

APL Apollo Tubes Limited

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Annual Report 2013-14



Leading the Way



APL Apollo Tubes Limited

Annual Report 2013-14



APL Apollo Tubes Limited

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CIN : L74899DL1986PLC023443

www.aplapollo.com

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“A leader is one who knows the way,
goes the way, and shows the way.”

John Maxwell





LEADERSHIP



“Management is doing things right;
leadership is doing the right things.”

Peter F. Drucker



Leadership is a concept, a way of life and an aspect of continuous evolution. A market leader is typically the company holding the largest market share in a particular industry or segment of an industry. Market leaders feature several characteristics that have helped them reach and maintain their lofty standing.

Customer Focus - Market leaders never lose sight of the fact that the customer is the most important element to achieving success. They constantly strive for ways to improve customer service and seek customer input.

Clear Vision - Leaders have a clear vision of their direction as well as an effective road map to take them there. They have the ability to foresee many of the inevitable changes and trends that may impact their operation in the future, and are typically one step ahead of their competitors when anticipating future developments.

Flexibility - When the inevitable need to change occurs, the market leaders are nimble enough to make necessary adjustments with as little disruption as possible.

Investing in Employees - Market leaders not only focus on recruiting the best and brightest employees available, they also invest in their continued development.

“GOOD IS ENEMY OF GREAT” This is the opening chapter of Jim Collins book *“GOOD TO GREAT”*. It broadly highlights that most companies in the world aim to become good companies. Over time they do, but they never achieve greatness because the entire thought process within the organization is to do ordinary things and go by consensus. They never think of gaining market share or increasing their profitability because that will entail taking unconventional decisions and they don’t want to take risks or be innovative.



Leading the way...

“Effective leadership is putting first things first. Effective management is discipline, carrying it out.”

Stephen Covey

Pushing new ways of thinking or newer products and technologies always carries the risk of failure. Most companies are so averse to failure that they never take the leap of faith that goes with introducing new products, investing in new technologies, follow unconventional marketing or enter new geographies. By avoiding to take the hard decisions, they just ignore the potential chance to become a leader in their respective areas.

Successful companies in leadership positions learn to allocate capital effectively, delegate responsibilities to the next line of leadership and run very decentralised organisations. They are always on the lookout for accelerating growth by capturing industry trends early and are open to inorganic growth, as and when the opportunity comes.

Leadership is achieved by building a culture of innovation and taking calculated risks over a period of time. Decisions, at worst, can result in small financial setbacks. But if successful, they can propel the company forward on metrics like growth, market share, profitability or branding.

APL Apollo has dared to dream. Over the last 10 years, the Company has grown from a small single location marginal player, to the largest multi location brand leader. In the face of adversity, the company has invested into new capacities and followed a distribution strategy that conventional wisdom thought was doomed for failure.



“The supreme quality
of leadership is integrity.”

Dwight Eisenhower

Milestones Achieved

We have been contrarian and achieved many milestones in the industry

- Increased production from 32,000 MT in FY2004-05 to 572,000 MT in FY2013-14 at a CAGR of 33% over a 10 year period.
- Focused on hollow sections and used the high growth in that segment to become the industry leader.
- Set the first large scale state-of-the-art ERW plant in South India.
- Among the first to implement SAP in the industry.

- Organised the largest ever distributor meet in Star Cruise ship with ~ 1000 participants consecutively for two years.
- Built over 300 SKUs, the largest in the industry.
- Pioneers in introducing pre galvanized pipes with backward integrated sheet galvanising plant.
- Built the network of largest number of distributors and dealers in the industry.
- Acquired sick companies and successfully turned them around and that too within the year of acquisition itself.
- Invested in building the APL Apollo Brand that has driven a demand pull from end customers, helping APL Apollo gain significant market share over a period of time.

Our Mission

“Leadership and learning are indispensable to each other.”

John F. Kennedy



1 To create sustainable value for all stakeholders.

2 To satisfy customers' requirements by supplying high-quality products at affordable rates.

3 To emerge as a 'one-stop shop' for the entire spectrum of steel tubes and to attain a paramount market position for its quality products.

4 To achieve revenue of US \$1 billion by 2017.

Company Snapshot

Incorporation
1986

Headquarters
Delhi-NCR



Business
Segment
**ERW Steel
Tubes/Pipes**

Product Categories
**Black, Galvanised,
Pre-galvanised Tubes &
Hollow Sections**

Key Industries Served
**Metal Engineering & Fabrication,
Electric Poles, Ports, Railways,
Aviation, Oil & Gas, Metros,
Solar Power, Automobile**



Sales & Distribution
**Sold through direct marketing
and country-wide dealer
network**



OEM Users
**TATA
BHEL
GAMMON
HINDUSTAN
PETROLEUM
ASHOK
LEYLAND
BHARAT
PETROLEUM
ADANI**



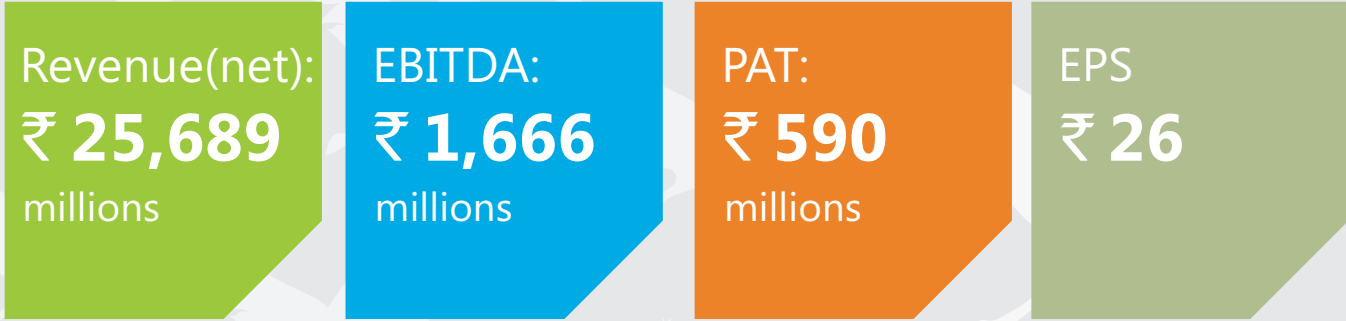
- Significant capacity addition during last 7 years (1 million TPA from 0.05 million in 2006)
- Pan-India presence with 6 manufacturing units
- Only player manufacturing black, galvanized and pre-galvanized products
- Product range expanded from 100 to 300+ in last 5 years
- Direct marketing presence in over 15 States and vast distributor-network comprising 300+ dealers across India



“Leadership is the capacity to
translate vision into reality.”

Warren Bennis

Financials 2013-14



Marquee client base stretching across industrial and retail segments.

Our Network

Works

Karnataka
Bengaluru

Maharashtra
Murbad (Thane)

Tamil Nadu
Hosur

Uttar Pradesh
Sikandrabad
(Bulandshahar)
3 Units

Warehouses- cum-branches

Andhra Pradesh
Ananthapur

Chhattisgarh
Raipur

Goa(North)

Gujarat
Ahmedabad
Surat
Navapura

Maharashtra
Nagpur
Pune
Mumbai
Aurangabad

New Delhi

Punjab
Ludhiana

Haryana
Faridabad
Hissar

Himachal Pradesh
Sirmour

Karnataka
Bengaluru

Kerala
Cochin

Madhya Pradesh
Indore

Rajasthan
Jaipur
Jodhpur

Telangana
Rangareddy
(Hyderabad)

Uttarakhand
Dehradun
Rudrapur

Uttar Pradesh
Ghaziabad (UP Border)
Ghaziabad (Loha Mandi)
Kanpur

10 years at a Glance

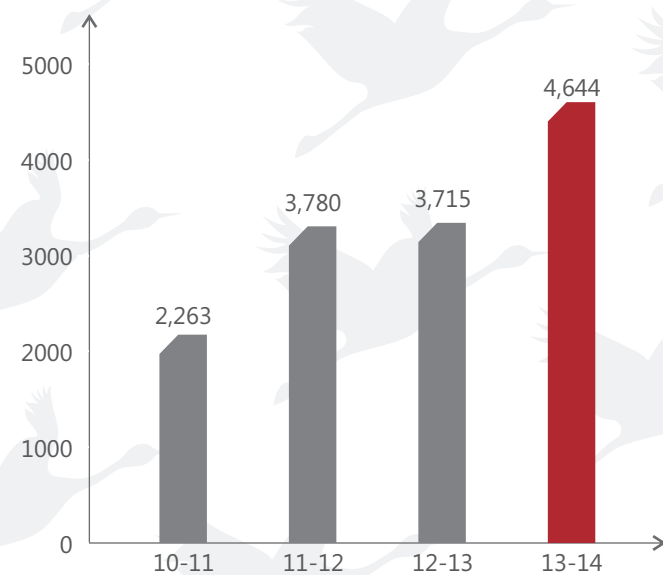
₹ in million

Particulars	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Key Financials										
Sales Gross	1,222	1,650	2,301	3,160	5,729	6,659	9,852	15,363	22,471	28,619
Sales Net	1,099	1,454	2,027	2,737	5,194	6,180	9,052	13,923	20,083	25,689
EBDITA	34	52	146	325	285	663	1,144	1,154	1,612	1,666
PAT	7	14	67	161	25	298	431	491	686	590
Share Capital	31	31	32	107	203	203	203	213	223	234
Share Warrants							72	83	40	-
Reserves and Surplus	44	58	123	573	1,457	1,708	2,091	2,698	3,414	4,018
Net Worth	76	90	155	680	1,660	1,911	2,366	2,994	3,678	4,252
Long Term Debt	66	71	119	206	79	80	402	737	859	1,396
Working Capital Debt	141	199	335	587	1,710	1,493	2,061	2,242	3,403	3,403
Gross Fixed Assets	110	122	201	348	720	1,312	2,315	2,952	3,766	5,024
Investments	-	-	-	18	20	-	23	1	12	176
Capital Work In Progress	-	-	-	31	68	202	318	455	151	279
Earning & Dividend (₹ per share)										
EPS	2	4	21	15	1	15	16	23	31	26
Dividend Per Share	-	-	1	-	-	2	2	2	5	5
Key Ratios (%)										
ROCE (%)	9.71	16.92	55.13	38.46	2.17	16.68	20.15	18.32	20.58	14.88
RONW (%)	7.75	12.08	32.93	30.05	1.94	15.97	20.30	19.70	21.20	12.50
Production										
Capacity MTPA	53,000	53,000	80,000	198,000	234,000	274,000	490,000	500,000	600,000	800,000
Production MTPA	32,000	48,300	59,000	75,900	120,000	165,000	195,000	294,300	464,000	572,000
Distribution										
No of Distributors	75	100	100	125	150	150	175	200	275	300
No of Warehouses	-	-	-	1	3	4	5	15	19	26
No of Plants	1	2	2	2	3	4	5	5	5	5*

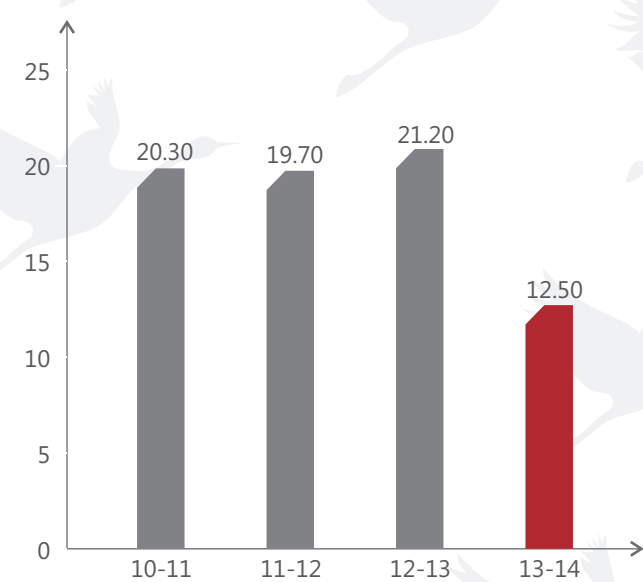
*As on date 6 Plants are operational.



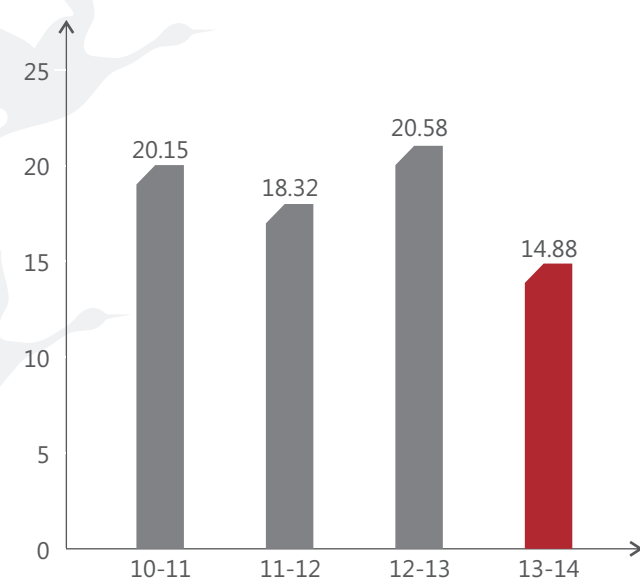
Rewarding Shareholders



Market Capitalisation (₹ in million)

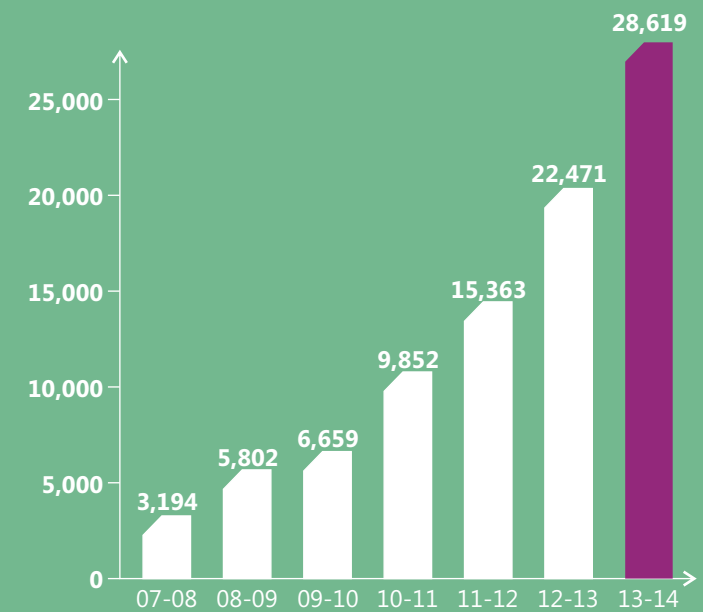


RONW %

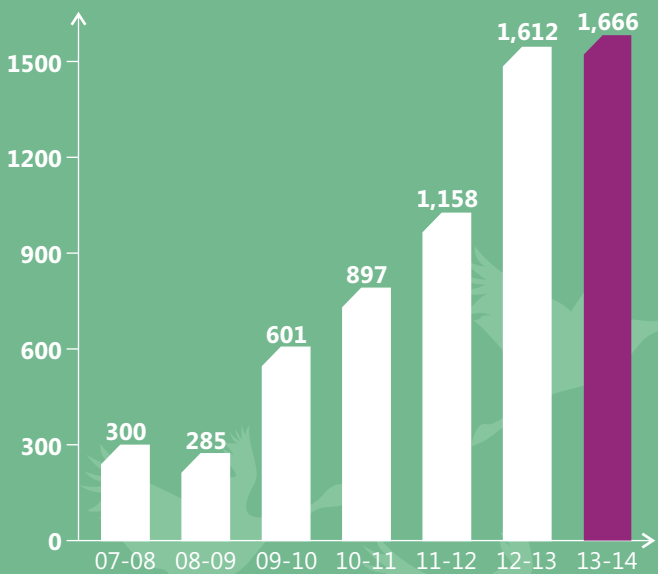


ROCE %

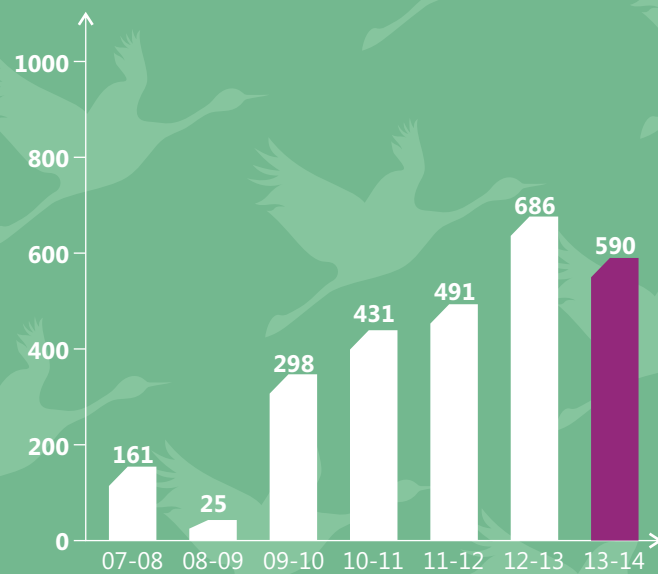
Financial Highlights



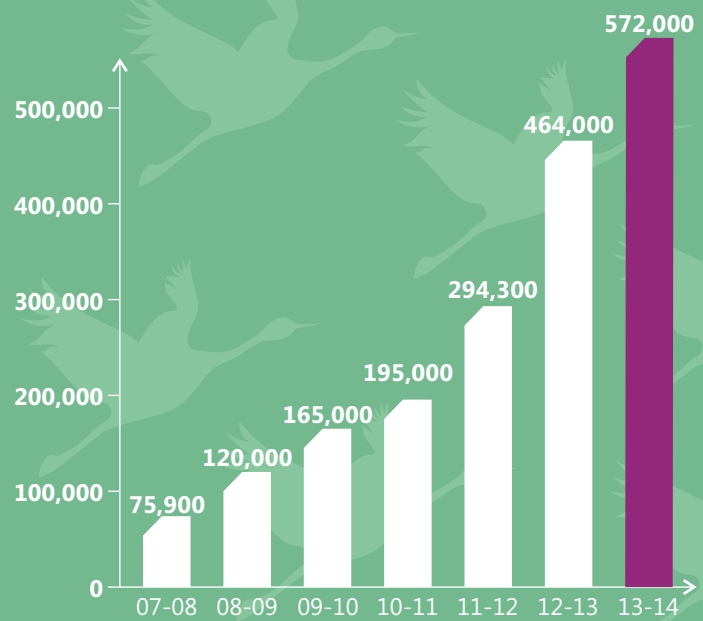
Gross Sales (₹ in million)



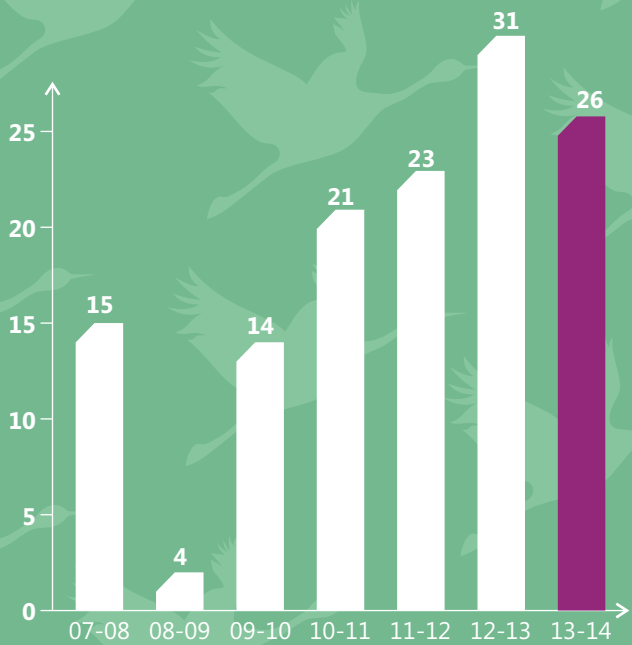
EBITDA (₹ in million)



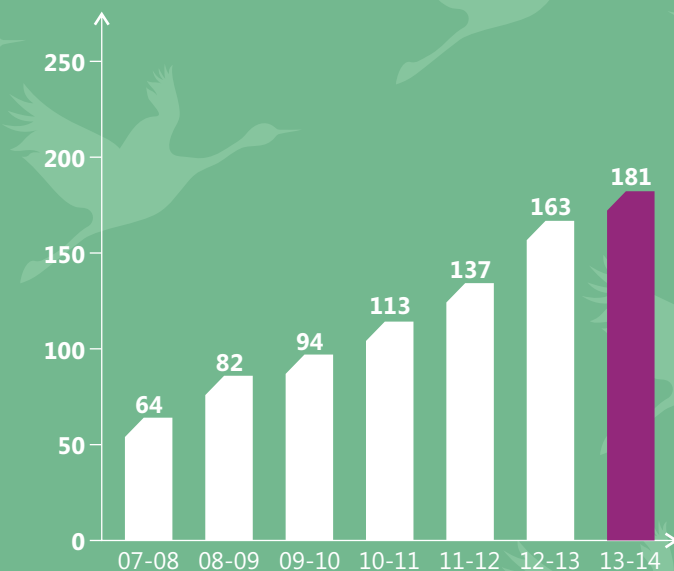
Profit After Tax (₹ in million)



Production MTPA



EPS (₹)



Book Value Per Share

Gross sales growth

44%

six-year CAGR

EBIDTA growth

33%

six-year CAGR

Book value growth

19%

six-year CAGR

PAT growth

24%

six-year CAGR

EPS

9%

six-year CAGR

Letter from Executive Chairman

Dear Shareholders

This year has been a remarkable year in terms of operational performance. On a consolidated basis we have reached a consolidated gross turnover of ₹ 28,619 million and achieved a production of 572,000 tonnes. Now our capacity has reached the landmark milestone of 0.8 million tonnes and we aim to exit FY2015-16 at a production run rate of 1 million tonnes.

