial liabilities	11	1.04	(0.50)	0.54	1.04	(0.55)	0.49
(b) Provisions		7.21	-	7.21	5.07	-	5.07
(c) Deferred tax liabilities (net)	12	80.95	0.36	81.31	74.18	(0.64)	73.54
(d) Other non-current liabilities	8	-	3.96	3.96	-	0.69	0.69
<b>Total non-current liabilities</b>		<b>194.12</b>	<b>3.82</b>	<b>197.94</b>	<b>267.87</b>	<b>(0.50)</b>	<b>267.37</b>
<b>(3) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		463.97	-	463.97	410.17	-	410.17
(ii) Trade payables	3	390.78	1.25	392.03	252.90	3.57	256.47
(iii) Other financial liabilities	4	52.13	(3.04)	49.09	67.46	3.86	71.32
(b) Other current liabilities	8	29.42	0.17	29.59	36.66	0.13	36.79
(c) Provisions	5	0.20	-	0.20	28.90	(28.12)	0.78
(d) Current tax liabilities (net)		8.40	-	8.40	15.06	-	15.06
<b>Total current liabilities</b>		<b>944.90</b>	<b>(1.62)</b>	<b>943.28</b>	<b>811.15</b>	<b>(20.56)</b>	<b>790.59</b>
<b>Total equity and liabilities</b>		<b>1,839.42</b>	<b>5.16</b>	<b>1,844.58</b>	<b>1,626.67</b>	<b>0.35</b>	<b>1,627.02</b>

## Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (b) Reconciliation of total equity as at March 31, 2017 and April 1, 2016.

(₹ in crore)

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Equity share capital		23.59	23.44
Reserves & Surplus		696.71	544.11
Less : Adjustment of goodwill on amalgamation (refer note 46)		(19.90)	(19.90)
<b>Total equity (shareholder's funds) under previous GAAP</b>		<b>700.40</b>	<b>547.65</b>
<b>Adjustments</b>			
Fair valuations of Forward contracts	4	3.01	(3.86)
Proposed Dividend	5	-	28.12
Prior Period adjustment	6	-	(2.52)
Other GAAP adjustments	7,8 & 11	0.38	(0.97)
Tax effects of adjustments	12	(0.43)	0.64
<b>Total adjustments</b>		<b>2.96</b>	<b>21.41</b>
<b>Total equity as per Ind AS</b>		<b>703.36</b>	<b>569.06</b>

### (c) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(₹ in crore)

Particulars	Notes to reconciliation	Previous GAAP	Effect of transition to Ind AS	Ind AS
I Revenue from operations		4,377.65	-	4,377.65
Less : Excise duty expense	10	453.75	(453.75)	-
Revenue from operations (net)		<b>3,923.90</b>	<b>453.75</b>	<b>4,377.65</b>
II Other Income	8,9 & 11	2.62	3.35	5.97
III <b>Total income (I + II)</b>		<b>3,926.52</b>	<b>457.10</b>	<b>4,383.62</b>
IV <b>Expenses</b>				
Cost of materials consumed		3,158.03	-	3,158.03
Purchase of stock-in-trade		62.07	-	62.07
Changes in inventories of finished goods, work-in-progress and stock-in-trade		12.30	-	12.30
Excise duty expense	10	-	453.75	453.75
Employee benefits expense	3	72.05	3.30	75.35
Finance costs	4 & 9	68.33	3.70	72.03
Depreciation and amortisation expense	1 & 8	51.18	(0.28)	50.90
Other expenses		293.93	(10.75)	283.18
<b>Total expenses</b>		<b>3,717.89</b>	<b>449.72</b>	<b>4,167.61</b>
V <b>Profit before tax (III - IV)</b>		<b>208.63</b>	<b>7.38</b>	<b>216.01</b>
VI <b>Tax expense:</b>				
(a) Current tax		65.60	-	65.60
(b) Income tax of earlier year		1.26	-	1.26
(c) Deferred tax charge/(credit)	12	(4.12)	1.16	(2.96)
<b>Total tax expense</b>		<b>62.74</b>	<b>1.16</b>	<b>63.90</b>
VII <b>Profit for the year (V-VI)</b>		<b>145.89</b>	<b>6.22</b>	<b>152.11</b>
VIII <b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit and loss				
Remeasurements of post employment benefit obligation	13	-	(0.46)	(0.46)
Income tax relating to above item	12	-	0.16	0.16
<b>Other Comprehensive Income for the year</b>		<b>-</b>	<b>(0.30)</b>	<b>(0.30)</b>
IX <b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>145.89</b>	<b>5.92</b>	<b>151.81</b>

