



Leading

IN A DYNAMIC LANDSCAPE



APL Apollo Tubes Limited • Annual Report 2014-15



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Our Mission

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

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

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

To create sustainable value for all stakeholders.



Leading

IN A DYNAMIC LANDSCAPE

Change is the only constant and the direction of change, remains a challenge, always. A decisive yet responsive leadership navigates through the challenges and emerges victorious.

The year gone by has seen a multitude of challenges and ample opportunities. We have responded to the challenges with resolve, innovative solutions & customer focus, and cashed in on the opportunities that came before us.

We continue to lead by focusing on our values, make steady progress on the strategic choices made by us, innovate constantly, invest in brand building efforts, bring efficiency in operations, delight our partners, establish a winning culture, reward shareholders and deliver outstanding results.

Values

Leading BY VALUES



Customer Focus

Innovate

Integrity & Reliability

Transparency & Accountability

Bringing the best out of People





Our commitment to work with our values has made us reach where we are today. Our thoughts and actions are guided by these values.

We have achieved the No. 1 position by

investing in our people, our most valuable asset.

We are passionate about understanding customer needs and meeting them with innovative products. We believe in creating a culture that encourages people to perform without fear or favor.



Strategic Choices

Leading BY MAKING STRATEGIC CHOICES



Scale up Capacity

Adopt cutting edge Technology

Create enviable Product Portfolio

Be Cost Competitive

Pursue sustainable Growth and Return

Focus on Quality





The strategic choices that we have made over the years have made us a market leader. We continue to implement them with renewed vigor, year after year.

We keep identifying new and existing growth areas and invest on an ongoing basis. Last year, we further added capacity and with six manufacturing plants, we have achieved a capacity of 1 million tonnes.

Our quality of raw materials and testing capabilities, ensures the roll out of high quality pipes from our manufacturing locations.

Furthermore, we added new products to our portfolio, which now boasts of over 400 products!

We have brought colour coating technology to India for the first time.



Brand Building

Leading BY BRAND BUILDING



Brand Awareness

Brand Preference

Brand Image

Brand Experience



We understand the importance of brand building, even in a commoditized space like ours. The company has taken several initiatives to broaden and strengthen the APL Apollo brand.

Several interactive marketing programs have been initiated with our customers.

Last year, we engaged with over 15000 fabricators all over the country, through 100 fabricator meets. Direct engagement with the rural consumers, through van activation programs was started. Over 5000 signages were installed at dealer, retailer and fabricator outlets. A new look website was also launched.



The advertisement features a vibrant scene of a family (a man, a woman, and two children) using a drip irrigation system in a lush green field. The man is operating the system, which is spraying water. The woman and children are sitting nearby, watching. In the background, there are trees and a clear sky. The text in Hindi reads: 'ट्रैपेजॉइडल थ्रेडिंग मजबूत जोड़' (Trapezoidal Threading Strong Join). The APL Apollo logo is visible in the top left corner. In the top right corner, there is a circular inset showing a close-up of the threaded pipe. At the bottom right, there is a stack of pipes with different colored caps (blue, yellow, red).

Innovation

Leading BY INNOVATION



Door Frames

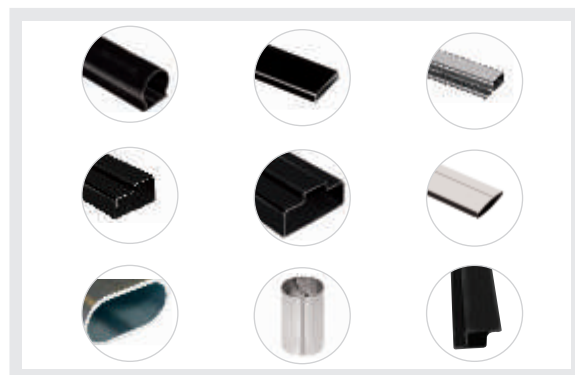
Window Frames

Handrail

Elliptical Tubes

Narrow Sections

Colour Coated Pipes





At APL Apollo, innovation is embedded into the company's culture, to encourage new ideas and improve processes from production to supply chain to marketing to finance. Today, this very innovation, has given us a unique competitive advantage.

We combine our deep industry knowledge and commitment to innovate, to identify and meet the new requirements of consumers. We believe that developing new and innovative products is

a key driver to profitable growth.

We are creating new value propositions with the help of latest technologies and our consumer centric approach.

Our new products are now giving a boost to the low cost housing market.

The colour coated pipes, launched for the first time in India, will redefine the pipe industry.