India is well on its way to become the 2nd largest producer of steel by the year 2016. The per capita consumption is expected to go up by 8-9% annually over the coming decade to reach a level of 150 kgs by 2030. With the focus of the new government on the infrastructure buildout, there will be increased consumption of steel, especially in the pipes and structurals segment.

Today the usage of ERW pipes has expanded from traditional areas like liquid transportation, fire fighting, cabling, ducting, fabrication and power transmission to newer areas like structural sections, sprinklers, gas distribution, bus body fabrication, automobiles, airports, shopping malls, bridges, windmills & many others. The opportunity size has expanded greatly and this has motivated us to target sales of over USD 1 billion in the next couple of years.

We have assembled the largest range of products as well as have the largest and most diversified footprint in the industry. Acquisitions so far have been successful for our growth strategies. Now, we can proudly claim that we are among the few, who have demonstrated abilities to turn around sick units into successful ventures and that too within the shortest possible time. We are still open to this kind of challenge, if provided with appropriate opportunities. We have invested heavily in our brand and aim to create a customer demand pull over time. Our aspiration is to make APL Apollo the brand of choice among our customers.

Over the past years, we have focused on incremental operational improvements. We have benchmarked our HR policies with the best in the industry, focused on increased training of our employees, initiated cost reduction programs and used technology to improve the productivity across our manufacturing lines.

We met another milestone with the SAP implementation and have moved forward in automating our accounting processes. I personally believe that it is a very important step, to help us build the checks and balances to support the high growth that we have seen.

We aim to hit the 1 million tonnes sales in the next couple of years. We have initiated a number of steps to scale our organisation and build our brand, which has started yielding results.

Another goal that we set for ourselves in 2012 was to achieve a USD 1 billion in revenues within 5 years. We should be able to achieve that within the targeted timeframe.

I am very optimistic about the future, with the new government winning with an absolute majority. There is anticipation of many reforms being unleashed and renewed efforts to kick start the stalled Indian economy. We at APL Apollo have taken this as a year of renewed focus on growth with better margins, and aim to put our energies into launching new products, increasing our distribution network and building our brand. We are extremely focused on our costs and aim to reduce wastage in our manufacturing process. This along with our strong balance sheet, healthy product pipeline, diverse geographical presence and a clearly defined strategy will make us better positioned for future growth.

I feel good about what we've done, and even more excited about what we want to do. I am grateful to our customers for their business and trust, to my colleagues for their hard work, and to our shareholders for their support and encouragement. I thank all my stakeholders in partnering us in this exciting journey. Now that the business is generating adequate cash flows, board of the Company recommended dividend of ₹ 5 per share for FY 13-14. I am grateful to the board of directors for their support & guidance. I would like to express my deep gratitude to all stakeholders for their continued faith reposed in APL Apollo.

Sanjay Gupta
Chairman

“One of the tests of leadership is the ability to recognize a problem before it becomes an emergency.”

Arnold Glasow

Q&A with Managing Director

How have you been able to grow at such a rapid pace, when the industry overall hasn't grown so much?

If you look at our track record our production has increased from 32,000 MT to 572,000 MT in the last 10 years and our gross sales have increased from ₹ 1,222 millions to ₹ 28,619 millions.

This has been lead by a constant drive to grow our business into a PAN India level. Historically this business has been a very regional business, with most companies operating out of a single plant and catering to a catchment area of about 200-300 km around its plant. We chose to expand both inorganically and organically and currently operate out of 6 plants, which helps us cover the entire country.

We also noticed the changing industry trends and focussed all resources in building the structural pipe section, which was a very small market when we started but has grown much faster than the overall industry growth rates.

Today with pride we can claim to be the largest player in the ERW pipe segment in India with an installed capacity of over 8 lakhs MTPA.

...Q&A with Managing Director



Galvanised Pipes are being replaced by CPVC? Do you see this as a competitive threat? Will this reduce the overall opportunity in the market?

This trend has emerged in the last few years and is taking an increasing market share in the drinking water segment and plumbing in homes. There were many competing technologies earlier but CPVC has emerged as a clear winner.

While CPVC has gained market share at the expense of galvanised pipes in the home plumbing section, the ERW pipe has found usage in entirely new areas. There is a huge increase in usage in load bearing structural pipes in the fabrication, real estate and infrastructure segment.

The overall pipe industry has been growing at the rate of 8-9% on a base of about 8 million tonnes. So there is ample opportunity for all the segments to grow.

Which are the new products that you are planning to launch?

We have introduced a number of products that has helped us become overall market leaders in the industry. We were the pioneers in the pre galvanised sheets and pipes in India. We have studied the market and are planning to launch the following processes/products in the coming year in particular:

In Line Galvanising – We aim to galvanise the outer exposed side of the pipe at the time of welding itself. Typically a pipe is welded and then dipped in a zinc bath, which results in the zinc coating on both the outer and inner side of the pipe. This process will ensure that only the outer exposed side of the pipe is galvanised and which will result in significant saving of over 10% in the product manufacturing costs. If this product finds acceptability in the market, it can help us expand our margins significantly.

Colour Coated Pipes – We are introducing the concept of colouring the pipe at the production stage itself. This will result in better finish, longer life and lower costs. This is an established concept in European countries where a majority of the ERW pipes are sold in a pre coloured format.

Decorative Pipes – These are pipes with non standard cross sections and are built for their aesthetic looks and better finish. They will be used in home interiors, commercial establishments and outdoor places like parks, jogging tracks, market places etc. There realisations will be much higher and over time will help improve the margins of the company.

You have been talking about margin improvement in your business? How will this happen?

We are hoping to increase our capacities in our existing sites and that will allow operating leverage to kick in. Also we are working on reducing our cost of funds, by strict financials controls, better inventory & receivables management and hope to get some benefit in that over the coming year.

We are planning to introduce a number of new products like Colour coated pipes, Decorative pipes where the realisations will be much higher and overtime will help improve the margins of the company.

We are commissioning 2 new lines for pre galvanised pipes, effectively doubling the capacity. The margins in this product are almost 50% more than that of the plain ERW pipes and so it will help increase the overall blended margins.

Further we are extending our reach in the markets, where we already exist and initiating measures to capture new geographies. Thereby, making our distribution & marketing channels stronger and near target customers.

Tell us about your efforts to build your brand? What all efforts have been made and how has this paid off?

Currently, the industry has limited pricing power. We hope to change this scenario by building our brand, in times to come.

Therefore, over the last few years we have made concerted efforts on building our brand. Our aim was to create a high brand recall in order to build a premium positioning of our products.



Three years ago we went through a branding exercise that resulted in revamping our logo. Subsequent to that, we started to create our dealer signage at all our dealer outlets for higher visibility. This year we have a very ambitious target to put up 30,000 signage boards across India. With the new marketing head in place, we are gearing up to make this happen.

We have sponsored plumber meets, dealer meets and our marketing team has visited all the leading exhibitions, both within and outside India. We have initiated a series of 'Fabricators & Plumbers Meet' to create brand awareness and to generate interest in APL Apollo's products among the applicators & end-users. Generally, such meets have 100-150 participants where our technical & marketing personnel give them insights about the product & applicability along with its advantages. We are planning to have at-least one such meeting every day.

What are the efforts you made in expanding your distribution reach?

We have increased our dealers and distributors by over 20% in the last year. Our authorised distributors have grown to over 300 from 250 in last financial year.

We have opened 4 new warehouses to increase the total no of warehouses to 26. We plan to have a branch in all the states in India and aim to build further on the warehouses to reduce our overall delivery time.

Why is increasing your retail sales so important for you?

The industry historically has been dependent on large distributors and C&F agents for most of its sales. A typical conventional plant having a capacity of 5,000-20,000 TPA would sell mostly to one or two large distributors, who in turn would sell to the dealers & end customers. This structure allowed the distributors to have undue influence on the pricing and credit terms and that resulted in the profitability of the plants being low. So while the manufactures made money in the cyclical upturn, they usually lost money in the bad years. Now, there is a shift in this pattern, our plant capacity is huge and can't be distributed by few dealers.

In addition, We are focussing on building our own warehouses and branches, to build upon an extensive dealer network (as per our estimates it is already the largest in India). This gives us a number of advantages.

Firstly by selling to end retailers and customers we can have better margins. Secondly the percentage of cash sales will increase and credit terms will be better. This will allow us to reduce our Working Capital requirements over time. Thirdly and most importantly it allows us to be in direct touch with our end customers. This direct feedback loop will allow us to better understand the needs of the market and respond accordingly. Over time this will become an important differentiator for the Apollo brand.

What are the trends developing in your industry?

One clear trend is the consolidation in the industry. There are dozens of smaller players who serve a small catchment area, who are increasingly finding it difficult to compete in the market. Our growth has largely been driven by capturing market shares from the smaller & inefficient players over the last few years.

What are your long term goals?

Our goal is to hit a USD 1 billion turnover in the next 2 years. It is a dream we have carried for a long time and it will be a big milestone for us as a company.

Another goal is to build the APL Apollo brand into a household name in the coming years. We have worked a lot on building the brand over the last couple of years and are steadily gaining market share based on the strengths of our brand.

Over a five year period, we want to become a Top 5 player in this segment globally. To achieve this target we are increasing our focus on exports and aim to have over 25-30% of our turnover from exports from the current 5-6%.

We are venturing into new product lines and working usage segments for our products. We have built a strong R&D team to launch new products and also aim to introduce the latest in pipe manufacturing technology over time.

We have successfully acquired single location units and successfully turned them around. We are looking at making more such acquisitions both within and outside India.

Have you become the largest player in the ERW tubes segment? If yes, how did you achieve it?

We clearly now are the leaders in the ERW Pipe segments in India. Infact our internal analysis highlights that our size is now double the size of the next biggest player. This has been a big achievement for us, and I want to thank all my stakeholders for achieving the same.

We have played to our strengths over time and have achieved a lot in the last few years. We have built a pan India presence by starting a new green field plant in Hosur and acquiring two units in Bangalore and Mumbai.

We have built our distribution reach extensively and built the APL Apollo brand. We manufacture over 300 SKUs, the largest range in the industry.

We have inducted a lot of fresh blood in the senior and mid level management and over time the core team has driven the growth of the company. We have successfully delegated responsibilities and now are reaping the rewards of the same.

What are the new initiatives taken in the last year?

We have taken two key initiatives over the last one year.

We have successfully implemented SAP within our organisation last year. Starting this year our accounts have migrated to SAP and the aim is to gradually migrate all the other functions to SAP within this year. This has been a big learning experience and clearly will help us with maintaining adequate checks and balances as the company grows.

In continuation to our previous years maiden star cruise dealer incentive tour, last year also we organised a 4-day cruise in Singapore & Thailand for over 1000 of our dealers and distributors. It was a huge success and we went all out to make the experience very unique and gratifying for them. No one in the industry has attempted something like this till now and this event has helped us build dealer loyalty and brand awareness. We now find more entrepreneurs keen to become our dealers and that has helped us improve our penetration in many markets where our presence was limited.

Board of Directors

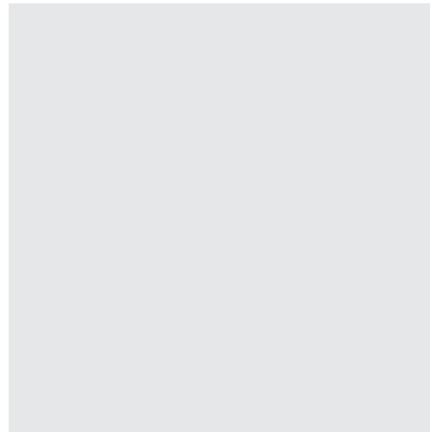
“Leaders think and talk about the solutions.”

Brian Tracy



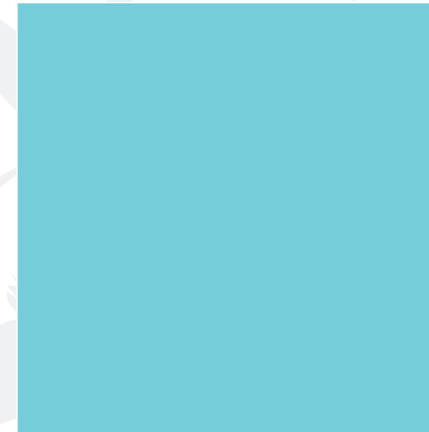
Mr. Sanjay Gupta, Chairman ▲

With a rich experience of over more than 2 decades in various steel industry segments, Mr. Sanjay Gupta steers the Company with a clear vision of growth in context with changing market scenario. The glorious emergence of the Company, its remarkable value and steady growth are the direct results of Mr. Gupta's rare administrative and entrepreneurial skills. Under his leadership, the Company grew exponentially gaining national and international recognition.



◀ Mr. Ashok Gupta, Managing Director

Mr. Ashok K. Gupta is a steel industry veteran with over three decades of experience. In his illustrative career, he has worked at senior management positions in SAIL, Bhushan Steel, LN Mittal Group (African Continent), Jindal etc. He is MSc (Physics), PGDBA from AIMA and have won various medals and awards. He has been instrumental in transforming the organization(s) in a modern pulsating giant, and their incremental profitability and expansions.



With over 16 years of experience in exports and international markets, Mr. Vinay Gupta, possesses in-depth knowledge of manufacturing and trading pipes, tubes, sheets and other steel products. He has been specifically assigned with the development of the Company's pre-galvanized business & international markets.

▼ Mr. Vinay Gupta, Director



◀ Mr. Sameer Gupta Director

Mr. Sameer Gupta represents the youth and dynamic side of the Company. He has over 14 years of enriched experience in various segments of the tube industry with a wide knowledge of manufacturing and trading pipes, tubes and other allied products. His specific functional area includes business development in new territories.



Board of Directors

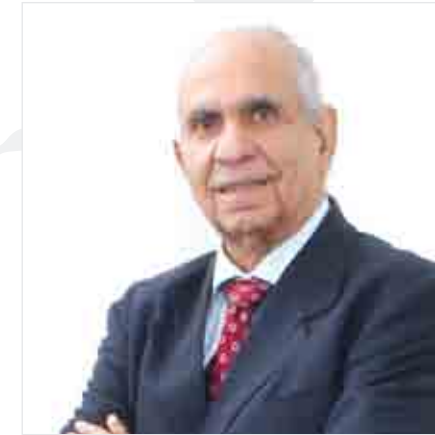
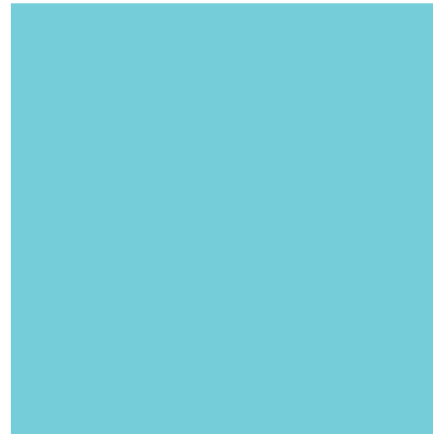
“Leaders live by choice, not by accident.”

Mark Gorman

Mr. Anil Kumar Bansal Director

(Appointed w.e.f. August 4, 2014)

He is an ex-Executive Director of Indian Overseas Bank, has almost 4 decades of rich experience in banking industry. He is acknowledged for his dynamic leadership and in depth knowledge of banking, Indian economy, corporate affairs and risk & ratings. Mr. Bansal is M. Sc. (Agri.) and certified associate of CAIIB. Presently he is serving as Chairman and Director of CARE Limited and director of Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.



Mr. Abhilash Lal, Director

(Appointed w.e.f. Feb. 12, 2014)

A mechanical engineer, Mr. Lal completed his post graduation in management from the Indian Institute of Management (IIM), Bangalore in 1988. He has spent more than 25 years in senior roles in all aspects of financial services including banking, consulting, insurance, investments and real estate across business development, strategy, advisory as well as operations. He is currently partner and COO of MCap, an investment advisory firm.



▲ Mr. S. T. Gerela, Director

Mr. S. T. Gerela, Master in Arts, a graduate in law and C.A.I.I.B, has been associated with various regulatory authorities like SEBI, RBI, BSE, among others. He has rich experience of capital markets, banking, regulatory affairs management, administration and investor relations. He has been a member of various committees, study groups, delegates constituted by government/semi-government authorities and authored several articles, research papers, books on capital market/economic affairs.

Mr. Aniq Hussain, Director

Mr. Aniq Hussain is a B.Tech (Mechanical) from IIT Kharagpur and Master in Industrial Engineering and Management Affairs. He has been associated with various ventures in different capacities and is conversant with the latest industrial techniques. He has more than 4 decades illustrative career as technocrat, who is always known for his administrative skills, in-depth knowledge & technical expertise.



Mr. C. S. Johri, Director (ceased w.e.f. August 4, 2014)

He is a law graduate and postgraduate in Arts. Mr. Johri has worked with the Bank of India as Assistant General Manager at the Zonal Office and has expert knowledge of banking, finance, management and administration.





Key Management



Management Discussion & Analysis

“Leadership is influence.”
John C. Maxwell

THE ECONOMY

The Indian economy grew at a rate lower than the trend average of the last 10 years due to overhang of lower capital expenditure and investments, tight monetary policy and sluggish demand conditions in critical sectors such as automotive, infrastructure and construction. The economic and the fiscal conditions still leave a lot to be desired, as the recovery over the previous year was nothing but incremental.

The GDP growth during the fiscal year was hurt mainly due to the contraction in the key mining and manufacturing sectors. The manufacturing sector is in a precarious situation after an estimated 0.2% decline, a phenomenon observed for the first time since 1991-92. The mining sector also showed considerable negative growth. This contraction and the sluggish growth can be attributed to factors like slowing investments, pessimism in the market, domestic structural constraints, stubbornly high inflation throughout the year and indecisiveness in decisions, approvals and clearances. Interest rates continued to be high with extremely tight liquidity conditions prevailing in the market.

New job creation was weak. Aggregate demand in the economy continues to fall with massive over capacity in the system right across Steel, Capital Good, Commercial Vehicles and Cement. The Indian rupee, which plunged to all-time low of 68.85 in August last year, has since then recovered to trade in 60-levels against the US dollar. Going ahead the World Bank has projected a growth rate of 5.7% for the FY 2014-15 on account of optimistic clearances of important investment projects.

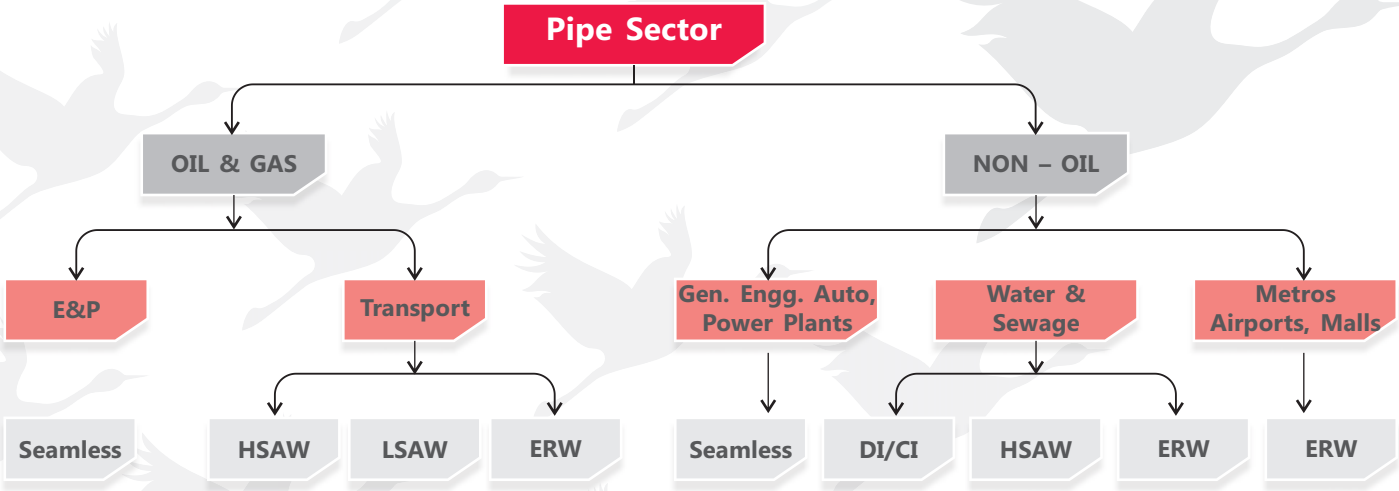
With the Modi led NDA government, winning a decisive mandate, there are significant expectations from the new

Government to pursue further economic reforms, investments in infrastructure and an inclusive growth agenda to revive the economy. There is a hope that the Indian economic growth trajectory would see an uptrend and government reform efforts would help restart the investment cycle in India. This should help in supporting steel demand growth with increased infrastructure and consumer spending.