## Notes

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (d) Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017
Profit after tax as per previous GAAP		145.89
<b>Adjustments</b>		
Share based payments	3	(3.76)
Fair valuation of forward contracts	4	6.87
Prior Period adjustment	6	2.52
Other GAAP adjustments	7 & 11	1.59
Tax effects of adjustments	12	(1.00)
<b>Total adjustments</b>		<b>6.22</b>
<b>Profit after tax as per Ind AS</b>		<b>152.11</b>
Other comprehensive income (Net of Tax)	13	(0.30)
<b>Total comprehensive income as per Ind AS</b>		<b>151.81</b>

#### (e) Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2017

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	338.38	(23.03)	315.35
Net cash flow from investing activities	(186.16)	16.46	(169.70)
Net cash flow from financing activities	(151.74)	6.31	(145.43)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0.48</b>	<b>(0.25)</b>	<b>0.23</b>
<b>Cash and cash equivalents as at April 1, 2016</b>	<b>1.02</b>	<b>0.33</b>	<b>1.35</b>
<b>Cash and cash equivalents as at March 31, 2017</b>	<b>1.50</b>	<b>0.08</b>	<b>1.58</b>

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

#### Notes to the reconciliation

- Under the previous GAAP, advance rentals paid for land lease were disclosed under property, plant and equipment and amortised to profit and loss over the operating lease period. Under Ind AS, all lease arrangements are classified as operating or finance lease based on transfer of risks and rewards and the period of use relative to the economic life. The effect of this change has resulted in reclassification of amounts from property, plant and equipment to other financial assets on transition date (April 1, 2016) and as March 31, 2017. Further depreciation expenses for the year ended March 31, 2017 has been reclassified to rental expenses.
- Holding Company acquired Blue Ocean Projects Private Limited on January 14, 2017. Under Ind AS, Acquisition of Blue Ocean Projects Private Limited is not considered / accounted as Business Combination. Accordingly, differential between amount paid for acquisition of Blue Ocean Projects Private Limited and assets acquired is recognised as prepaid lease rent.
- Under previous GAAP, excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price was amortized by the company on straight-line basis over the vesting period.  
Under Ind AS, all the stock options granted to the employees are required to be measured at fair value at each reporting period. Accordingly, outstanding options as on the date of transition (granted but not vested) has been measured at fair value with corresponding impact to the equity.
- Under previous GAAP, premium on forward contracts were amortised over the period of contracts on straight line basis. Further, mark-to-market (MTM) gain/losses were recognised on the basis of closing rate on the forward contract with similar maturity.  
Under Ind AS, no premium expense on forward contract is recognised and MTM gains/losses are recognised on the basis of fair value of the similar forward contract of remaining tenure. Accordingly, deferred premium on forward contracts outstanding on the date of transition has been derecognised with corresponding impact in retained earnings. Further, MTM difference between previous GAAP and Ind AS has been recognised with corresponding impact to retained earnings.

# Notes

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 5 Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements was considered as an adjusting event. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.
- 6 Relates to prior period expense of year ended March 31, 2016 which were debited in year ended March 31, 2017 under previous GAAP. Under Ind AS, the same have been restated to respective years.
- 7 Under Ind AS, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.
- 8 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. Under Ind AS, these grants are required to be capitalised in the property, plant & equipment with the corresponding deferred income liability in Balance Sheet. Property, plant & equipment are depreciated over the useful life of assets and deferred income liability is amortised over the useful life of asset.
- 9 In order to promote export, the Reserve Bank of India (RBI) has issued the scheme of Interest Subvention on the behalf of Government of India whereby the Company is entitled to reduced interest rate on its borrowings (by 3 % p.a.). Under Ind AS, interest saved under government grants is recognised as interest income and corresponding interest expense in finance costs.
- 10 Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS, the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of Statement of Standalone Profit & Loss as part of expense.
- 11 Other GAAP adjustments includes adjustment on account of financial assets and liabilities measured at amortised cost.
- 12 The various transitional adjustments have deferred tax implications which have been accounted for by the Company. Deferred tax adjustment have been recognised in relation to the underlying transaction either in retained earnings or other comprehensive income, on the date of transition.
- 13 Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, gain/loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the year ended March 31, 2017.

### For and on behalf of the Board of Directors

**SANJAY GUPTA**

Chairman  
DIN : 00233188

**ASHOK K. GUPTA**

Managing Director  
DIN : 01722395

**VINAY GUPTA**

Director  
DIN : 00005149

**DEEPAK GOYAL**

Chief Financial Officer

**ADHISH SWAROOP**

Company Secretary

Place: Ghaziabad

Date: May 25, 2018

Disclaimer:

In this annual report we have disclosed forward-looking information to enable investor to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make content forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, failure events or otherwise.



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