THE INDUSTRY

World crude steel production grew at 3.6% in 2013. Lower steel consumption growth in large emerging economies such as China and India were countered by growth in mature markets such as USA. However, disinflationary pressures and financial fragility continue to be a concern in the Eurozone. In light of the above, global steel demand is forecast to grow by 3.1% in 2014.

in million tonnes				
Rank	Country	2013	2012	Change %
1	China	779.0	716.5	8.7
2	Japan	110.6	107.2	3.2
3	United States	87.0	88.7	(1.9)
4	India	81.2	77.6	4.6
5	Russia	69.4	70.4	(1.4)
6	South Korea	66.0	69.1	(4.5)
7	Germany	42.6	42.7	(0.1)
8	Turkey	34.7	35.9	(3.4)
9	Brazil	34.2	34.5	(0.9)
10	Ukraine	32.8	33.0	(0.5)



Product Summary	LSAW	HSAW	ERW	Seamless
Size	16" to 50" diameter	18" to 120 diameter	0.5" to 22 diameter	0.5" to 14 diameter
Key Raw Material Manufacturing Process	Steel Plates Longitudinally Submerged arc welding of steel plates	HR Coils Spirally Welding HR Coils	HR Coils Hot Rolled steel coils using electrical Resistance welding Process	Steel Billets Piercing ingots/ billets of steel at high temperatures
Key Difference	High Pressure Conditions	Low pressure conditions thickness and grade	For the same size and shape, cheapest to manufacture High Flexibility to build different shapes & sizes	High pressure
Application	Demand is directly Related to oil & Gas Sector	Demand is directly related to Oil & Gas sector, water and Sanitation sector	Suitable for branch line in oil & gas distribution	Application in oil and non oil related industries
Key Players	Jindal Saw, Welspun Crop, Man Industries	PSL, Jindal Saw, Welspun Crop, Man Industries	APL Apollo, Surya Roshni, Tata Pipes, Jindal Hissar, Bhushan Steel	Jindal Saw, Maharashtra Seamless, Ratnamani



Steel production in India has increased at a CAGR of 6.9 per cent over 2008-12. The country is slated to become the second-largest steel producer by 2015 as large public and private sector players expand steel production capacity in view of rising demand.

The Indian Steel demand grew to 74 million tonnes during FY2013-14 with long steel sales growing by 2.55% and flat steel sales down by 2%. Due to regulatory action and banning of mines in many states, the capacity utilisation went down from 81% last year to 77% this year. With excess capacity building up, and people willing to sell at the lower prices, there was a sharp slump in imports, which were down by 34%. With the exports up 17%, India has finally turned the tide and become a net steel exporter.

The government aims to invest in infrastructure by building more roads, airports, smart cities, ports and drive industrial growth. The inevitable growth in the infrastructure sector is a big macro trend in India. The rising consumer aspirations, along with increasing prosperity will over time lead to a very different demand scenario for steel and its downstream industries. At APL

Apollo we are moving fast in creating a range of products and increasing our presence to benefit from this big macro trend.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. Many industry reports predict India to emerge as a automotive manufacturing hub. There will be huge demand for hollow sections and precision tubes in the automotive space.

The big challenge for the industry is the poor availability of iron ore due to regulatory action, and heavy dependence of India on imported coking coal.

KEY GROWTH DRIVERS

Smart Cities - The Modi government has come to power promising to build over 100 Smart Cities during its term. Each city with a targeted population of over 5-10 lakhs would require a huge buildout and that will generate demand for steel pipes and structurals over the next few years

Agriculture - Large allocation is being done to increase agricultural productivity to increase prosperity for the farmers and also control food inflation in the long term. The NDA governments' motto "MORE CROP PER DROP" highlights the fact that water has to be used more efficiently and that has renewed the focus on drip irrigation and piped water supplies. This is creating increased demand for steel pipes and tubes

Infrastructure Buildout - The new government has come to power on the promise of investing large amounts in infrastructure. Huge investments are planned in Roads, Power, Oil & Gas, Ports, Solar farms, and Airports. These investments as and when they scale up will require huge amount of Steel and all the downstream products like pipes, sections, structurals.

Ganga Action Plan - There is a thought to clean up Ganga river in a comprehensive manner. This will entail huge investments in the sewage processing and carriage of water and waste materials. This should create a big time for pipe related infrastructure across the breadth of the river. The success of this plan could spawn many other similar initiatives.

OPERATIONAL REVIEW

APL Apollo has continually focussed on driving and maintaining excellence in operations. This has found expression in a relentless drive for excellence in process, product and people; a culture of continuous improvement; and a spirit of innovation that has helped the company sustain growth through turbulent times. Steel demand in India remained almost flat in the last year.

The Company's focus on its operational performance through the continual improvement programmes has made it one of the most competitive steel operations in the industry. With a continued focus on enhancing its competitiveness, APL Apollo has initiated several strategies that have enabled it to grow at much higher rates than the industry.

It has increased its production from 464,000 tonnes in FY2012-13 to 572,000 tonnes in FY2013-14, a growth of 24%. This is a significant achievement given that the overall steel industry has only grown by less than 5%.

The company's focus on hollow sections and structural steel, given the high growth in that segment, helped it to become the industry leader. The company has now operational



capacity of over 800,000 tonnes and with an aim to produce over 1 million tonnes in the next two years.

This focus on operational excellence has propelled the company to become the market leader with the next player being less than half the size of the company in the ERW Tube segment.

The company has been among the first in the industry to implement SAP. This implementation has been fully rolled out in the parent company and the plan is to implement it in the next year in all the subsidiary companies.

Some of our achievements are:

- We have a range of over 300 SKUs, the largest in the industry. This has helped us gain more customers and over time helped us gain market share from other players.
- In order to maintain our focus on retail demand we have increased our warehouses from 19 to 26 in the last year. We have also increased our total distributors to over 300.
- Built presence in newer geographies and penetrated deeper into existing markets.
- By actively responding to changing customer demands and expectations, the Company has expanded its distribution network, strengthened existing brands and won customer loyalty.

To succeed in business it is not just important to do the right thing, but more important to do them at the right time, right place and at the right cost. We have invested in capacity and spread our geographical presence to service the entire Indian market. We have developed our future capabilities by way of technological enhancement and geographical distribution of our products. We have created a large value added portfolio to address the growing demand for steel pipes. We have realigned our Marketing & Sales organisation recently to improve our customer centricity further.

Capex

In the year gone by the company has completed a capex of ₹ 1100 million.

In the coming year we plan to incur a further Capital Expenditure of ₹ 300-400 millions to increase our total capacity to over 1 million tonnes.

FINANCIAL REVIEW

For the year ending March 2014, Consolidated Sales and Other Income was recorded as ₹ 28,619 millions as against ₹ 22,471 millions during the previous year, a growth of 35%. Further, consolidated Profit after Tax closed at ₹ 590 millions for FY 2013-14 as compared to ₹ 686 millions in FY 2012-13.

The fall in profit margin was largely due to the subdued demand scenario in the construction and infrastructure

space The Company was not able to pass on the steel price hike fully to consumers in the later part of FY14, which resulted in margin compression.

The company also followed a conscious strategy to gain market share, at the cost of slightly lower margins. With the demand conditions improving in the current financial year, we anticipate our margins to improve by 100-150 basis points.

Net worth of the company has grown 56 times in ten years from ₹ 76 millions as on March 31, 2005 to ₹ 4,252 millions as on March 31, 2014 at a CAGR of 49.62%.

The current Debt-Equity ratio for the company is 1.13:1 as on March 31, 2014. The company did a Capex of ₹ 1100 millions of the current year.

Recommended Dividend for the year 2013-14 is ₹ 5 per share. The paid up share capital of the company is divided into 23,438,636 number of shares of ₹ 10/- each.

INITIATIVES

Innovation and product development are at the core of our business. The Company is constantly pushing the boundaries on innovations that drive business results. The company is launching new product lines like colour coated pipe, inline galvanised pipes and decorative sections.

The company recently implemented SAP in the main company, APL Apollo Tubes Limited. From April 01, 2014. SAP modules in Production, Sales & Distribution, Finance & Accounts, Quality, Materials and Maintenance have been implemented.

The company has a target to implement all these SAP modules in all the subsidiary companies from April 01, 2015.

RISKS

The Key risks that the company can potentially face are:

Rising Raw Material Costs

Our main raw material, HR Coils are sold on an import parity basis. Any sudden spike in costs has two impacts. One is that it hits our sales growth, as there is a resistance in the market to accept big price hikes. Secondly, it also impacts our margins, as the market participants find it difficult to push through the entire price hike immediately.

We have been through many such cycles in the last

decade and still able to grow our sales at over 35%. Also when such price hikes happen, part of the margin reduction is compensated by the inventory gains that come through due to such price hikes.

Rising Transportation costs

In India there has been rapid price inflation over the last five years. The diesel prices have been increasing by over 50 paise every month, to a point where the subsidy is almost negligible in it. This has resulted in huge cost inflation in the transportation costs, which could be as high 7-8% of the total costs.

The company's biggest plant at Hosur was built keeping in mind, the closeness to the JSW plant and the markets it was intended to serve. We are now operating out of 5 plants spread across India, with centralised production planning to optimise freight costs.

State Level Taxes

India has both centralised taxes and state level taxes like Entry taxes, Octroi duties etc. Any sudden jump in this can make our goods expensive and uncompetitive in that market in case we do not have a manufacturing plant in that state.

Over the years we have increased our manufacturing footprint to 4 states and have become the most geographically spread among the larger players. We are also hopeful of GST being implemented in India in the next couple of years. Once that is in place, it will greatly reduce this risk of sudden change in taxation levels.

Rising Competition

Given the high Asset Turnover nature of the business, it is easy for a new player to enter the market, especially if they are willing to give more liberal credit terms.

Over the last few years, we have seen a consolidation in the industry, with the smaller marginal players loosing market share. Brand has also started playing an important role in the sales growth. Scale also allows larger players to procure cheaper raw materials and improve the conversion efficiencies. We have now become the largest player in the ERW industry, with the next largest player only half our size. So we are fairly confident of further growing our market share and improving on our margins as economies of scale kick in.

Pilferage

The main raw material in our industry is steel and that is easily saleable in the market. So with over 6 operational plants & 26 warehouses we run a real risk of pilferage. Any increase in pilferage and thefts can seriously impact

our margins.

Currently our pilferage is less than 0.25%, which is one of the lowest in the industry. We closely track our input to output ratios and immediately investigate any deviations from the same. Our key plant personnel have been with us for more than a decade and they are held accountable for managing this head.

We have also recently implemented SAP, which will help track our inventory completely and any pilferage or loss will be highlighted clearly.

Defaults in receivables

The nature of our industry is that we buy in cash and sell the goods on a credit period of 30-45 days. There is a risk of defaults in our receivables if any of our dealer or distributor goes bankrupt.

The receivables are closely monitored by a team that directly reports to the MD. They are reviewed on a weekly basis and there are internal credit limits for each of our distributors. Also our field staff files ground reports, to check the standing of a distributor or a dealer in their home market.

OUTLOOK

We aim to hit the 1 million tonnes sales in the next 2 years. We have assembled the largest range of products as well as have the largest and most diversified footprint in the Industry. We have taken over 2 units and successfully turned them around. Our M&A team is actively looking for new acquisitions and we should be able to complete one this year. We have invested heavily in our brand and aim to create a customer demand pull over time. Our aspiration is to make APL Apollo the brand of choice among our customers.

Another goal that we set for ourselves in 2012 was to achieve a USD 1 billion in revenues within 5 years. We should be able to achieve that.



APL Apollo Standalone Financial Results

Directors' Report

Dear Members,

The Board of Directors are pleased to present the 29th annual report on the business and operations of your Company, together with the audited statement of financial accounts, consolidated and standalone, for the year ended March 31, 2014.

Financial Results

(₹ in million)

PARTICULARS	Consolidated		Standalone	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Gross sales	28,619.48	22,471.22	22,360.59	17,537.87
Less : Excise duty and cess	2,930.93	2,388.39	1,787.39	1,446.69
Net sales / Income from operations	25,688.55	20,082.83	20,573.21	16,091.18
Operating EBIDTA	1,645.55	1,595.38	955.08	937.83
Add : Other income	20.41	17.11	21.60	10.31
Less : Finance cost	609.30	429.49	462.16	320.05
Less : Depreciation and amortisation	164.32	125.08	98.69	78.79
Profit before exceptional items and tax	892.33	1,057.76	394.23	549.29
Less : Exceptional items	2.63	7.68	1.35	3.66
Profit before tax (PBT)	889.70	1,050.08	392.88	545.63
Less : Tax expense	299.91	363.65	131.03	199.08
Profit for the year (PAT)	589.79	686.43	261.85	346.55
Add : Balance in profit and loss account	1,765.64	1,258.93	871.26	704.43
Amount available for appropriation	2,355.14	1,945.36	1,133.11	1,050.98
Less : Appropriations :				
Proposed dividend on Equity Shares	117.19	111.62	117.19	111.62
Tax on dividends	19.01	18.11	19.01	18.11
Transfer to general reserve	50.00	50.00	50.00	50.00
Closing balance	2,168.94	1,765.64	946.91	871.26

Dividend

The Board recommended dividend of ₹ 5/- per fully paid-up Equity Shares on 23,438,636 of ₹ 10/- each for the year ended March 31, 2014 (Financial Year 2012-2013 ₹ 5/- per fully paid-up Equity Shares on 22,323,636 of ₹ 10/- each). The dividend on Equity Shares is subject to the approval of the shareholders at the ensuing Annual General Meeting. The total dividend payout including dividend distribution tax for the financial year ended March 31, 2014 is ₹ 136.20 Million vis-à-vis ₹ 129.73 Million paid for the financial year ended March 31, 2013.

Overview

The year gone by FY14 was a good year for the company despite the adverse economic conditions prevailing the world over. It achieved a volume growth of above 25% even though the country was passing through a sluggish economy, lower investments and credit squeeze. This was also a challenging year since demand growth particularly in infrastructure and construction sector was sluggish. But this gave the company a excellent opportunity to revisit our systems and sharpen our practices. The company focussed on improving efficiencies, increasing penetration particularly in tier II cities, developing new product sizes,

finding new markets etc. Due to number of measures taken, the company was able to beat slowdown and post robust growth. However in the process the EBITDA came under pressure and declined marginally.

There is a new optimism in the country after the recent change in the Government. Economic activity is expected to pick up momentum. Consequently investments in infrastructure, industries, construction, Irrigation etc. are all expected to leapfrog. This augurs well for your company. Our growth drivers are these industries and any improvement in their fortune will have a direct impact on your company as well. We expect demand to pick up in near future. So we are further strengthening our marketing network. Capacities are being increased to take care of additional demand. We expect to reach a capacity of about 1 million tonnes by next year. New export markets are being developed. Investments are being made in new products. Brand building exercises are getting the necessary thrust to make your company's Brand APL Apollo popular throughout the targeted markets. With this the company expects to maintain the growth momentum and improve margins.

Projects and Expansion

The Company has undertaken massive drive for expansion, capacity enhancement and de-bottlenecking of its manufacturing capacities in last couple of years and is confident of achieving 'Vision 2015' i.e. production of 1 million MT per annum well within the scheduled time. New manufacturing lines are added across the locations, new equipments based on latest technology is being commissioned, old machineries/plants are replaced with more efficient and state of the art facilities and plant layouts are reworked to achieve optimum utilizations of the installed capacities.

Operations

During FY14, the Company has achieved the highest ever volume, turnover despite the deceleration in the global and domestic economy. Though as a conscious strategy we lowered our margins to grab larger market share and become market leader. We extended our geographical reach to the end-users, strengthen our presence in tier II and tier III cities either via own warehouse cum branches or through dealer-distributors network. Additional warehouse-cum-branches were opened at Ananthapur, Dehradun and Jodhpur to cater to the burgeoning demand in various industrial applications, thereby, strengthening the APL Apollo brand.

Measures to enhance cost efficiency across the verticals, innovative approach in production and distribution of the products helped the Company to control the manufacturing as well as selling and distribution cost.

Credit Rating

ICRA has assigned long-term rating A- and short-term rating A2+ to the Company and outlook on the long-term rating is stable.

Conversion of warrants and capital

During the year under review, on August 13, 2013, the Company has allotted 1,115,000 Equity Shares having a nominal value of ₹ 10/- each to Mr. Ashok Kumar Gupta, a person considered as promoter upon conversion of equal number of warrants.

The Company allotted 1,500,000 warrants to Mr. Ashok Kumar Gupta, a person considered as promoter, on a preferential basis on February 14, 2012 at a price of ₹ 145/- each wherein each warrant entitled Mr. Ashok Kumar Gupta to subscribe for one Equity Share of the Company. Out of these fifteen lacs warrants, 385,000 warrants were converted in to equity shares on March 23, 2013. Presently there is nil warrants pending for conversion.

With the aforesaid allotment of Equity Shares, the issued, subscribed and paid-up Equity Share capital of the Company has been enhanced from ₹ 223,236,360/- to ₹ 234,386,360/- divided into 23,438,636 Equity Shares of ₹ 10/- each. The authorised Equity Share capital of the Company remained at ₹ 25 crores, consisting of 25,000,000 equity shares of ₹ 10/- each.

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 the Auditor's Report thereon form part of this annual report.

Subsidiaries

The Company has three wholly-owned subsidiaries namely, Shri Lakshmi Metal Udyog Limited, Lloyds Line Pipes Limited and Apollo Metalex Private Limited. The Ministry of Corporate Affairs, Government of India, vide its General Circular No. 2/2011 dated February 8, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956 from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the Balance Sheet of the Company, provided certain conditions are fulfilled. Accordingly, the

annual accounts of the subsidiary companies are not being attached with the Balance Sheet of the Company.

As per the terms of the said Circular, a statement containing brief financial details of the Company's subsidiaries, for the year ended March 31, 2014 is included in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vinay Gupta and Mr. S T Gerela retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Further, with a view to broad-base the Board and bring strategic focus into the business and ensure better governance in the Company, Mr. Abhilash Lal was appointed as an Additional Director designated as an Independent Director by the Board of Directors of the Company in its meeting held on February 12, 2014 and Mr. Anil Kumar Bansal is appointed as an Additional Director designated as an Independent Director by the Board of Directors of the Company in its meeting held on August 4, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Abhilash Lal and Mr. Anil Kumar Bansal hold office as an Additional Director only up to the date of the ensuing Annual General Meeting and in terms of Section 160 of the Companies Act, 2013, the Company has received a notice from member along with the requisite deposit proposing his candidature as a Director of the Company.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Aniq Husain and Mr. S T Gerela as Independent Directors for the terms given in the Notice of the 29th Annual General Meeting.

The proposals regarding the appointment / re-appointment of the aforesaid directors are placed for your approval. Details of the proposal for the appointment of above Independent Directors are mentioned in the Explanatory Statement under Section

102 of the Companies Act, 2013 of the Notice of the 29th Annual General Meeting.

The Board of directors of the company recommend their appointment / re-appointment. The company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Other changes in the Board of Directors of your company: during the year under review Mr. Rakesh Jinsi and thereafter Mr. C. S. Johri ceased to be a Director of the company due to their resignation w.e.f. February 12, 2014 and August 4, 2014 respectively. Your directors place on record their deep appreciation of valuable services rendered by Mr. Rakesh Jinsi and Mr. C S Johri during their tenure as Directors of the Company.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Auditors and Audit Report

The Auditors of the Company, M/s. VAPS & Co., chartered accountants, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

Notes to Accounts, referred in the Auditors Report, are self-explanatory and therefore do not require any further comments.

Directors' responsibility statement

Pursuant to the requirement under Section 217 (2AA) of the Companies 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the financial year ended March 31, 2014 the applicable accounting standards were followed by the Company and there have been no

material departures from the same,

- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Company's state of affairs and profits at the end of financial year,
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- The Directors have prepared the annual accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

Energy conservation, technology absorption, R & D cell and foreign exchanges earning and outgo

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed hereto as Annexure 'B', forming part of this report.

Particulars of employees

The particulars of employee(s) in the Company drawing a remuneration of ₹ 60 lac or more per annum, if employed throughout the year or ₹ 5 lac or more per month, if employed for a part of the year pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed at Annexure - A.

Corporate Governance report

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate regarding compliance of conditions of

Corporate Governance are made a part of this Annual Report.

Fixed deposits

During FY 2013-14, the Company did not accept/renew any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under and, as such, no amount of principal or interest was outstanding as on the date of Balance Sheet.

Health and safety

The Company is strongly committed to providing and maintaining a safe, healthy workplace for the employees and anyone else likely to be affected by hazards in the workplace. Initiatives that ensure a working environment that minimises incidents of risks or personal injury, ill-health or damage to property including employee and workplace inductions, appropriate training for all employees, effective supervision, safe plants, equipment and systems of work and regular consultation on health and safety issues.

The development of a safe working culture is the responsibility of everyone and can be best achieved through the cooperative efforts of employees. A safe culture will be reinforced through continual risk assessment, provision of information concerning such risks and the promotion, instruction, training and supervision of employees to ensure safe work practices.

Environment

The Company is committed towards minimising the environmental impact of its operations and its products by adopting sustainable practices and continuous improvements in environmental performance. Climate change is one of the most important issues facing the world today. APL Apollo aims to contribute positively to the communities around or near its operational sites and actively participates in community initiatives, encouraging bio-diversity and environmental conservation.

The Company is committed towards infusing a sense of environmental responsibility into its normal business practices. APL Apollo products are part of the solution to the adverse impact of climate change as steel has inherent environmental advantages by being durable, adaptable, reusable and recyclable. The Company maintains proactive approach towards environment management and continuously followed the ISO 14001 parameters for its manufacturing operations.

Personnel

The Company believes that its employees are key contributors to its business efficiency. With a focus on attracting and retaining the best available talent in the industry, the Company offers an excellent working environment and compensations. The Company has a rich pool of technical and managerial skills required for the efficient growth of operations. Your Company enjoys cordial relations with all its employees.

For and on behalf of the Board

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi - 110092
Dated : August 4, 2014

Regd. Office:
37, Hargobind Enclave,
Vikas Marg, Delhi – 110092
CIN : L74899DL1986PLC023443
www.aplapollo.com

Annexure – A to the Directors’ Report

for the year ended March 31, 2014

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS’ REPORT FOR THE YEAR ENDED MARCH 31, 2014

1. Employed throughout the year and were in receipt of remuneration of not less than ₹ 6,000,000 per annum.

(₹ in million)

S. No.	Name	Designation	Salary	Performance Linked Incentive	Total	Experience (Years) Qualification	Date of commencement of employment	Nature of duties
1.	Mr. Sanjay Gupta	Chairman	8.40	15.58	23.98	21 Entrepreneur	02/09/2003 (Appointment as Chairman under Whole-time Director category w.e.f. 01/04/2012)	Strategic decisions, planning, policy guidance, leadership and business decisions
2.	Mr. Ashok Kumar Gupta	Managing Director	10.73	Nil	10.73	33 Post Graduate	19/10/2011 (Appointment as Managing director w.e.f. 01/05/2012)	Planning, policy decision making and management of day-to-day working

Notes: The condition of employment of Mr. Sanjay Gupta and Mr. Ashok Kumar Gupta is/was contractual and the contract of employment was approved by the members of the Company.

Annexure – B to the Directors’ Report

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED MARCH 31, 2014.

I. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken: The Company gives the highest priority for conservation of energy by using a mix of technology changes, process optimisation methods and other conventional methods, on an ongoing basis. Various energy conservation measures taken by the Company are:
- i. Use of energy saving devices like TFT monitors, CFL tubes, LED lights among others.
 - ii. Optimisation of load factor.
 - iii. Defined AC working hours and temperature to suit seasonal changes.
 - iv. Optimisation of processes to enhance production.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of

energy: The Company is making constant efforts to locate all the possible areas where additional investment can be considered for conservation of energy. Also, the Company is contemplating use of Liquefied Natural gas (LNG) for captive power generation.

- (c) Impact of the measures taken above and consequent impact on the cost of production of goods: Use of LNG would contribute in substantial saving in fuel expenses thus, reducing per metric tonne power cost and will also ensure environment protection. The above measures resulted in substantial saving in the consumption of energy and consequent saving in the cost of production.
- (d) Total energy consumption and energy consumption per unit of production:

Particulars	Consolidated		Standalone	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Power and Fuel Consumption				
Electricity				
Unit	24,412,138	22,464,066	12,746,840	10,106,364
Total amount (₹ in million)	169.89	146.92	93.02	66.99
Rate per unit (₹)	6.96	6.54	7.30	6.63
Own generation through DG				
Unit	8,320,719	8,762,669	7,231,931	7,377,906
Fuel consumed (Ltr)	2,092,560	2,203,705	1,818,743	1,876,138
Fuel consumed (₹ in million)	107.42	95.60	92.47	79.94
Cost per unit (₹)	12.91	10.91	12.79	10.83
Furnace oil				
Fuel consumed (MT)	3008	2,568	1,639	1,051
Fuel consumed (₹ in million)	133.27	106.38	71.33	42.96
Cost per unit (₹)	44,299	41,419	43,524	40,867

II. TECHNOLOGY ABSORPTION
FORM B

Research and development

1. Specific areas in which R&D measures were carried out by the Company: The research and development activities were focused towards achieving improvement in products and process and consequent reduction in cost. With the introduction of RSM technology, we are developing dynamically balanced tubes which find applications in high-speed conveyors and propeller shafts. In addition to this, the Company installed a new process named ‘cold sawing’ which enabled it to produce round and hollow sections with burr-free ends. R & D was also carried out for development of different varieties of steel tubes to meet the specific requirements of customers across various sectors.
2. Benefits derived as a result of the above R & D measures: The research and development activity resulted in the process optimisation, cost saving, reduction in manpower and in time as well as product development. The Company stepped towards the development of special tubes, thus gaining a competitive edge.
3. Future plan of action: The Company will further improve the quality of its products and continue with its activities in the field of research and development with a view to introduce new and innovative products.

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation: The Company continues to lay emphasis on development and innovation of in-

house technological and technical skills. Constant efforts are being made to upgrade the existing standards and to keep pace with the advances in technological innovations. The Company is implementing Rotary Sizing Mill (RSM) technology, from M/s Kusakabe of Japan; the global leader in the tube-making industry with a view, to develop high-precision dynamically balanced steel tubes.

2. Benefits derived as a result of the above efforts: The implementation of RSM technology would contribute towards improvement in the existing products, thus enabling the Company to cater to the needs of diverse industrial applications.

III. Foreign exchange earnings and outgo:

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

The Company is presently exporting its products to more than 35 countries across the world. It has a constant watch on the developments in the global steel tubes and pipes Industry with focus on untapped markets by providing value added products customized around customer requirements. The Company's representatives also participate in various trade fairs and exhibitions concerning the industry, from time to time.

The new projects commissioned at Murbad plant are in full flow and demand from foreign countries are increasing day by day resulting into better margin rates.

- (b) Total foreign exchange used and earned:

The details with regard to foreign exchange earnings and out go are as under:

(₹ in million)

Particulars	Consolidated		Standalone	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Foreign exchange earnings	1,894.21	1267.04	953.07	532.38
Foreign exchange outgo	9.01	13.07	1.50	6.59

Report on
Corporate Governance

In accordance with the Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of Corporate Governance systems and processes at APL Apollo Tubes Limited is as follows:

1. Company philosophy on Code of Governance

The Company believes in and has consistently followed good Corporate Governance practices. A sound governance process consists of various business practices, which not only result in enhanced shareholders' value in the long run but also enables the Company to fulfill its obligations towards its customers, employees, vendors and to the society in general. We believe that any business conduct can be ethical only when it rests on the nine core values of Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility, Citizenship and courage.

2. Board of Directors Composition

The Board of Directors consists of an optimal mix of Executive Directors and independent professionals who have an in-depth knowledge of the business, in addition to their expertise in their respective areas of specialisation. The Directors bring in expertise in the fields of human resource development, strategy, management, finance and economics among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to the highest standards of ethics, transparency and disclosure.

As on March 31, 2014, the Board comprised eight Directors. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement (Corporate Governance Code) with the Stock Exchanges.

None of the Directors hold chairmanship of more than five committees or Membership in more than 10 committees of public limited companies.

Board functions and procedure

The Board plays a pivotal role in ensuring that holistic governance measures are undertaken. Its style of functioning is democratic. The Board members always have had complete freedom to express their opinions and decisions are taken after a consensus is reached following detailed discussions,. They are also free to bring any matter up for discussion at the Board Meetings with the permission of the Chairman.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda as required under Annexure 1A of Clause 49 of Listing Agreement, and if necessary, additional meetings are held. It has always been the Company's policy and practice that apart from matters requiring the Board's approval by law, all major decisions including quarterly/yearly results of the Company and its divisions, financial restructuring, capital expenditure proposals, sale and acquisition of material nature of assets, mortgage and guarantee, among others, are regularly placed before the Board. This is in addition to information with regard to detailed analysis of operations, major litigations, feedback reports and minutes of all committee meetings.

During the financial year 2013-14, six (6) Board Meetings were held on May 30, 2013, August 13, 2013, August 26, 2013, September 30, 2013, November 14, 2013 and February 12, 2014.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at March 31, 2014 are given below:

Directors	Category	Shares Held	Attendance Board Meetings	Last AGM	No. of other directorships# Directorships
Mr. Sanjay Gupta	C	196,450	6	Yes	6
Mr. Ashok Kumar Gupta	MD	1,500,000	6	Yes	2
Mr. Vinay Gupta	NE	21,900	6	Yes	5
Mr. Sameer Gupta	NE	20,103	3	Yes	5
Mr. Aniq Husain	NE	700	4	Yes	1
Mr. S. T. Gerela	NE	-	3	No	2
Mr. C. S. Johri*	NE	-	6	Yes	-
Mr. Rakesh Jinsi**	NE	-	2	No	-
Mr. Abhilash Lal***	NE & AD	-	1	NA	1
Mr. Anil Kumar Bansal****	NE & AD	1000	NA	NA	4

C = Chairman, MD = Managing Director, NE = Non-Executive Director (Also Independent in terms of Provisions of Clause 49 (1) (A) (iii)) AD=Additional Director # Excludes private/foreign companies.

* Resigned from directorship w.e.f. August 4, 2014.

** Resigned from directorship w.e.f. February 12, 2014.

*** Appointed as Additional Director w.e.f. February 12, 2014.

**** Appointed as Additional Director w.e.f. August 4, 2014.

All the independent Directors fulfil the minimum age criteria i.e. 21 years as specified by the Clause 49 of the Listing Agreement. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta, who are brothers.

*None of the Directors hold chairmanship/membership in Board Committees (Clause 49 of Listing Agreement) of other companies.

3. Audit Committee

The Audit Committee comprises three Directors, of which two are Non-Executive and Independent Directors. 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, the meetings of the Audit Committee were held on May 30, 2013, August 13, 2013, November 14, 2013 and February 12, 2014. The composition of the Audit Committee as on March 31, 2014 and the meetings attended by its members are as under:

S. No.	Name of Directors	Category	Meetings attended
1.	Mr. C S Johri (Chairman)	Independent Non-Executive	4
2.	Mr. Aniq Husain	Independent Non-Executive	4
3.	Mr. Sameer Gupta	Non-Executive Promoter	1

The Chairman of Audit Committee was present in the last Annual General Meeting to answer shareholders queries.

The Board of Directors of the company has reconstituted Audit Committee consequent to resignation of Mr. C S Johri from directorship of the company with effect from August 4, 2014. The composition of the reconstituted Audit Committee with effect from August 4, 2014 is as under:

S. No.	Name of Directors	Category
1.	Anil Kumar Bansal (Chairman)	Independent Non-Executive
2.	Mr. Abhilash Lal	Independent Non-Executive
3.	Mr. Vinay Gupta	Non-Executive Promoter

Powers of Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of Audit Committee

- Oversight of the Company's financial reporting process and the disclosures of its financial information.
- Recommending to the Board, the appointment, reappointment of auditors
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them.

- Reviewing with the management, annual financial statements and auditor's report thereon before submission to the Board for approval
- Reviewing the quarterly financial statements Scrutiny of inter-corporate loans and investments

4. Nomination and Remuneration Committee

The Board has constituted a Remuneration Committee to evaluate the performance and remuneration of Directors and approving remuneration and terms of Whole-time Directors within the overall ceilings approved by the shareholders. The decisions of the Remuneration Committee are placed in the subsequent board meeting. During the year, the committee met once, on May 30, 2013, which was duly attended by all committee members. The constitution of the Remuneration Committee as on March 31, 2014 is as follows:

S. No.	Name of Directors	Status
1.	Mr. Aniq Husain	Chairman
2.	Mr. C. S. Johri	Member
3.	Mr. S. T. Gerela	Member

The Company has reconstituted 'Nomination and Remuneration Committee' pursuant to the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013 and consequent to resignation of Mr. C S Johri from directorship of the company with effect from August 4, 2014. The terms of reference of Remuneration Committee was conferred on the Nomination and Remuneration Committee and consequently, the Remuneration Committee was dissolved. The composition of the reconstituted 'Nomination and Remuneration Committee' w.e.f. August 4, 2014 is as follows:

S. No.	Name of Directors	Status
1.	Mr. Abhilash Lal	Chairman
2.	Mr. Aniq Husain	Member
3.	Mr. S. T. Gerela	Member

Remuneration to the Directors

During the year ended March 31, 2014 Mr. Sanjay Gupta, Chairman was paid a salary of ₹ 23.98 million and no other benefits and Mr. Ashok Kumar Gupta, Managing Director was paid a salary of ₹ 10.73 million and no other benefits, no payment was made to any other Director(s).

5. Stakeholders Relationship Committee

The Investor Grievance Committee constituted by the Board comprises three members with an Independent Non-Executive Director as Chairman of the committee. The constitution of Investor Grievance Committee as on March 31, 2014 is as follows:

S. No.	Name of Directors	Status
1.	Mr. S. T. Gerela	Chairman / Independent Non-Executive
2.	Mr. C. S. Johri	Member / Independent Non-Executive
3.	Mr. Vinay Gupta	Member / Non-Executive Promoter

The Company has reconstituted 'Stakeholders Relationship Committee' pursuant to the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013 and consequent to resignation of Mr. C S Johri from directorship of the company with effect from August 4, 2014. The terms of reference of Investor Grievance Committee was conferred on the Stakeholders Relationship Committee and consequently, the Investor Grievance Committee was dissolved. The composition of the reconstituted 'Stakeholders Relationship Committee' w.e.f. August 4, 2014 is as follows:

S. No.	Name of Directors	Status
1.	Mr. S. T. Gerela	Chairman
2.	Mr. Anil Kumar Bansal	Member
3.	Mr. Sameer Gupta	Member

Scope and functions

The scope and functions of the Committee includes approval of transfer/transmission of shares and other matters like consolidation/ split of certificates, issue of duplicate share certificates, dematerialisation/rematerialisation of shares in stipulated period of time. The Committee also supervises redressal of Investor Grievances and ensures cordial investors relations. During the year, the committee met twice on May 30, 2013 and November 14, 2013, which was duly attended by all the Committee members. Details of share transfer/transmission among others as approved by the Committee are placed at the Board Meetings from time to time.

In view of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained a user id and password for processing the investor complaints in a centralised web-based SEBI Complaints Redress System 'SCORES'. This enables the investors' online viewing of the actions taken by the Company on the complaints and its current status by logging on the SEBI's website i.e. www.sebi.gov.in.

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.

During the year ten investor's complaints was received and resolved within the stipulated period. By March 31, 2014 no investor complaint was pending.

6. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

a) Location, Date and time, where last three

Financial Year	Date	Time	Venue	Special Resolution(s) passed
2010-11	30.09.2011	1.30 P.M.	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi	Approval for alteration in the Incidental or Ancillary Object Clause III(B) of the Memorandum of Association of the Company.
2011-12	29.09.2012	12.45 P.M.	IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi – 110092	Approval for appointment of Mr. Sanjay Gupta, as the Chairman (under Whole-time Director category) of the company for a period of five years with effect from April 1, 2012 on a remuneration including minimum remuneration pursuant to Sections 198, 269, 309 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956.
2012-13	30.08.2013	12.45 P.M.	IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi – 110092	(i) Approval for alteration of Clause III(B)-'Objects that are incidental or ancillary to the attainment of main objects' of the memorandum of association of the company by substituting existing sub-clause 2 with new sub-clause through postal ballot. (ii) Approval for modification of remuneration payable to Mr. Sanjay Gupta, Chairman (under Whole-time Director category) of the company w.e.f. April 1, 2013, for the remainder of his tenure i.e. upto March 31, 2017 from ₹ 20,000,000 per annum to ₹ 2,000,000 per month. (iii) Approval for modification of remuneration payable to Mr. Ashok Kumar Gupta, Managing Director of the company w.e.f. April 1, 2013, for the remainder of his tenure i.e. upto January 31, 2017 from ₹ 10,000,000 per annum to ₹ 1,000,000 per month.

Annual General Meetings (AGMs) were held:

- b) No Extra-Ordinary General Meeting was held during the financial year under review.
- c) One special resolution was passed through postal ballot in previous year for alteration of Clause III(B)-'Objects that are incidental or ancillary to the attainment of main objects' of the memorandum of association of the company.

7. Disclosure

a) Management discussion and analysis

The detailed report on 'Management Discussion and Analysis' is given separately in the annual report.

b) Disclosure on materially significant related party transactions

Transactions with related parties are being disclosed separately in notes to the accounts in the annual report. There was no transaction of material nature with the Directors or the Management during the year that had potential conflicts with the interest of the Company at large.

c) Detail of non-compliance, penalties, strictures among others

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital market.

d) Whistleblower policy

The Company promote ethical behavior in all its business activities and has put a mechanism of reporting illegal or unethical behaviour. Employees can report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. Further no personnel have been denied access to the Audit Committee.

e) Code of Conduct

In line with the amended Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for its Directors and Senior Executives. The same has also been placed on the Company's website www.aplapollo.com under the head 'Investor Relations'

Declaration as required under Clause 49 of listing agreement

All the members of the Board and senior management personnel complied with the Code of Conduct for the financial year ended March 31, 2014.

ASHOK K. GUPTA
Managing Director

Delhi 110 092
August 4, 2014

f) Certification by CEO

A certificate obtained from Chief Executive Officer on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took note of it and took the same on record.

g) Secretarial Audit

A qualified practicing Company Secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd. ('NSDL') and Central Depository Services Ltd. ('CDSL') and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL

h) Brief resume of Director being appointed / reappointed

A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board and his shareholdings in the Company forms part of the Notice of the Annual General Meeting, annexed to this Annual Report.

i) Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements along with some non-mandatory requirements also.

8. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. VAPS & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed herewith, forming part of the Annual Report.

This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

9. Means of communication

The information about the financial performance of the Company is disseminated on a regular basis through newspapers and website of the Company www.aplapollo.com besides communicating the same to the Stock Exchanges.

Further, financial results, corporate notices among others of the Company are published in the newspapers like Economic Times, Financial Express, Business Standard, Hindu Business Line, Navbharat Times (hindi) and Jansatta (hindi).

Corporate Filing and Dissemination System (CFDS) filing:

As per the requirements of Clause 52 of the Listing Agreement, all the data relating to financial results, shareholding pattern etc. have been electronically filed on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in, within the time frame prescribed in this regard.

NSE Electronic Application Processing System (NEAPS):

NEAPS is a web based application designed by NSE for corporates. The Shareholding pattern and Corporate Governance Report are also filed electronically on NEAPS.

Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto.

Designated exclusive e-mail ID: The Company has designated the following e-mail ID exclusively for investor servicing: investors@aplapollo.com

10. Shareholders information

Annual general meeting

Date and time : Tuesday, September 30, 2014 at 12.45 P. M.
Venue : IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi - 110092
Book closure : Friday, September 19, 2014 to Monday, September 22, 2014 (both days inclusive)

Financial calendar (tentative)

Period	: Board Meetings
Results for quarter ended June 30, 2014	: by August 14, 2014 (Actual held on August 4, 2014)
Results for quarter ended September 30, 2014	: by November 15, 2014
Results for quarter ended December 31, 2014	: by February 15, 2015
Results for quarter ended March 31, 2015	: by May 30, 2015

Corporate Identity Number (CIN):

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L74899DL1986PLC023443.

Listing Information

The Equity Shares of the Company is listed with the following Stock Exchanges:

1. Bombay Stock Exchange Ltd (Scrip Code: 533758)

2. National Stock Exchange of India Ltd (Symbol: APLAPOLLO)
3. Delhi Stock Exchange Limited [RSE]
4. U.P. Stock Exchange Limited, Kanpur
5. Ahmedabad Stock Exchange Limited, Ahmedabad
6. Calcutta Stock Exchange Limited, Kolkata

The Listing Fees of all the Stock Exchanges has been paid by the Company for the financial years 2014-15 and 2013-14.

Distribution Schedule as at March 31, 2014

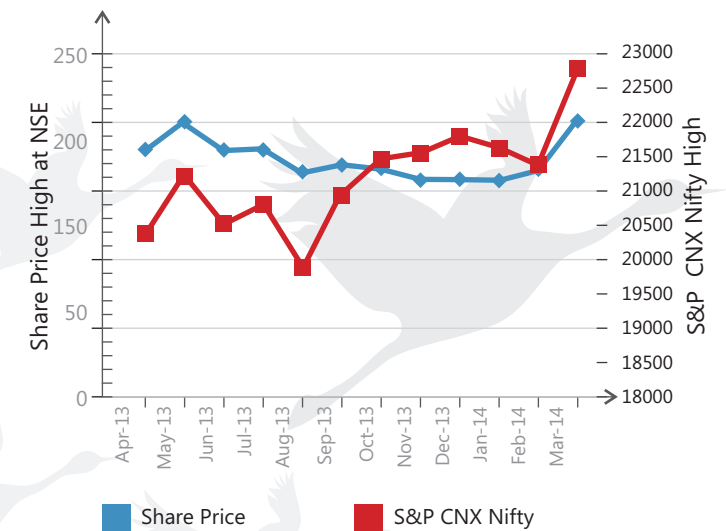
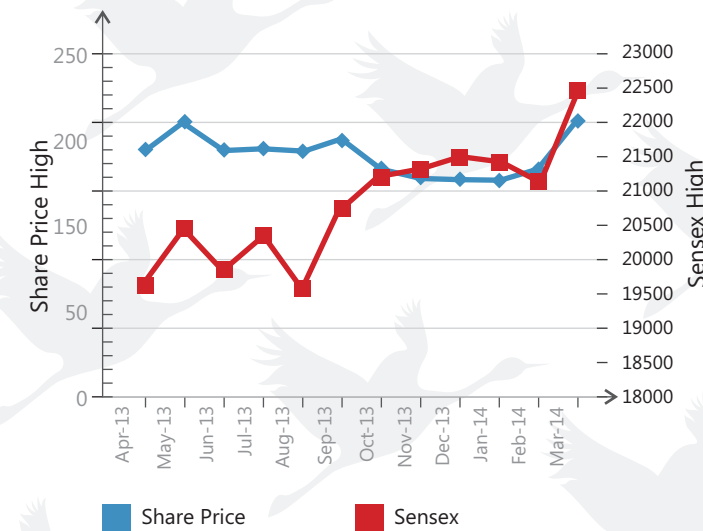
Nos. of Equity Shares held	No. of shareholders	% to total	No. of shares	% to total
Up to 500	2,737	86.20	267,936	1.14
501-1,000	153	4.82	127,991	0.55
1,001-2,000	85	2.68	129,814	0.55
2,001-3,000	40	1.26	102,853	0.44
3,001-4,000	23	0.73	83,737	0.36
4,001-5,000	22	0.69	103,925	0.44
5,001-10,000	39	1.23	304,076	1.30
10,001 and above	76	2.39	22,318,304	95.22
TOTAL	3,175	100.00	23,438,636	100.00

Shareholding pattern as on March 31, 2014

Category	No. of Shares Held	% To Total Voting Rights	% To Total Holding
Indian Promoters	10,941,953	46.68	46.68
Foreign Institutional Investors [FII]	2,052,000	8.75	8.75
Bodies Corporate	2,459,685	10.49	10.49
Indian Public	3,938,294	16.81	16.81
NRIs / OBCs	4,046,704	17.27	17.27
TOTAL	23,438,636	100.00	100.00

Market Price Data

Month & Year	Stock price at BSE (In ₹ per share)			Sensex		Stock price at NSE (In ₹ per share)			S&P CNX Nifty	
	High	Low	Traded Quantity	High	Low	High	Low	Traded Quantity	High	Low
April, 2013	179.90	156.25	27186	19622.68	18144.22	180.00	160.65	108470	5962.30	5477.20
May, 2013	200.00	165.25	177814	20443.62	19451.26	198.00	167.50	176444	6229.45	5910.95
June, 2013	179.95	148.95	30432	19860.19	18467.16	180.00	150.00	39685	6011.00	5566.25
July, 2013	180.75	149.50	70048	20351.06	19126.82	179.90	170.70	75190	6093.35	5675.75
August, 2013	178.45	128.00	55196	19569.20	17448.71	164.00	132.35	51323	5808.50	5118.85
September, 2013	186.30	128.25	49242	20739.69	18166.17	169.30	136.45	48781	6142.50	5318.90
October, 2013	166.00	136.40	61226	21205.44	19264.72	166.70	137.70	70047	6309.05	5700.95
November, 2013	159.80	135.50	35993	21321.53	20137.67	158.00	131.60	31179	6342.95	5972.45
December, 2013	158.00	137.05	870279	21483.74	20568.7	158.85	137.60	859026	6415.25	6129.95
January, 2014	157.50	140.05	89073	21409.66	20343.78	157.00	141.25	55392	6358.30	6027.25
February, 2014	165.85	136.10	633488	21140.51	19963.12	166.40	133.55	755451	6282.70	5933.30
March, 2014	200.70	150.00	209186	22467.21	20920.98	199.40	148.30	345144	6730.05	6212.25

**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
Tele. No. 011-42390725 Fax. No. 011-2721 5530
rta@abhipra.com

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.

Dematerialisation of Shares

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

23,384,915 Equity Shares of the Company representing 99.77% of the Company's share capital were dematerialised as on March 31, 2014. The trading of the Company's equity share fall under the category of compulsory delivery in dematerialised mode by all categories of investors.

Outstanding ADRs/ GDRs/ Warrants or any Convertible**instruments**

GDRs/ ADRs: There were no outstanding GDRs/ ADRs, as on March 31, 2014.

Warrants and other convertible instruments:

The Company has allotted 1,115,000 Equity Shares having nominal value of ₹ 10/- each, to Mr. Ashok Kumar Gupta, a person considered as promoter, on August 13, 2013, against the conversion of 1,115,000 compulsorily convertible warrants (out of the total of 1,500,000 compulsorily convertible warrants earlier issued on preferential basis at a price of ₹ 145/- per warrant).

As such, there were no warrants outstanding for conversion as on March 31, 2014.

With the aforesaid allotment of Equity Shares, the total Paid-up Equity Share Capital of the Company has been enhanced from ₹ 223,236,360/- to ₹ 234,386,360/- divided into 23,438,636 Equity Shares of ₹ 10/- each.

Plant Location**Unit – I**

A-19, Industrial Area,
Sikandrabad, Distt. Bulandsahar (U.P.)
Phone: 95-5735-222504, 223157

Unit –II

No. 332-338, Alur Village,
Perandapalli, Hosur,
Tamil Nadu.
Phone : 04344-560550

Subsidiaries’ Plant Locations

Apollo Metalex Private Ltd
A-2, Industrial Area, Sikandrabad,
Distt. Bulandshahar (U.P.)
CIN : U27104DL2006PTC146579

Shri Lakshmi Metal Udyog Ltd
No. 9 to 11, KIADB Industrial Area
Attibele, Bengaluru – 562107
CIN : U85110DL1994PLC224835

Lloyds line Pipes Ltd
Plot No. M-1, Additional MIDC Area, Murbad,
Thane Maharashtra - 421401
CIN : U27320DL2008PLC223550

For and on behalf of the Board

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Regd. Office:
37, Hargobind Enclave,
Vikas Marg, Delhi – 110092
CIN : L74899DL1986PLC023443
www.aplapollo.com

Place : Delhi - 110092
Dated : August 4, 2014

Investors Correspondence

Investors correspondence can be made on Regd. Office of the Company as given under:

Investor cell
APL Apollo Tubes Limited
37, Hargobind Enclave,
Vikas Marg, Delhi – 110092.
CIN : L74899DL1986PLC023443
Phone: 011- 22373437 Fax 011-22373537
Mail : investors@aplapollo.com

Auditors Certificate

To the Members of the APL Apollo Tubes Limited

We have examined the compliance of conditions of Corporate Governance by the APL Apollo Tubes Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the stock exchange(s).

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate governance as stipulated in the above mentioned Listing Agreement(s).

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for VAPS & CO.
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. 82515

New Delhi
August 4, 2014

Independent Auditors' Report

To,
The Members of APL Apollo Tubes Limited

(I) We have audited the accompanying financial statements of M/s APL APOLLO TUBES LIMITED, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

(II) **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

(III) **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i.) In so far as it relates to the Balance Sheet of the State of Affairs of the Company as at March 31, 2014,
- ii.) In the case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date, and
- iii.) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order, 2003 (as amended by the Amendment Order, 2004) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we give our comments on the matters specified in paragraphs 4 and 5 of the said order to the extent as applicable to the Company in the Annexure to this report.
- 2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those Books.
- c. The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

- e. On the Basis of written representations received from the Directors, as on March 31, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of The Companies Act, 1956.

**for VAPS & Co.
Chartered Accountants,
Firm Regn. No. 003612N**

**Sd/-
(P. K. JAIN)
Partner
M.N. 082515**

**Place: Delhi
Date : May 30, 2014**

Annexure to The Independent Auditors' Report

Re: APL Apollo Tubes Limited

Referred to in paragraph 3 of our report of even date

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c) Fixed assets disposed off during the year were not significant. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
2. a) The inventories (excluding stocks with the third parties) have been physically verified during the year by the management. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verifications.
3. a) The Company has granted unsecured loan to its one wholly owned subsidiary Company covered in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year was ₹ 330 Million (Rupees Three Hundred & Thirty Million Only) and the year end balance of loan given to this Company was ₹ 330 Million (Previous year end balance of loan given to this company was ₹ 330 Million). In our opinion terms and conditions on which loans have been given to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie,

prejudicial to the interest of the Company.

- b) The Company has not taken any unsecured loan from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- c) The rate of interest and other terms and conditions of the above-mentioned loans are not prima facie prejudicial to the interest of the Company.
- d) The repayment of principal and interest are as per the agreed terms.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
5. a) In our opinion and according to information and explanations given to us the transactions that needed to be entered in the register maintained under section 301 of the Act have been entered in the register
- b) As per information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of each party during the year have been made at price which appear reasonable as per information available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections of 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 we are of the opinion that

prima facie the prescribed accounts and record have been made and maintained. We have not made however a detailed examination of the record with a view to determine whether they are accurate or complete.

9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Service Tax, Cess etc. were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and records of the Company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Cess which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ million)	Period to which dues Related	Authority where the Dispute is Pending for Decision
Central Excise Act, 1944	Central Excise levied u/s 11A of Central Excise Act,1944.	3.67	07.08.1996	Before the High Court Judicature of Allahabad
"	Penalty u/s 11 AC of Central Excise Rules,1944 read with Rule 9(2) & 173Q of Central Excise Act,1944.	3.67	07.08.1996	Before the High Court Judicature of Allahabad
"	Recovery u/s 57 I (4) of Central Excise Act,1944 of modvat credit availed and utilized in contravention of the provisions of Rule 57F(3) of Central Excise Rules, 1944.	0.35	07.08.1996	Before the High Court Judicature of Allahabad
"	Penalty u/s 11AC of Central Excise Rules,1944 read with Rule 9(2) & 173Q of Central Excise Rule,1944.	0.35	07.08.1996	Before the High Court Judicature of Allahabad
"	Central Excise duty levied u/s 11 A of Central Excise Act,1944.	0.45	16.08.1999	CESTAT, New Delhi
"	Penalty u/s 11 AC of Central Excise Act,1944.	0.45	16.08.1999	CESTAT, New Delhi
"	Penalty under Rule 9(2) and 173Q of Central Excise Rule,1944.	0.10	16.08.1999	CESTAT, New Delhi
"	Demand in Terms of section 11A on Zinc Ash/Dross clearance. Penalty under Rule 25 of Central Excise Rules 2002 read with section 11AC of Central Excise Act 1944.	1.08 0.03	July-08 to Mar-09	CESTAT, New Delhi
U.P. Tax on Entry of Goods in to Local areas Act, 2007	The constitutional validity of U.P. Tax on Entry of Goods in to Local areas Act, 2007 had been Challenged.	44.76	Nov.-08 to Mar.-11	Before the Supreme Court of India
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer	6.14	Jan.-08 to Mar.-08	Commercial Tax Tribunal, Ghaziabad
Value Added Tax Act-2008	Difference in Rate of Tax on Steel Tubes & Pipes	36.17	30/09/2008 to 15/01/2009	Commercial Tax Tribunal, Ghaziabad
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer/Sale to SEZ Units	11.71	April, 08 to March, 09	Commercial Tax Tribunal, Ghaziabad

Name of the Statute	Nature of Dues	Amount (₹ million)	Period to which dues Related	Authority where the Dispute is Pending for Decision
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer/Sale to SEZ Units	20.81	April, 09 to March, 10	Commercial Tax Tribunal, Ghaziabad
Central Excise Act,1944	Demand on exempted Trading service value under rule 14 of CCR,2004 read with Sec 11A of Central Excise Act, 1944	1.9	Apr'11 to Mar'12	Commissioner Appeals Central Excise & Service Tax, Noida
	Penalty under Rule 15 of CCR,2004 read with section 11AC of Central Excise Act,1944	1.9		
Value Added Tax Act-2008	Reversal of Input Tax Credit on Consignment/ Stock Transfer/ Sale to SEZ units.	29.45	Apr'10 to Mar'11	Additional-Comm (Appelas)-Bulandshahr
	Against Statutory Declaration Forms	0.47		
Value Added Tax Act-2008	Reversal of Input	22.34	Apr'11 to Mar'12	Additional-Comm (Appelas)-Bulandshahr
	Ag. Statutory Declaration Forms	1.58		

10. The Company has no accumulated losses as at March 31, 2014 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. We have been informed that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4(XII) of the order is not applicable.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended 2004 are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investment and timely entries have been made therein. All shares (except the shares held in the name of nominees of the Company in wholly owned subsidiaries),

- debentures and other investments have been held by Company in its own name.
15. The Company has given corporate guarantee for securing working capital facilities sanctioned by Banks to its Subsidiary Companies. In our opinion, the terms and conditions on which the Company has given said guarantees are not prejudicial to the interest of the Company.
16. In our opinion and according to information and explanations given to us by the Company the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has made allotment of 1,115,000 Equity Shares on preferential basis (on conversion of equal number of share warrant already issued entitling the warrant holder to get one equity share of ₹ 10 each for each warrant) to parties and Companies covered in the register to be maintained under section 301 of the Act and in our opinion, the

premium at which share have been issued is not prejudicial to the interest of the Company.

19. During the period covered by our audit report, the Company has not issued any debentures.
20. The Company has not raised any money from public issue and as such question of end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2014.

for VAPS & Co.
Chartered Accountants,
Firm Regn. No. 003612N

Sd/-
(P. K. JAIN)
Partner
M.N. 082515

Place: Delhi
Date : May 30, 2014

Balance Sheet

as at March 31, 2014

(₹ in million)

Particulars	Note No.	31 st March 2014	31 st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	234.39	223.24
(b) Reserves and Surplus	3	3,020.75	2,744.59
(c) Money received against share warrants			40.42
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	939.36	473.94
(b) Deferred Tax Liabilities (Net)		345.84	274.64
(c) Other Long Term Liabilities	5	0.50	0.50
(d) Long Term Provisions	6	9.63	6.32
(4) Current Liabilities			
(a) Short-Term Borrowings	7	2,615.14	2,506.75
(b) Trade Payables	8	615.50	616.27
(c) Other Current Liabilities	9	292.78	262.35
(d) Short-Term Provisions	10	189.91	183.13
Total Equity & Liabilities		8,263.80	7,332.15
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		2,300.13	1,854.63
(ii) Intangible Assets		-	-
(iii) Capital work- in- Progress		145.41	16.95
(iv) Intangible Assets Under Development		33.83	9.87
		2,479.37	1,881.45
(b) Non-current investments	12	865.96	779.65
(c) Deferred tax assets (net)			-
(d) Long term loans and advances	13	697.67	785.13
(e) Other non-current Intangible assets		115.71	55.84
(2) Current Assets			
(a) Current investments	14	1,807.13	1,775.46
(b) Inventories	15	1,822.45	1,654.36
(c) Trade receivables	16	40.50	98.62
(d) Cash and cash equivalents	17	336.18	251.73
(e) Short-term loans and advances	18	98.84	49.92
(f) Other current assets			
Significant Accounting Policies	1		
Total Assets		8,263.80	7,332.15

Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Statement of Profit & Loss

for the year ended March 31, 2014

(₹ in million except EPS)

Particulars	Note No.	2013-2014	2012-2013
I Gross Revenue from operations	19	22,360.59	17,537.87
Less: Excise Duty & Cess		1,787.39	1,446.69
Net Revenue from operations		20,573.21	16,091.18
II Other Income	20	21.60	10.31
III. Total Revenue (I +II)		20,594.80	16,101.49
IV Expenses:			
Cost of materials consumed	21	13,684.16	10,273.84
Purchase of Stock-in-Trade		5,111.49	4,469.70
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(388.60)	(481.24)
Employee Benefit Expense	23	211.51	164.04
Financial Costs	24	462.16	320.05
Depreciation and Amortization Expense		98.69	78.79
Other Expenses	25	1,021.17	727.00
Total Expenses (IV)		20,200.57	15,552.20
V Profit before exceptional and extraordinary items and tax	(III - IV)	394.23	549.29
VI Exceptional Items	26	1.35	3.66
VII Profit before extraordinary items and tax (V - VI)		392.88	545.63
VIII Extraordinary Items			
IX Profit before tax (VII - VIII)		392.88	545.63
X Tax expense:			
(1) Current tax		76.70	113.51
(2) Deferred tax		71.20	78.06
(3) Tax Expenses inrespect of earlier years		-	11.67
(4) Mat Credit Entitlement		(16.87)	(4.17)
XI Profit/(Loss) from the period from continuing operations	(IX-X)	261.85	346.55
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI-XIV)		261.85	346.55
XVI Earning per equity share:			
(1) Basic		11.38	15.89
(2) Diluted		11.38	15.12

Notes referred to above and notes attached there to form an integral part of Statement of Profit & Loss
This is the Statement of Profit & Loss referred to in our Report of even date.

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Cash Flow Statement

for the year ended March 31, 2014

(₹ in million)

Particulars	2013-2014	2012-2013
1. Cash Flow from Operating Activities		
Net Profit before tax and extra ordinary items	392.88	545.63
Adjustments for:		
Depreciation & Amortisation	98.69	78.79
Deferred Expenditure	52.67	20.51
Interest & Finance Charges	462.16	320.05
Loss on sale of fixed assets/Investments	1.35	3.66
Operating Profit Before Working Capital Changes	1,007.75	968.64
Adjustments for:		
Increase/Decrease in Trade Receivables	(168.08)	(425.45)
Increase/Decrease in Other Receivables	(106.49)	(2.49)
Increase/Decrease in Inventories	(31.67)	(845.52)
Increase/Decrease in Trade & Other Payable	43.24	265.04
Cash Generated from Operations	744.75	(39.78)
Direct Taxes paid including Fringe Benefit Tax	(63.34)	(174.48)
Cash Flow before extra ordinary items	681.41	(214.26)
Extra ordinary items	-	-
Net Cash from Operating Activities (A)	681.41	(214.26)
2. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(701.20)	(385.52)
Investment in Property	(86.31)	-
Misc Expenditure	(140.06)	(69.74)
Sale of Fixed Assets	3.23	2.22
Advances for Fixed Assets	88.09	13.65
Investment in Subsidiary Company		(80.48)
Misc Investments		(11.55)
Net Cash from Investing Activities (B)	(836.24)	(531.41)
3. Cash Flow from Financing Activities:		
Proceeds from issue of Shares and Warrants issued during the Year	121.26	126.61
Receipt / Repayment of Secured loans	573.82	1,055.77
Dividend & DDT paid	(136.20)	(49.50)
Interest & Finance Charges	(462.16)	(320.05)
Net cash generated from Financing activities	96.71	812.82
Net Cash from Financing Activities (C)	96.71	812.82
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(58.12)	67.15
Add : Cash & Cash Equivalents at the Beginning of the Year	98.62	31.47
	40.50	98.62
Cash & Cash Equivalents at the End of the Year	40.50	98.62

Notes :

- Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Note No.16
- The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard (AS-3), "Cash Flow Statement".
- Figures in brackets indicate cash outflow.

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Notes to Standalone Financial Section

as at & for the year ended March 31, 2014

Note 1: Significant Accounting Policies

1) Basis of Preparation of Financial Statement

- The financial statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with the Accounting Standard notified under section 211(3c) of the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs)
- The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- Expenditure incurred in connection with the issue of Shares/GDRs/warrants is written off against security premium account in the year of incurrence.
- All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

2) Fixed Assets

- Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and preoperative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work in progress at cost till the same are ready for use.
- Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalized.
- Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalized as part of the cost of machinery.

3) Impairment of Assets

The Company recognizes all the losses as per Accounting Standard-28 due to the impairment of assets in the year of review of the physical condition of the Assets and is measured by the amount by which, the carrying amount of the Asset exceeds the Fair Value of the Asset.

4) Depreciation

Depreciation on fixed assets is provided on straight-line basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased/sold during the period is proportionately charged.

5) Inventories Valuation

Raw material is valued at cost (First in First Out basis) or net realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/First in First Out basis).

6) Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within statement of profit and loss account. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the statement of profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in statement of profit and loss account over the life of the contract.

7) Duties & Credits

- Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.

- b) Cenvat Credit, to the extent available during the year, are adjusted towards cost of materials.
- c) Duty credit on export sales has been taken on accrual basis whether license has been issued after closing of the financial year.

8) Sales are inclusive of excise duty and after deducting the discount and also sales tax applicable and Purchase made against Bank Guarantee, Letter of Credit are classified in sundry creditor for raw materials.

9) Retirement Benefits

- a) The company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method.
- b) Retirement benefits in the form of Provident Fund are charged to the Profit & Loss Account of the period when the contributions to the respective funds are due.

10) Borrowing Cost

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets.

11) Taxes on Income

Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

In accordance with Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

12) Misc. Expenditure

Misc. expenditure represents ancillary cost incurred in connection with the incorporation and share issue expenses and brand promotion expenditure. It has been decided to write off these expenses over the period of five years.

13) Revenue Recognition

Sale of goods is recognized when the risk and reward of ownership are passed on to the customers. Revenue from services is recognized when the services are complete.

14) Investments

Long term investments, other than investment in Associates and Subsidiaries, are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Income/Loss from investments is recognized in the year in which it is generated.

15) Provision and Contingencies

The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

16) Cash Flow Statement

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 operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

17) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(₹ in million)

Particulars	31 st March 2014	31 st March 2013
Note 2 : Share Capital		
1 AUTHORIZED CAPITAL	250.00	250.00
25,000,000 Equity Shares of ₹ 10/- each (Previous year 25,000,000 Equity Shares of ₹ 10/- each)	<u>250.00</u>	<u>250.00</u>
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL	234.39	223.24
23,438,636 Equity Shares of ₹ 10/- each (Previous Year 22,323,636 Equity Shares of ₹ 10/- each)	<u>234.39</u>	<u>223.24</u>
Total	234.39	223.24
1 Reconciliation of the number of issued, subscribed and paid-up shares:		
Shares outstanding as at the beginning of the year	22.324	21.297
Shares bought back during the year	-	-
Additions during the year	1.115	1.027
Deletion during the year	-	-
Shares outstanding as at the end of the year	<u>23.439</u>	<u>22.324</u>

1,115,000 Equity shares were issued on August 13, 2013 upon conversion of equal number of warrants held by Mr. Ashok Kumar Gupta (a promoter group entity) out of total 1,500,000 warrants issued @ ₹ 145/- on February 14, 2012. (earlier 385,000 warrants were converted in to equal number of Equity shares on March 23, 2013).

(₹ in million)

Particulars	31 st March 2014
2 Particulars of Securities convertible into Equity shares issued and fund raised during the current and immediately preceding financial year :	
a) 641,953 warrants were converted into equity shares on June 21, 2012 after receipt of remaining 75% subscription amount.	84.74
These warrants were part of 1,641,953 warrants issued @ ₹ 176/- each to APL Infrastructure Pvt. Ltd. (a promoter group entity) entitling the warrant holder for equal number of Equity Shares having nominal value of ₹ 10/- each within 18 months from the date of allotment i.e. December 22, 2010. As per SEBI guidelines 25 % subscription amount received before allotment of 1,641,953 warrants amounting ₹ 72.25 million, further 1,000,000 warrants were converted into equal number of equity shares on March 13, 2012 after receiving remaining 75% subscription amount i.e. 132 million.	
b) 385,000 warrants were converted into equal number of equity shares on March 23, 2013 after receipt of remaining 75% subscription amount.	41.87
c) 1,115,000 warrants were converted into equal number of equity shares on August 13, 2013 after receipt of remaining 75% subscription amount.	121.26
These above warrants detailed herein above at point No. b & c were part of 1,500,000 warrants issued @ ₹ 145/- each warrant to Mr. Ashok Kumar Gupta (considered as promoter group entity) entitling the warrant holder for equal number of Equity Shares having nominal value of ₹ 10/- each within 18 months from the date of allotment i.e. February 14, 2012. As per SEBI guidelines 25 % subscription amount received before allotment of 1,500,000 warrants made on February 14, 2012 amounting ₹ 54.38 million.	
Details of utilisation of fund received :	
i) Part finance of ongoing Capex programme & margin of working capital.	<u>247.87</u>
	247.87

3 Details of allotment of securities in the preceding 5 financial years:

- i) a) 4,281,000 Equity Shares were issued on conversion of 2,140,500 warrants on January 23, 2008.
b) 782,000 Equity Shares were issued on conversion of 391,000 warrants on April 28, 2008
c) 787,000 Equity Shares were issued on conversion of 393,500 warrants on June 27, 2008.
d) 370,000 Equity Shares were issued on conversion of 185,000 warrants on April 4, 2009

"These shares were issued on conversion of warrants. The Company issued 3,175,000 warrants @ ₹ 140/- each to the promoters and other strategic investors entitling them for equal number of Equity Shares and one bonus share each against every warrant having nominal value of ₹ 10/- each (i.e. warrant holder were entitled for 2 Equity Shares against each warrant they have) within 18 months from the date of allotment i.e. July 5, 2007. Out of total 3,175,000 warrants, subscribers for 65,000 share warrants didn't exercised their option within 18 months of allotment of warrants and consequently, their initial subscription amount was forfeited."

- ii) 1,798,333 Equity shares has been issued to erstwhile shareholders of Shree Lakshmi Metal Udyog Limited for acquiring their 100% Equity shares in a non-cash deal [swap ratio 1 [One] Share of APL Apollo Tubes Limited for every 3 [Three] shares of Shri Lakshmi Metal Udyog Limited] on April 28, 2008.

- iii) Equity share issued as underlying security for GDR issue

- a) On June 18, 2008 2,941,200 Equity Shares were allotted as underlying securities for 1,470,600 Global Depository Receipts.
b) On July 17, 2008 2,941,150 Equity Shares were allotted as underlying securities for 1,470,575 Global Depository Receipts.

- iv) Warrant Issue : 1,641,953 warrants were issued @ ₹ 176/- each warrant to promoters entitling them for equal number of Equity Shares having nominal value of ₹ 10/- each within 18 months from the date of allotment i.e. December 22, 2010

- a) 1,000,000 Equity Shares were issued on conversion of equal no of warrants on March 13, 2012.
b) 641,953 Equity Shares were issued on conversion of equal no of warrants on June 21, 2012.

- v) Warrant Issue : 1,500,000 warrants were issued @ ₹ 145/- each warrant to promoters entitling them for equal number of Equity Shares having nominal value of ₹ 10/- each within 18 months from the date of allotment i.e. February 14, 2010

- a) 385,000 Equity Shares were issued on conversion of equal no of warrants on March 23, 2013.
b) 1,115,000 Equity Shares were issued on conversion of equal no of warrants on August 13, 2013.

Detail of Shareholding more than 5% of the aggregate shares of the company

Name of Shareholders	31 st March, 2014		31 st March, 2013	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
APL Infrastructure Pvt. Ltd.	7,948,440.00	33.912%	7,948,440.00	35.605%
KITARA PIN	3,000,000.00	12.799%	3,000,000.00	13.439%
Ashok Kumar Gupta*	1,500,000.00	6.40%	885,000.00	3.964%
EBLEM	1,200,000.00	5.119%	-	-

*(Part of Promoter and PAC)

(₹ in million)

Particulars	31 st March 2014	31 st March 2013
Note 3 : Reserve & Surplus		
1 Security Premium	1,873.70	1,723.17
Balance brought forward from previous year	1,723.17	1,564.63
Add: Additions	150.53	158.54
Less: Transfers	-	-
2 General Reserve	200.15	150.15
Balance brought forward from previous year	150.15	100.15
Add: Additions	50.00	50.00
Less: Transfers	-	-
3 Surplus (Statement of Profit & Loss)	946.91	871.26
Balance brought forward from previous year	871.26	704.43
Less: Dividend Proposed / Paid#	117.19	111.62
Less: Dividend Distribution Tax on Dividend	19.01	18.11
Less: Transfer to Reserves	50.00	50.00
Add: Profit for the period	261.85	346.55
Total	3,020.75	2,744.59

Dividend Proposed to be distributed to equity shareholders is ₹ 5/-
(PREVIOUS YEAR PROPOSED DIVIDEND ₹ 5/-) PER EQUITY SHARE

Note 4 : Long Term Borrowings**Secured Loans**

1	Term Loan		
	- From Bank	939.36	473.94
	Total	939.36	473.94

Nature of Security and terms of repayment for Long Term Secured Borrowings:-

S.No.	Amount of Loan	Terms of Repayment
1	Term Loan amounting ₹ 400.00 million (Previous Year ₹ 480.00 Million).	Repayable in 18 unequal quarterly installments commencing from December, 2012. Last installment due on March, 2017. Rate of interest 12.50% p.a as at year end (P.Y. 12.50%)
2	Term Loan amounting ₹ 37.27 million (Previous Year ₹ 112.29 Million).	Repayable in 16 equal quarterly installments commencing from November, 2010. Last installment due on August, 2014. Rate of interest was 9.75% till September 2011 and thereafter it was reset to 12%
3	Term Loan amounting ₹ 400.00 million (Previous Year ₹ NIL).	Repayable in 17 unequal quarterly installments commencing from March, 2015. Last installment due on March, 2019. Rate of interest 12.50% p.a as at year end (P.Y. Nil)
4	Term Loan amounting ₹ 250.000 million (Previous Year ₹ Nil).	Repayable in 20 unequal quarterly installments commencing from April, 2015. Last installment due on March, 2020. Rate of interest 12.50% p.a as at year end (P.Y. Nil)
5	Nature of Security for Sub Note No. 1.1 to 1.4 of Note No. 4: Please refer note 7.1	
6	Term Loan amounting ₹ 34.90 Million (P. Y. ₹ 35.99 Million) is secured against mortgage of Estate Home (residential property under construction) at E-11 (Land-II), Jaypee Greens, Greater Noida (U.P.)	Repayable in 254 monthly installments commencing from October, 2007. Last installment due on November, 2028. Carries floating rate of interest linked with Base Rate i.e. base rate+275bps. Rate of Interest 10.75% p.a. as at year end.
7	Various Vehicle Loans total amount ₹ 9.81 Million of hypothecation of respective vehicle.	All loans have 36 monthly installments commencing from various dates, carry rate of interest between 9.50% to 12.00% P.A.

Installment falling due in respect of all the above Loans upto March 31, 2015 have been grouped under "Current Maturities of long term debt".

(₹ in million)

Particulars	31 st March 2014	31 st March 2013
Note 5 : Other Long Term Liability		
1 Security Liability*	0.50	0.50
Total	0.50	0.50
*This amount represents security received from certain dealer/distributors		
Note 6 : Long Term Provisions		
1 Provisions for Employee Benefits	9.63	6.32
Total	9.63	6.32
The Company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method.		
Note 7 : Short Term Borrowings		
1 Loan Repayable on Demand		
- From Bank	2,615.14	2,506.75
- From Other Parties		
Total	2,615.14	2,506.75
Nature of Security : Bank term loans and working facilities are secured by first pari pasu charge on current assets, movable fixed assets, present and future, of the company and further secured by equitable mortgage on company's land and building situated A-19 Industrial area Sikandarabad, U.P and at 332-338, Alur-Village, Perandapalli - Hosur on first pari pasu basis. These credit facilities are further collaterally secured by corporate guarantee and Land & Building of V S Exim Pvt. Ltd., situated at A-20 Industrial Area, Sikandrabad U.P. and Personal grantee of Mr Sameer Gupta, Mr. Vinay Gupta and Mr Sanjay Gupta (Promoter Directors). However Working Capital Limit for certain banks have been arranged against the security of all present and future movable fixed assets and current assets on first pari pasu charge basis (these Working Capital Limit do not have any charge on immovable fixed assets of the company and collaterals.		
Note 8 : Trade Payable		
1 Sundry Creditors for Raw Material	134.56	388.58
2 Sundry Creditors for Trading Goods	332.21	90.82
3 Sundry Creditors for Others	119.81	93.82
4 Expenses Payable	28.92	43.06
Total	615.50	616.27
Note 9 : Other Current Liabilities		
1 Current Maturities of Long Term Borrowings	192.62	157.85
2 Interest accrued but not due on Borrowings	12.44	27.79
3 Unclaimed Dividend	1.37	0.96
4 Statutory Dues	76.63	63.06
5 Advance From Customers	9.71	12.71
Total	292.78	262.35
Note 10 : Short Term Provisions		
1 Provision for Excise Duty on Finished Goods	62.49	57.78
2 Dividend Proposed	117.19	111.62
3 Provision for Taxation# (Net)	10.22	13.74
Total	189.91	183.13
# Provision for taxation includes dividend distribution tax		

Note 11 : Fixed Assets as on March 31, 2014

Description	Rate @	At the beginning of the year	Gross Block Addition during the period	Sales/ transfer the during period	At the end of the year	At the beginning of the year	Depreciation For the period	Adjusted during the period	At the end of the year	Net Block At the end of current year	At the end of previous year
A. FIXED ASSETS											
Land	--	75.03	99.71	-	174.74	-	-	-	-	174.74	75.03
Building	3.34%	395.21	111.79	-	507.00	33.17	14.09	-	47.27	459.73	362.04
Plant & Machinery	4.75%	1,543.07	319.53	4.49	1,858.11	192.19	77.06	1.11	268.15	1,589.96	1,350.87
Office Equipment	4.75%	16.88	2.21	-	19.09	1.65	0.86	-	2.51	16.58	15.23
Vehicle	9.50%	30.85	12.71	1.45	42.11	12.93	3.55	0.24	16.23	25.88	17.93
Furniture & Fixture	6.33%	28.51	0.93	-	29.44	0.61	1.84	-	2.44	27.00	27.90
Computer	16.21%	7.57	1.89	-	9.46	4.06	1.29	-	5.36	4.10	3.51
Zinc (46.142 M.T.)	--	2.13	-	-	2.13	-	-	-	-	2.13	2.13
SUB TOTAL (A)		2,099.25	548.78	5.94	2,642.09	244.62	98.69	1.35	341.96	2,300.13	1,854.63
B. CAPITAL WORK-IN-PROGRESS (B)		16.95	472.23	343.77	145.41	-	-	-	-	145.41	16.95
C. Intangible Assets Under Development											
WIP (Software Development)		9.87	23.96	-	33.83	-	-	-	-	33.83	9.87
SUB TOTAL (C)		9.87	23.96	-	33.83	-	-	-	-	33.83	9.87
Current Year Figure (A+B+C)		2,126.07	1,044.97	349.70	2,821.33	244.62	98.69	1.35	341.96	2,479.37	1,881.45
Previous Year		1,747.54	883.10	504.58	2,126.07	167.19	78.79	1.36	244.62	1,881.45	1,580.36

(₹ in million)

Particulars	31 st March 2014	31 st March 2013
Note 12 : Non-Current Investment		
1 Quoted		
(i) Investment in Equity Shares -NIL (Previous Year 335,000 Equity Shares of Kishan Moulding Ltd)	-	11.55
(ii) Investment in Mutual Funds (i) Union KBC Tax Saver	0.50	0.50
2 Unquoted		
Other than Trade at cost less provision (Unquoted)		
(i) Investment in Equity Shares : -In Subsidiary Companies		
(i) 2,711,100 Equity shares of Apollo Metalex Pvt. Ltd. of ₹ 10/- each fully paid up	72.11	72.11
(ii) 5,895,000 Equity shares of Shri Lakshmi Metal Udyog Ltd. of ₹ 10/- each fully paid up	362.99	362.99
(iii) 20,000,000 Equity shares of Lloyds Line Pipes Ltd. of ₹ 10/- each fully paid up	332.50	332.50
(ii) Investment in Immovable property	97.86	
Total	865.96	779.65
Aggregate book value of unquoted Investments	865.46	767.60
Aggregate book value of quoted Investments	0.50	12.05
Market Value of quoted Investments	0.50	10.45
Aggregate provision for diminution in value of Investments	-	-
Additional Information:		
Out of 5,895,000 Equity Shares of Shri Lakshmi Metal Udyog Limited, 5,395,000 Equity Shares were acquired in a non-cash deal, wherein 1,798,333 Equity shares of ₹ 10/- each of APL Apollo Tubes Limited were issued to erstwhile shareholders of Shri Lakshmi Metal Udyog Limited [swap ratio 1 [One] share of APL Apollo Tubes Limited for every 3 [Three] shares of Shri Lakshmi Metal Udyog Limited] on April 28, 2008 for acquiring their 100% shareholding. Aggregate amount for acquiring for these shares was ₹ 283.99 million calculated in accordance with SEBI Guidelines		
Note 13 : Long Term Loans and Advances		
1 Capital Advances		
Unsecured, Considered Good	193.40	281.50
2 Security Deposit		
Unsecured, Considered Good	174.26	170.95
3 Loans & Advances to related parties - Wholly Owned Subsidiary Company	330.00	330.48
4 Other Loans & Advances	-	2.20
Total	697.67	785.13
Note 14 : Inventories		
1 Raw Material	343.04	705.34
2 Finished Goods	1,394.97	1,000.28
3 Stores & Spares	39.08	38.41
4 Rejection & Scrap	30.04	31.42
Total	1,807.13	1,775.46
The closing stock of finished goods and scrap has been valued Inclusive of Excise Duty amounting to ₹ 62.49 million (Previous Year ₹ 57.78 million) as per ASI-14 (Revised) issued by the Institute of Chartered Accountants of India.		

(₹ in million)

Particulars	31 st March 2014	31 st March 2013
Note 15 : Trade Receivables		
1 Outstanding for more than six months from the date they were due for payment a) Unsecured, Considered Good :	14.83	15.44
2 Others from the date they were due for payment a) Unsecured, Considered Good :	1,807.62	1,638.93
Total	1,822.45	1,654.36
Note 16 : Cash & Cash Equivalent		
1 Cash and Cash Equivalents		
Cash Balance	4.77	4.89
Bank Balance	2.45	9.32
Sub Total (A)	7.22	14.22
2 Other Bank Balances		
In margin money with maturity less than 12 months at inception	31.83	82.08
Accrued Interest on FDR's & Securities	1.45	2.31
Sub Total (B)	33.28	84.40
Total (A + B)	40.50	98.62
Note 17 : Short Terms Loans and Advances		
1 Advance Recoverable in cash or in kind or for value to be considered good		
Advance to Suppliers	47.25	39.53
Advance to Others	4.78	3.74
Prepaid Expenses	0.70	1.63
Advance Payment with Revenue Authorities (Indirect Taxes)	241.19	181.45
MAT Credit Entitlement	42.25	25.38
Total	336.18	251.73
Note 18 : Other Current Assets		
1 Claim Receivable	50.38	28.97
2 Brand Image Expenses	48.46	20.94
Total	98.84	49.92
	2013-2014	2012-2013
Note : 19 Revenue from Operations		
1 Sales Domestic	21,324.22	16,965.96
2 Sales Export	953.07	532.38
3 Job Work	20.20	3.75
4 Other Operating Income	12.05	8.60
5 Export Incentive	51.05	27.18
Total	22,360.59	17,537.87
Detail of Sale of Products		
1 Black pipe	13,631.81	11,512.71
2 Galvanized Pipe	4,559.55	4,052.15
3 Pre Galvanized Pipe	3,037.34	961.55
4 Coils	456.09	384.14
5 Others	592.50	587.77
Total	22,277.29	17,498.32

(₹ in million)		
Particulars	2013-2014	2012-2013
Note 20 : Other Income		
1 Misc Income	20.62	9.24
2 Interest Income	0.97	1.08
Total	21.60	10.31
Note 21 : Cost of Material Consumed		
1 Raw Material		
Opening Stock	705.34	364.31
Add: Purchases	13,228.57	10,541.84
Less: Closing Stock	343.04	705.34
	13,590.87	10,200.81
2 Stores & Consumables	93.29	73.03
Total	13,684.16	10,273.84
Detail of Raw Material Consumed		
1 Black pipe	0.62	6.25
2 HR Coil	12,247.61	9,213.67
3 GP Coil	922.31	752.85
4 Zinc	412.04	222.17
5 Others	8.29	5.87
Total	13,590.87	10,200.81
All the above raw material consumed includes indigenous materials consumed. There is no imported material consumed during the year.		
Note 22 : Change in Inventories		
1 Opening Stock (Net of Excise Duty)		
Finished Goods	945.47	477.90
Scrap	28.46	14.79
Total-1	973.93	492.69
2 Closing Stock (Net of Excise Duty)		
Finished Goods	1,335.17	945.47
Scrap	27.36	28.46
Total-2	1,362.53	973.93
Total (2-1)	(388.60)	(481.24)
Note 23 : Employment Benefit Expenses		
1 Salaries, Wages, Bonus etc.	193.15	149.93
2 Contribution to Provident and other Funds	11.68	8.26
3 Staff Welfare Expenses	6.69	5.85
Total	211.51	164.04
Note 24 : Financial Cost		
1 Interest on Working Capital Facilities	401.08	265.37
2 Interest on Term Loan	46.93	38.07
3 Other Borrowing Cost	14.15	16.61
Total	462.16	320.05

(₹ in million)		
Particulars	2013-2014	2012-2013
Note 25 : Other Expenses		
1 Furnace Oil	71.33	42.96
2 Power & Fuel	185.50	147.53
3 Rent	34.45	28.43
4 Repair & Maintenance :-		
Building	0.12	0.26
Plant & Machinery	4.21	3.84
Others	0.69	0.95
5 Insurance	0.77	0.61
6 Rates & Taxes	5.83	5.06
7 Job Work	34.99	10.74
8 Freight Expenses		
Inward	24.50	20.02
Outward	504.11	338.70
9 Legal & Professional Charges	6.47	5.01
10 Commission on sales	42.09	45.28
11 Others	106.12	77.61
Total	1,021.17	727.00
Note 26 : Exceptional Item		
During the year the Company has sold Plant & Machinery of ₹ 4.49 million & Vehicle of ₹ 1.45 million consequently, there is loss on sale of ₹ 1.35 million.		
Note 27 : Contingent Liability		
Contingent liability not provided for in respect of;		
1. Counter guarantee to Union Bank of India for performance guarantee given to various departments	12.03	33.55
2. Corporate Guarantee(s) have been given for securing working capital facilities sanctioned to its Subsidiary Companies.		
3. Sales Invoice/Bills Discounted (Domestic/Foreign)	50.87	Nil
Note 28 : Employee Benefits		
Long Term Employee Benefits		
The following table sets forth the status of the Gratuity Plan of the company, and the amounts recognized in the balance sheet and statement of profit and loss account. The liability for Gratuity as at March 31, 2014 have been actuarially determined and provided for in the accounts.		
Changes in the present value of defined benefit obligation		
Present benefit obligation at the beginning of year	6.33	4.22
Current service cost	2.11	1.53
Interest cost	0.51	0.34
Past service cost	Nil	Nil
Actuarial gain/(loss)	0.87	0.68
Benefits paid	(0.19)	(0.43)
Projected benefit obligation at the end of the year	9.63	6.34
Changes in the fair value of plan assets		

(₹ in million except EPS and No. of Shares)

Particulars	2013-2014	2012-2013
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-
Amount recognized in the balance sheet		
Projected benefit obligation at the end of the year	9.63	6.34
Fair value of plan assets at the end of the year	-	-
Funded status of the plans-asset/(liability)-Liability recognized in the balance sheet	(9.63)	(6.34)
Gratuity cost for the year		
Current service cost	2.11	1.53
Interest Cost	0.51	0.34
Past service cost	-	-
Expected return on plan assets	-	-
Net actuarial gain/(loss) recognized in the year	0.87	0.69
Net Gratuity cost	3.48	2.56
Assumptions		
Discount rate	8.50	8.00
Expected rate of return on plan assets	-	-
Long term rate of compensation increase	6.00	5.50
Note 29 : Disclosure regarding computation of EPS in accordance with AS-20.		
A. Basic EPS		
Profit After Tax As per P&L A/c (₹)	261.85	346.55
Weighted Avg. Number of Equity Share	23,014,020	21,805,668
Basic EPS (₹)	11.38	15.89
B. Diluted EPS		
Profit After Tax As per P&L A/c (₹)	261.85	346.55
Diluted Number of Equity Shares o/s	23,014,020	22,920,668
Diluted EPS (₹)	11.38	15.12
C. Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	23,014,020	21,805,668
2. Average fair value of one equity share during the year	10.00	10.00
3. Weighted average number of share warrant issue during the year	-	1,115,000
4. Warrants were issued entitling the holders to subscribe for one equity share having nominal value ₹10 for every warrant issued.	-	10.00
5. Total Diluted Equity Shares (1+3)	23,014,020	22,920,668

Note 30 :

The Company has only one segment i.e. manufacturing of Steel tubes and pipes, therefore segment reporting as required under Accounting Standard - 17 is considered as not applicable.

Note 31 : Brand building Expense

During the Year the Group incurred an expenditure of ₹ 14.01 millions (Previous Year ₹ 69.74 millions) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortized in 5 years equally.

Note 32 :

Provision for Income Tax for the current year has been computed based on Minimum Alternate Tax in accordance with Section 115JB of the Income Tax Act, 1961. Taking into consideration the future profitability and the taxable position in the subsequent years, the Company has recognized MAT Credit Entitlement to the extent of ₹ 16.87 Millions (Previous Year ₹ 4.17 Millions) in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.

Note 33 : Related Party Disclosures (AS-18)**a) Name of the related parties and description of relationships;**

Related Parties with whom transaction have taken place during the year and balances outstanding as on the last day of the year;

Name of related parties where control exists irrespective of whether transactions have occurred or not**Wholly Owned Subsidiary companies**

Apollo Metalex (P) Ltd.

Shri Lakshmi Metal Udyog Ltd.

Lloyds Line Pipes Limited

Name of other related parties with whom transactions have taken place during the year**Associates**

Apollo Pipes Ltd.

V. S. Exim (P) Ltd.

APL Infrastructure (P) Ltd.

Key Management Personnel**Promoter Group**

Mr. Sanjay Gupta (Chairman)

Mr. Ashok K Gupta (Managing Director)

Mr. Vinay Gupta (Director)

Mr. Sameer Gupta (Director)

Relatives of Key Management Personnel

Mrs. Saroj Rani Gupta (Mother of Directors)

Mrs. Neera Gupta (Wife of Sh. Sanjay Gupta)

Mrs. Vandana Gupta (Wife of Sh. Vinay Gupta)

Mrs. Meenakshi Gupta (Wife of Sh. Sameer Gupta)

(₹ in million)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
b) Detail of Related Party Transactions					
Sales of Goods / Job Work/Machinery	253.74	-	-	-	253.74
Purchase of Goods / Job Work/Machinery	4854.37	-	-	-	4854.37
Transfer of DEPB	-	5.05	-	-	5.05
Director's Remuneration Paid	-	-	35.29	-	35.29
Office/Vehicle/Factory rent Paid	-	11.22	-	11.58	22.80
Funds Received	-	-	-	-	-
Funds Given	-	-	-	-	-
c) Amount due to /from Related Parties as at March 31, 2014					
Amount due to Related Parties	332.21	-	-	-	332.21
Amount due from Related Parties	330.00	-	-	-	330.00

(₹ in million)

Particulars	2013-2014	2012-2013
Note 34: Value of Import	56.12	Nil
Note 35 : Value of Export (CIF)	953.07	532.38
Note 36: Expenditure in foreign Currency	1.50	6.95
Note 37 : The outstanding balance of Debtors/Creditors in the books of the company is subject to confirmation.		
Note 38 : Auditors Remuneration (Excluding Service Tax)		
i) Statutory Audit Fee	0.75	0.75
ii) Taxation matters	0.15	0.15
iii) Other Services	0.25	0.10
Total	1.25	1.00
Note 39 : Break up of Managerial Remuneration		
i) Salaries	34.71	27.84
ii) Contribution to Provident Fund	0.58	0.52
iii) Other Perquisites	-	-
iv) Commission	-	-
Total	35.29	28.36

(₹ in million)

Particulars	2013-2014	2012-2013
Note 40 : Break up of Directors Traveling Expenses:		
i) Foreign Traveling	0.16	2.90
ii) Inland Traveling	2.19	0.91
Note 41 : The Company could not identify whether any of its creditors is SSI undertaking and Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Particulars of amount as at March 31, 2014, if any, due to such undertaking could, therefore, not to be disclosed.		
Note 42 : Amounts except number of shares and earnings per share are rounded off to the nearest rupees.		
Note 43 : The figures of previous year have been regrouped/rearranged wherever considered necessary.		

As per our separate audit Report of even date attached

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Consolidated Financial Results

Independent Auditor’s Report

The Board of Directors
APL Apollo Tubes Limited 37, Hargobind Enclave, Vikas Marg, Delhi - 110092

1. We have audited the attached consolidated balance sheet of APL Apollo Tubes Limited (the ‘Company’) and its subsidiaries (together referred as ‘Group’) as at March 31, 2014, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated September 13, 2013 of the ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013 and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and presentation of the consolidated financial statements that give a true and fair view in order to design

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2014
- b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matters

6. The financial statements of two subsidiaries namely Shri Laksmi Metal Udyog Limited and Lloyds Line Pipes Limited have not been audited by us, whose financial statements reflect total assets of ₹ 3490.56 Million as at March 31, 2014 (Previous Year ₹ 2810.03 Million), total revenues of ₹ 7388.83 Million as at March 31, 2014 and (Previous Year ₹ 6583.65 Million) and net cash out flows amounting to ₹ 18.80 Million as at March 31, 2014 (Previous Year ₹ 20.41 Million) for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of such other auditors.

Our opinion is not qualified in respect of other matters.

For VAPS & Co.
Chartered Accountants,
Firm Regn. No. 003612N

(P. K. JAIN)
Partner
M.N. 082515

Date: May 30, 2014
Place: New Delhi

Consolidated Balance Sheet

as at March 31, 2014

(₹ in million)

Particulars	Note No.	31 st March 2014	31 st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	234.39	223.24
(b) Reserves and Surplus	3	4,017.75	3,413.92
(c) Money received against share warrants		-	40.42
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,371.83	842.47
(b) Deferred Tax Liabilities (Net)		521.19	400.08
(c) Other Long Term Liabilities	5	1.00	1.00
(d) Long Term Provisions	6	23.67	15.46
(4) Current Liabilities			
(a) Short-Term Borrowings	7	3,402.60	3,403.40
(b) Trade Payables	8	1,241.73	974.47
(c) Other Current Liabilities	9	411.39	338.16
(d) Short-Term Provisions	10	277.04	321.20
Total Equity & Liabilities		11,502.57	9,973.83
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		4,000.89	3,029.75
(ii) Intangible Assets		0.33	0.35
(iii) Capital work- in- Progress		245.01	141.31
(iv) Intangible Assets under development		33.83	9.87
		4,280.06	3,181.28
(b) Goodwill on Consolidation		199.00	199.00
(c) Non-current investments	12	175.65	12.05
(d) Deferred tax assets (net)			
(e) Long term loans and advances	13	449.49	634.27
(f) Other non-current assets	14	117.29	56.64
(2) Current Assets			
(a) Current investments			
(b) Inventories	15	2,884.89	2,881.82
(c) Trade receivables	16	2,494.26	2,193.65
(d) Cash and cash equivalents	17	100.82	141.77
(e) Short-term loans and advances	18	683.39	610.51
(f) Other current assets	19	117.74	62.84
Total Assets		11,502.57	9,973.83

Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Consolidated Statement of Profit & Loss

for the year ended on March 31, 2014

(₹ in million except EPS)

Particulars	Note No.	2013-2014	2012-2013
I Gross Revenue from operations	20	28,619.48	22,471.22
Less: Excise Duty & Cess		2,930.93	2,388.39
		25,688.55	20,082.83
II Other Income	21	20.41	17.11
III Total Revenue (I + II)		25,708.96	20,099.94
IV Expenses:			
Cost of materials consumed	22	22,299.83	17,241.16
Purchase of Stock-in-Trade		428.54	351.58
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(523.64)	(540.35)
Employee Benefit Expense	24	335.51	279.04
Financial Costs	25	609.30	429.49
Depreciation and Amortization Expense	26	164.32	125.08
Other Expenses	27	1,502.76	1,156.03
Total Expenses (IV)		24,816.63	19,042.02
V Profit before exceptional and extraordinary items and tax	(III - IV)	892.33	1,057.92
VI Prior Period Items		-	0.16
VII Profit before exceptional items and tax (V - VI)		892.33	1,057.76
VIII Exceptional Items		2.63	7.68
IX Profit before tax (VII - VIII)		889.70	1,050.08
X Tax expense:			
(1) Current tax		203.82	250.92
(2) Deferred tax		121.11	119.77
(3) Tax Expenses inrespect of earlier years		4.50	19.59
(5) Mat Credit Entitlement		(29.51)	(26.63)
XI Profit(Loss) from continuing operations	(IX-X)	589.79	686.43
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		589.79	686.43
XVI Earning per equity share:			
(1) Basic		25.63	31.48
(2) Diluted		25.63	29.95

Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Cash Flow Statement

for the year ended March 31, 2014

(₹in million)

Particulars	2013-2014	2012-2013
1. Cash Flow from Operating Activities		
Net Profit before tax and extra ordinary items	889.70	1,050.08
Add Adjustments for:		
Depreciation & Amortisation	164.32	125.08
Interest & Finance Charges	609.30	429.49
Deferred Expenditure	-	20.94
Loss on sale of Fixed Assets/Investments	2.63	7.68
Prior period items	-	0.16
Operating Profit Before Working Capital Changes	1,665.96	1,633.44
Adjustments for:		
Increase/Decrease in Sundry Debtors	(300.61)	(459.76)
Increase/Decrease in Other Receivables	(152.13)	(109.75)
Increase/Decrease in Inventories	(3.07)	(1,357.19)
Increase/Decrease in Trade & Other Payable	363.76	805.62
Cash Generated From Operations	1,573.92	512.36
Cash Flow before extra ordinary items		
Direct Taxes Paid	(246.83)	(256.65)
Extra ordinary items	-	0.00
Net Cash from Operating Activities (A)	1,327.09	255.71
2. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(1,277.92)	(848.88)
Investment in Subsidiaries (Net off)	-	-
Misc Expenditure	(46.85)	(33.10)
Sale of Fixed Assets	14.70	21.72
Advances for Fixed Assets	194.85	(169.71)
Misc Investment	(163.61)	(19.22)
Net Cash from Investing Activities (B)	(1,278.82)	(1,049.19)
3. Cash Flow from Financing Activities:		
Proceeds of Shares Issued during the Year	121.26	126.61
Receipt / Repayment of Secured loans	529.97	1,284.87
Receipt / Repayment of Unsecured loans	(1.42)	(47.92)
Dividend & DDT Paid	(129.73)	(49.50)
Interest & Finance Charges	(609.30)	(429.49)
Net Cash from Financing Activities (C)	(89.22)	884.57
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(40.95)	91.09
ADD: Cash & Cash Equivalents at the Beginning of the Year	141.77	50.68
Cash & Cash Equivalents at the End of the Year	100.82	141.77

Notes :

1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Note-17
2. The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard (AS-3), "Cash Flow Statement".
3. Figures in brackets indicate cash outflow.

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Notes to Consolidated Financial Section

as at & for the year ended March 31, 2014

Note 1 : Significant Accounting Policies

1. General Principles of Consolidation

The financial statements of the Parent Company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, income and expenses after eliminating all inter-company balances/transactions and resulting unrealized gain/loss.

Consolidated Financial Statements are prepared by applying accounting policies as followed by the Company and its subsidiaries; to the extent it is practicable. Significant differences in the accounting policies, if any, are appropriately disclosed by way of Notes to the Consolidated Financial Statements.

All inter-company transactions; balance and unrealized surpluses and deficits on transactions between group companies are eliminated.

Name of the Company	Relationship	% of ownership /Interest
Apollo Metalex Pvt. Ltd.	Subsidiary	100%
Shri Lakshmi Metal Udyog Ltd.	Subsidiary	100%
Lloyds Line Pipes Ltd.	Subsidiary	100%

Note: The consolidated financial results for the financial year ended March 31, 2014 comprise the financial results of APL Apollo Tubes Ltd and its 100% subsidiaries Shri Lakshmi Metal Udyog Ltd, Apollo Metalex (P) Ltd and Lloyds Line Pipes Ltd and have been prepared in accordance with the AS-21 issued by the ICAI.

2. Basis of Preparation of Financial Statement

- a. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with the Accounting Standard notified under section 211(3c) of the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs)
- b. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- c. Goodwill represents the difference between the group's share in the net worth of a subsidiary and the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortized. For this purpose the group's share of net worth is determined on the basis of the latest financial statement prior to the acquisition after making necessary adjustments for material events between the date of such audited financial statement and the date of respective acquisition. Negative goodwill is recognized as capital reserve on consolidation. However for the purposes of consolidation, capital reserve arising on consolidation of subsidiaries is set off against the goodwill arising on consolidation.
- d. All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

3. Fixed Assets

Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and pre-operative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work-in-progress at cost till the same are ready for use.

Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalized.

Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalized as part of the cost of machinery.

4. Impairment of Assets

The Company recognizes all the losses as per Accounting Standard-28, due to the impairment of assets in the year of review of the physical conditions of the Assets and is measured by the amount by which, the carrying amount of the Assets exceeds the Fair Value of the Asset.

5. Depreciation

Depreciation on fixed assets is provided on straight line basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during the period is proportionately charged.

6. Inventories Valuation

Raw material is valued at cost (First in First Out basis) or nets realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/ First in First Out basis).

7. Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within statement of profit and loss. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the statement of profit and loss of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in statement of profit and loss over the life of the contract.

8. Duties & Credits

- Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.
- Cenvat Credit, to the extent available during the year, is adjusted towards cost of materials.
- Duty credit on export sales has been taken on accrued basis whether license has been issued after closing of the financial year.

- Sales are inclusive of excise duty and after deducting the discount and also sales tax applicable and Purchase made against Bank Guarantee, Letter of Credit are classified in sundry creditor for raw materials.

10. Retirement Benefits

The Company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method.

Retirement benefits in the form of Provident Fund are charged to the Statement of Profit & Loss of the period when the contributions to the respective funds are due.

11. Borrowing Cost

Borrowing cost is charged to the Statement of Profit & Loss, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets.

12. Taxes on Income

Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

13. Misc. Expenditure

Misc. expenditure represents ancillary cost incurred in connection with the incorporation and share issue expenses and Brand Image. It has been decided to write off these expenses over the period of five years.

14. Revenue Recognition

Sale of goods is recognized when the risk and reward of ownership are passed on to the customers. Revenue from services is recognized when the services are complete.

15. Investments

Long term investments, other than investment in Associates and Subsidiaries, are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Income/ Loss from investments are recognized in the year in which it is generated.

16. Provision and Contingencies

The Company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

17. Cash Flow Statement

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 operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

18. Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(₹ in million)

Particulars	31 st March 2014	31 st March 2013
Note 2 : Share Capital		
1 AUTHORIZED CAPITAL		
25,000,000 Equity Shares of ₹ 10/- each	250.00	250.00
(Previous year 25,000,000 Equity Shares of ₹ 10/- each)	250.00	250.00
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL		
23,438,636 Equity Shares of ₹ 10/- each	234.39	223.24
(Previous Year 22,323,636 Equity Shares of ₹ 10/- each)	234.39	223.24
Total	234.39	223.24
Note 3 : Reserve & Surplus		
1 Security Premium	1,643.66	1,493.13
Balance brought forward from previous year	1,493.13	1,334.59
Add: Additions	150.53	158.54
Less: Transfers	-	-
2 General Reserve	205.15	155.15
Balance brought forward from previous year	155.15	105.15
Add: Additions	50.00	50.00

(₹ in million)		
Particulars	31 st March 2014	31 st March 2013
3 Surplus (Statement of Profit & Loss)	2,168.94	1,765.64
Balance brought forward from previous year	1,765.36	1,258.93
Less: Dividend Proposed	117.19	111.62
Less: Dividend Distribution Tax on Dividend	19.01	18.11
Less: Transfer to Reserves	50.00	50.00
Add: Profit for the period	589.79	686.43
Total	4,017.75	3,413.92

Note 4 : Long Term Borrowings

Secured Loans

1 Term Loan		
- From Bank	1,361.39	830.62
- From Other Parties	-	0.35
2 Deferred payment liabilities	10.43	10.43
3 Other loan and advances	-	1.06
- From Body Corporate		
Total	1,371.83	842.47

Note 5 : Other Long Term Liabilities

1 Others:		
- Security Deposits*	1.00	1.00
Total	1.00	1.00

*This amount represents security received from certain dealer/distributors

Note 6 : Long Term Provisions

1 Provisions for Employee Benefits	23.67	15.46
Total	23.67	15.46

Note 7 : Short Term Borrowings

Secured Loans

1 Loan Repayable on Demand		
- From Bank	3,402.60	3,403.40
Total	3,402.60	3,403.40

Note 8 : Trade Payable

1 Sundry Creditors for Raw Material	986.17	747.15
2 Sundry Creditors for Trading Goods	1.12	-
3 Sundry Creditors for Others	184.99	158.80
4 Expenses Payable	69.46	68.52
Total	1,241.73	974.47

Note 9 : Other Current Liabilities

1 Current Maturities of Long Term Borrowing	273.60	202.86
2 Interest accrued but not due on Borrowing	21.92	36.61
3 Investor Education & Protection Fund	1.37	0.96
4 Statutory Dues	83.81	68.68
5 Advance From Customers	30.70	29.05
Total	411.39	338.16

(₹ in million)		
Particulars	31 st March 2014	31 st March 2013
Note 10 : Short Term Provisions		
1 Provision for Excise Duty on Finished Goods	110.00	91.83
2 Provision for Taxation (Net)	43.15	107.95
3 Provision for Employee Benefits	6.70	9.80
4 Dividend Proposed	117.19	111.62
Total	277.04	321.20

Provision for taxation includes dividend distribution tax

Note 11 : Fixed Asset as on March 31, 2014

Description	Rate	Gross Block			Depreciation			Net Block			
		At the beginning of the year	Addition during the period	Sales/ transfer the during period	At the end of the year	At the beginning of the year	For the period	Adjusted during the period	At the end of the year	At the end of current year	At the end of previous year
TANGIBLE ASSETS											
Land			99.71		99.71					99.71	
Industrial Plot	-	126.47	50.94	-	177.40	-	-	-	-	177.40	126.47
Factory Shed & Building	3.34%	457.89	118.80	-	576.69	36.67	11.45	-	48.11	528.58	421.22
Building	3.34%	239.94	111.79	-	351.73	22.00	14.14	-	36.13	315.60	217.94
Staff residential building	1.63%	14.51	0.22	-	14.73	1.03	0.24	-	1.27	13.46	13.48
Plant and Equipment	4.75%	2,468.34	749.59	18.71	3,199.22	301.11	128.76	5.10	424.77	2,774.45	2,167.23
Furnitures & Fixtures	6.33%	32.60	1.23	-	33.83	1.65	2.11	-	3.76	30.07	30.95
Vehicles	9.50%	42.07	12.71	1.45	53.32	15.54	4.68	0.24	19.98	33.34	26.53
Office Equipment	4.75%	20.77	3.05	-	23.82	2.09	1.06	-	3.15	20.67	18.68
Computer	16.21%	10.48	2.16	-	12.64	5.36	1.81	-	7.17	5.46	5.12
Zinc (46.142 M.T.)	-	2.13	-	-	2.13	-	-	-	-	2.13	2.13
SUB TOTAL (A)		3,415.20	1,150.20	20.16	4,545.24	385.45	164.24	5.34	544.35	4,000.89	3,029.75
INTANGIBLE ASSETS											
Trade Marks	16.21%	0.02	-	-	0.02	0.02	0.00	-	0.02	0.00	0.00
Computer Software	16.21%	0.48	0.07	-	0.54	0.13	0.08	-	0.22	0.33	0.35
SUB TOTAL (B)		0.49	0.07	-	0.55	0.15	0.09	-	0.24	0.33	0.35
CAPITAL WORK-IN-PROGRESS											
SUB TOTAL (C)		141.31	855.01	751.31	245.01	-	-	-	-	245.01	141.31
INTANGIBLE ASSETS UNDER DEVELOPMENT											
	-	-	-	-	-	-	-	-	-	-	
SUB TOTAL (D)		9.87	23.96	-	33.83	-	-	-	-	33.83	9.87
TOTAL [A+B+C+D] (Current Year)		3,566.87	2,029.24	771.48	4,824.63	385.60	164.32	5.34	544.58	4,280.06	3,181.28
(Previous Year)		2,753.41	1,800.15	986.70	3,566.86	266.48	124.02	4.90	385.60	3,181.27	2,486.92

(₹ in million)		
Particulars	31 st March 2014	31 st March 2013
Note 12 : Non-Current Investment		
1 Quoted		
(i) Investment in Equity Shares NIL (P. Y. 335,000 Equity Shares of Kishan Mouldling Ltd)	-	11.55
(ii) Investment in Mutual Funds (i) Union KBC Tax Saver	0.50	0.50
2 Investment in Immovable Property	175.15	
Total	175.65	12.05
Aggregate book value of unquoted Investments	175.15	-
Aggregate book value of quoted Investments	0.50	12.05
Market Value of quoted Investments	0.50	10.45
Aggregate provision for diminution in value of Investments	-	-
Note 13 : Long Term Loans and Advances		
I) Capital Advances Unsecured, Considered Good	253.88	448.73
II) Security Deposit Unsecured, Considered Good	193.46	182.36
III) Loans & Advances to related parties	-	0.48
IV) Other Loans & Advances	2.15	2.70
Total	449.49	634.27
Note 14 : Other Non-Current Assets		
1 Brand Image Expenses	116.87	56.12
2 Preliminary Expenses	0.42	0.52
Total	117.29	56.64
Note 15 : Inventories		
1 Raw Material	920.65	1,449.82
2 Finished Goods	1,821.53	1,295.66
3 Stores & Spares	92.80	89.86
4 Rejection & Scrap	49.91	46.47
Total	2,884.89	2,881.82
Note 16 : Trade Receivables		
1 Outstanding for more than six months from the date they were due for payment a) Unsecured, Considered Good :	1.94	18.38
2 Others from the date they were due for payment a) Unsecured, Considered Good :	2,492.33	2,175.27
Total	2,494.26	2,193.65

(₹ in million)		
Particulars	31 st March 2014	31 st March 2013
Note 17 : Cash & Cash Equivalent		
A Cash and Cash Equivalents Cash Balance Bank Balance	5.39 13.82 19.21	10.85 12.61 23.45
Sub Total (A)	19.21	23.45
B Other Bank Balances In margin money with maturity less than 12 months at inception Accrued Interest on FDR's & Securities	80.16 1.45	116.00 2.31
Sub Total (B)	81.61	118.31
Total (A+B)	100.82	141.77
Note 18 : Short Terms Loans and Advances		
1 Advance Recoverable in cash or in kind or for value to be considered good Advance to Suppliers Advance to Others Prepaid Expenses Advance Payment with Revenue Authorities (Indirect Taxes) MAT Credit Entitlement Advance payment of Income tax	79.66 5.15 2.25 508.63 84.48 3.22	124.77 3.97 2.34 424.34 55.09 -
Total	683.39	610.51
Note 19 : Other Current Assets		
1 Brand Image Expenses 2 Claim Receivable 2 Preliminary and deferred expenses	48.95 68.69 0.10	21.19 - 41.65
Total	117.74	62.84
Note 20 : Revenue from Operations		
1 Sales Domestic 2 Sales Export 3 Job Work 4 Other Operating Income 5 Export Incentive 6 Gross Revenue	26,605.17 1,894.21 6.43 12.05 101.62 28,619.48	21,138.09 1,267.04 0.01 - 66.09 22,471.22
Total	28,619.48	22,471.22
Note 21 : Other Income		
1 Interest Income 2 Other Non-Operating Revenue	6.21 14.20	5.06 12.05
Total	20.41	17.11
Note 22 : Cost of Material Consumed		
1 Raw Material Opening Stock Add: Purchases Less: Closing Stock	22,102.63 1,449.82 21,573.45 920.65	17,076.51 672.10 17,854.23 1,449.82
2 Stores & Spares	197.20	164.65
Total	22,299.85	17,241.16

(₹ in million)		
Particulars	2013-2014	2012-2013
Note 23 : Change in Inventories		
1 Opening Stock (Net of Excise Duty)		
Finished Goods	1,231.04	686.61
Scrap	34.38	23.33
Total-1	1,265.42	709.95
2 Closing Stock (Net of Excise Duty)		
Finished Goods	1,754.17	1,215.92
Scrap	34.89	34.38
Total-2	1,789.06	1,250.30
Total (2-1)	(523.64)	(540.35)
Note 24 : Employment Benefit Expenses		
1 Salaries & Wages	300.06	251.56
2 Contribution to Provident and other Funds	18.54	15.92
3 Staff Welfare Expenses	13.57	11.55
4 Gratuity & leave encashment expenses	3.33	
Total	335.51	279.04
Note 25 : Financial Cost		
1 Interest on Working Capital Facilities	531.89	366.14
2 Interest on Term Loan	46.93	38.07
3 Other Borrowing Cost	30.49	25.29
Total	609.30	429.49
Note 26 : Depreciation & Amortised Cost		
1 Depreciation	164.32	125.08
Total	164.32	125.08
Note 27 : Other Expenses		
1 Furnace Oil	133.27	106.38
2 Power & Fuel	277.32	228.97
3 Rent	37.22	30.91
4 Repair & Maintenance :-		
-Building	0.32	0.38
-Plant & Machinery	10.67	7.97
-Others	8.66	6.77
5 Insurance Expenses	1.56	1.12
6 Rates & Taxes	8.45	6.63
7 Job Work Charges	0.21	1.41
8 Freight Expenses		
Inward	107.44	86.21
Outward	719.00	523.31
9 Legal & Professional Charges	9.14	7.39
10 Commission on Sales	59.04	55.63
11 Others	130.47	92.96
Total	1,502.76	1,156.03

(₹ in million except EPS and No. of Shares)		
Particulars	2013-2014	2012-2013
Note 28 : Contingent Liability not provided for in respect of		
1. Performance guarantees given to various departments	12.03	34.66
2. Corporate Guarantee(s) have been given for securing working capital facilities and term loan sanctioned to its wholly owned Subsidiary Companies.		
3. Sales Invoice/Bills Discounted (Domestic/Foreign)	82.18	23.21
Note 29 : Earning Per Share (AS-20)		
BASIC		
a. Net profit after tax	589.79	686.43
b. Number of Weighted Average Equity Share of (₹) 10 each	23,014,020	21,805,668
c. Basic Earnings per share	25.63	31.48
d. Nominal Value per Share	10.00	10.00
DILUTED		
a. Net profit after tax	589.79	686.43
b. Number of Weighted Average Equity Share of (₹) 10 each	23,014,020	22,920,668
c. Diluted Earnings per share	25.63	29.95
Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	23,014,020	21,805,668
2. Average fair value of one equity share during the year	10.00	10.00
3. Weighted average number of share Warrant outstanding during the year	-	1,115,000
4. Warrants were issued each entitling the holders to subscribe for one equity share having nominal value ₹ 10 for every warrant issued.	10.00	10.00
5. Total Diluted Equity Shares (1+3)	23,014,020	22,920,668

Note 30 : Segment Reporting

The Group has only one segment i.e. manufacturing of Steel tubes and pipes, therefore segment reporting as required under Accounting Standard - 17 is considered as not applicable.

Note 31 : Brand Building Expense

During the Year the Group incurred an expenditure of ₹139.37 million (Previous Year ₹69.74 million) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortized in 5 years equally.

Note 32 : Related Party Disclosures (AS-18)**(A) Names of related parties and description of relationships:****Associates**

Apollo Pipes Ltd.

V. S. Exim (P) Ltd.

APL Infrastructure (P) Ltd.

Key Management Personnel

Sh. Sanjay Gupta - Chairman

Sh. Ashok Gupta - Managing Director

Sh. Vinay Gupta - Director

Relatives of Key Management Personnel

Mrs. Saroj Rani Gupta - Mother of Sh. Sanjay Gupta

Mrs. Neera Gupta - Wife of Sh. Sanjay Gupta

Mrs. Vandana Gupta - Wife of Sh. Vinay Gupta

Mrs. Meenakshi Gupta - Wife of Sh. Sameer Gupta

(B) Detail of Related Party Transactions

As required by Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountant of India, since CFS presents information about the Parent and its subsidiary as a single enterprise, it is not necessary to disclose intra-group transactions.

(₹ in million)				
Particulars	Associates	Key Management Personnel	Relatives Key Management of Personnel	Total
Transfer of DEPB	20.84	-	-	20.84
Director's Remuneration	-	42.57	-	42.57
Rent and Handling Charges	12.14	-	12.90	25.04

(C) Amount due to / from related parties as at 31 March, 2014

(₹ in million)				
Particulars	Associates	Key Management Personnel	Relatives Key Management of Personnel	Total
Amount due to related parties	-	-	-	-
Amount due from related parties	-	-	-	-

(₹ in million)		
Particulars	2013-2014	2012-2013
Note 33 : Value of Imports	79.28	Nil
Note 34 : Value of Export	1,894.21	1,267.04
Note 35 : Expenditure in foreign currency	9.01	13.07
Note 36 : The outstanding balance of Debtors/Creditors in the books of the Company is subject to confirmation.		
Note 37 : Duty credit on Export Sales has been taken on accrued basis whether license has been issued by JDGFT after closing of the financial year.		
Note 38 : Auditors Remuneration (excluding Service Tax)		
i) Statutory Audit Fee	1.12	1.10
ii) Taxation matters	0.23	0.25
iii) Other Services	0.39	0.10
Total	1.74	1.45
Note 39 : Break up of Managerial Remuneration:		
i) Salaries	37.71	34.00
ii) Contribution to Provident Fund	0.58	0.52
iii) Other Perquisites	-	-
iv) Commission	4.28	-
Total	42.57	34.52

(₹ in million)

Particulars	2013-2014	2012-2013
Note 40 : Break up of Directors Traveling Expenses:		
i) Foreign Traveling	0.33	3.78
ii) Inland Traveling	2.26	0.93
Total	2.59	4.71

Note 41 : The Company could not identify whether any of its

creditors is SSI undertaking and Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Particulars of amount as at 31st March 2014, if any, due to such undertaking could, therefore, not to be disclosed.

Note 42 : The figures of previous year have been regrouped/rearranged/recasted to conform to those of the current year.

As per our separate audit
Report of even date attached

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

(₹ in million)

S. No.	Name of the Subsidiary Company	Apollo Metalex Private Limited CIN:U27104DL2006PTC146579	Shri Lakshmi Metal Udyog Limited CIN:U85110DL1994PLC224835	Lloyds Line Pipes Limited CIN:U27320DL2008PLC223550
1	Financial year of subsidiary company ended on	March 31, 2014	March 31, 2014	March 31, 2014
2	Date from which they became subsidiary company	June 15, 2007	April 28, 2008	November 11, 2010
3	Number of Equity Shares held by APL Apollo Tubes Limited	27111000 Equity Shares of ₹ 10/- each	5895000 Equity Shares of ₹ 10/- each	20000000 Equity of ₹ 10/- each
4	Extent of interest of APL Apollo Tubes Limited in the capital of the subsidiary	100%	100%	100%
5	Net aggregate amount of Profit/(losses) of the subsidiary so far as it concerns the members of APL Apollo Tubes Limited and is not dealt with in the accounts of the company	389.40	405.63	223.67
6	Net aggregate amount of Profit/(losses) of the subsidiary so far as it concerns the members of APL Apollo Tubes Limited and is dealt with in the accounts of the company	Nil	Nil	Nil

Financial Information of Subsidiary Companies

(₹ in million)

S. No.	Name of the Subsidiary Company	Apollo Metalex Private Limited CIN:U27104DL2006PTC146579	Shri Lakshmi Metal Udyog Limited CIN:U85110DL1994PLC224835	Lloyds Line Pipes Limited CIN:U27320DL2008PLC223550
1	Share Capital	27.11	58.95	200.00
2	Reserves	439.40	493.14	223.67
3	Total Liabilities	977.91	1,315.14	2,175.42
4	Total Assets	977.91	1,315.14	2,175.42
5	Investment included in Total Assets (Except for investment in subsidiaries)	77.79	-	-
6	Gross Sales	3,080.13	3,585.83	4,708.59
7	Profit Before Taxes	113.20	205.13	178.49
8	Provision for Taxation	39.94	70.05	58.90
9	Profit After Taxes	73.27	135.08	119.59
10	Proposed Dividend	-	106.11	-

As per our separate audit Report of even date attached

for **VAPS & CO.**
Chartered Accountants
Firm Regn. No. 003612N

(P. K. Jain)
Partner
M. No. : 082515

Place : Delhi
Dated : May 30, 2014

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Pankaj K. Gupta
CFO

Vinay Gupta
Director

Corporate Information

Chairman: Mr. Sanjay Gupta
(DIN:00233788)

Managing Director: Mr. Ashok K. Gupta
(DIN:01722395)

Directors
Mr. Abhilash Lal*
(DIN :03203177)
appointed w.e.f. February 12, 2014

Mr. Anil Kumar Bansal**
(DIN:06752578)
appointed w.e.f. August 4, 2014

Mr. Aniq Husain
(DIN: 01435138)

Mr. C S Johri
(DIN:00005312)
resigned w.e.f. August 4, 2014

Mr. Sameer Gupta
(DIN:00005209)

Mr. S T Gerela
(DIN: 01565534)

Mr. Vinay Gupta
(DIN:00005149)

Chief Financial Officer
Mr. Pankaj K Gupta

Company secretary
Mr. Adhish Swaroop

Registered office
37, Hargobind Enclave, Vikas Marg, Delhi – 110 092

Corporate office
36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad,
Delhi-NCR – 201010

Registrar & share Transfer Agent
Abhipra Capital Limited
A387, Dilkush Industrial Area, G.T. Karnal Road
Azadpur, Delhi – 110 033

Auditors
VAPS & CO.
C-42, South Extension Part-II, New Delhi – 110 049

Bankers
Axis Bank Limited
DBS Bank Limited
HDFC Bank Limited
ING Vysya Bank Limited
State Bank of India
Union Bank of India
Yes Bank Limited

Works
Unit-I
A-19, Industrial Area, Sikandrabad,
Distt. Bulandshahar, (U.P.)

Unit-II
No.332-338, Alur Village
Perandapalli, Hosur (Tamil Nadu)

Unit-III
A-25, Industrial Area, Sikandrabad,
Distt. Bulandshahar, (U.P.)

Wholly-owned subsidiaries
Apollo Metalex Private Limited
A-2, Industrial Area, Sikandrabad,
Distt.Bulandshahar, (U.P.)
CIN:U27104DL2006PTC146579

Shri Lakshmi Metal Udyog Limited
No. 9 to 11, KIADB Industrial Area
Attibele, Bengaluru – 562107
CIN:U85110DL1994PLC224835

Lloyds Line Pipes Limited
Plot no. M-1, Additional MIDC Area
Murbad, Thane, Maharashtra – 421401
CIN:U27320DL2008PLC223550

Warehouses-cum-branches
Ananthapur : 21/1B, Uma estates, Besides Nalanda
Educational Institutes, Gooty Road, Ananthapur
(Andhra Pradesh)

Ahemdabad : Survey No. 208 - Block-252, Swadeshi
Ind. Compound, Sharkhej-Sanand Road, Sarkhej,
Ahemdabad (Gujarat)

Aurangabad : Vill-Tisgaon, Distt. Aurangabad - 431 102

Bengaluru : 77-Re Sy No.77/1, Sy No.76,
Hommadevanahalli, Village, B.G.Road,
Bangluru South (Karnataka)

Cochin : B O :33/2361-B1(A) Chalikavattom Near Idbi
Bank, Vyttila Bye-Pass Ernakulam, Kochi (Kerala)

Dehradun : Mohobewala, Subhash Nagar, B/h B. M.
Hyundai Showroom, Dehradun (Uttarakhand)

Faridabad : 12-13, Sahpur Road, Ballabhgarh (Haryana)

Ghaziabad : 103, Prakash Industrial Estate,
Ghaziabad (Uttar Pradesh)

Ghaziabad : Plot No.A-1/8, Loha Mandi, Ghaziabad

Goa : Mushir Wada, Colvale, Bardez Goa (N), Goa

Himachal Pradesh : Trilokpur Road, Kala Amb,
Sirmour (HP)

Hissar : Plot No. - 1, Ganesh Vihar, Near L-1 wine
godown, Delhi Road, Hissar (Haryana)

Hyderabad : 154, Doolapally, Qutubullapur, Mandal,
Rangareddy, Hyderabad (Andhra Pradesh)

Indore : 13-A, Udyog Nagar, Behind old lakhani factory,
Nemawar road, Palda, Indore (Madhya Pradesh)

Jaipur : Sikar Road, Rajawas, Near Bus Stand, Jaipur
(Rajasthan)

Jodhpur : Plot No.20, Ganpati Vihar, Salawas Road,
Tanwara, Jodhpur (Rajasthan)

Kanpur : 128/69, 'D' Block, Kidwai Nagar, Kanpur
(Uttar Pradesh)

Ludhiana : 41, Vill: Khakat, G. T. Road Sahnewal,
Ludhiana (Punjab)

Mumbai : KWC-1694 To 1698 Road No.21 & 22,
Steel Market, Kalamboli, Navi Mumbai, (Maharashtra)

Nagpur : 895, Plot No.15 & 24 Near Avatar Dhaba,
Amravati Road, Wardhman, Nagpur (Maharashtra)

Navapura : Block No: 240, MoujeNavapura,
TalukaSanand (Ahmedabad)

New Delhi : Shop No. 2, Plot No. 211, Khasra No. 584,
Karkardooma Village, New Delhi – 110092

Pune : Handewadi Road, Vill. Devachi & Uruli,
Pune (Maharashtra)

Raipur : Ring Road No.2, Hirapur Sandogri Loha bazar,
Plot No.C-19, Raipur (Chhattisgarh)

Rudrapur : 194, Vill. Bhurarani, Rudrapur - 263153 (UK)

Solan : Shreya Bhawan, Near Bus Stand, Bye Pass,
Village / City - Solan, Tehsil : SOLAN (HP)

Surat : Plot No. A-16, SVP Road, No. - 3, Opp. Dharti
Namkin, Udhna, Udyog Nagar, Surat - 394210, Gujarat.

Disclaimer:

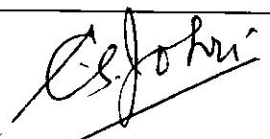
In this annual report we have disclosed forward-looking information to enable investor to comprehend our prospects and take informed investment decisions. This report & other statements - written and oral - that we periodically make content forward-looking statements that set out anticipated results based on the management's plans and assumptions. we need 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-lookinhg statements, whether as a result of new information, failure events or otherwise.

Form A

Format of covering letter of the annual audit report to be filed with the stock exchanges

Sl No.	Particulars		
1.	Name of the Company	APL Apollo Tubes Limited	
2.	Annual Financial Statement for the Financial Year	March 31, 2014	
3.	Type of Audit	Un-Quantified	
4.	Frequency of Observation	None	
5.	Signed by :	Name	
	Managing Director	Mr. Ashok K Gupta	
	Chief Financial Officer	Mr. Pankaj K Gupta	
	Auditors of the Company	Mr. Praveen K Jain	
	Audit Committee Chairman	Mr. C S Johri	

Date : May 30, 2014

Place : Delhi