Efficiency

Leading BY EFFICIENCY



Production Efficiency

Cost Efficiency

Quality

Marketing ROI





We have been working painstakingly, to bring efficiency into our operations. Efficiency programs have been applied in all aspects of our business. The company has made significant progress to increase organization capabilities and speed, while reducing costs.

We have been making efforts to standardize

and systemize ways to assure quality output. Our cost reduction programs have enabled us to reduce our cost base and become more efficient. No wonder that today, we are recognized globally as one of the lowest cost producers!

We plan to use latest technologies, to bring further efficiency and quality into our operations.



Collaboration

Leading BY COLLABORATION



Client base stretching across segments

Infrastructure: Metro – Delhi, Mumbai, Bengaluru, Hyderabad, Kolkata, Kochi & Jaipur, L&T, Gammon, Afcons, B L Kashyap, CPWD, Indian Railways, GMR, Engineers India, MHADA

Power & Gas: BHEL, HP, IGL, Gujarat Gas, BP, Suzlon, MRPL, NTPC, Cairn Energy

Corporates: Adani, Reliance, Ashok Leyland, Tata, DLF, SAIL

Water: Netafim, Jain Irrigation, UP Jal Board

Marquee client base stretching across industrial and retail segments.

We understand the power of collaborative effort that has resulted in the long term relationship of trust with our business partners, suppliers, channel partners and customers.

We value our business partners and see their success as an integral part of our success. We work very closely with our suppliers, and have established longstanding relationships.

Our network of channel partners today, has enabled our direct presence in over 200 cities and towns, countrywide. The wide geographical reach offers us an advantage over competitors, by reducing logistics cost and lead time. The proximity to the raw material source and client base, ensures quicker delivery and prompt service.

Our business does not simply entail delivering products required by our customers. In fact, we help customers solve problems by understanding their needs deeply.



Win

Leading To WIN



Milestones Achieved

Achieved Production Capacity of 1 million tonnes

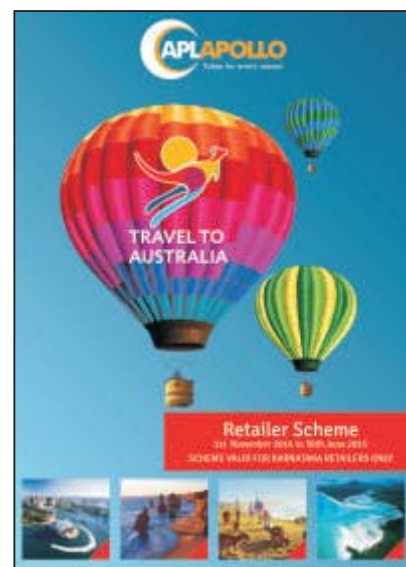
Six plants with pan India manufacturing capability

Production volume crossed 7 lac tonnes

Increased product portfolio basket to over 400 products

Launched 'Colour coated pipes for the first time in India'

Successfully implemented SAP across the company and its subsidiaries





Winning to be No. 1, is the theme that we have always rallied the organization on. And we have achieved numero uno position in the category. The performance is a testament of the hard work and successful efforts of the entire APL Apollo team.

Today, we are not only the leading ERW pipe manufacturer in India, but also globally

recognized as one of the lowest cost producers.

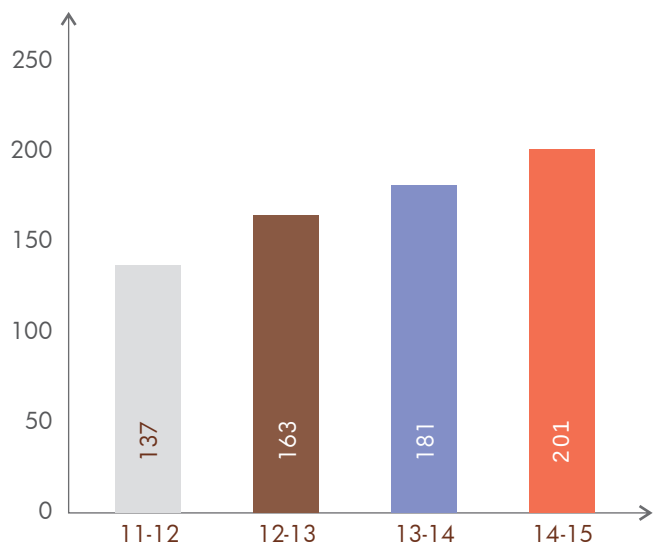
Shri Lakshmi Metal Udyog Ltd, a 100% subsidiary company, won two prestigious Business Today- Yes Bank awards, last year. It won the Best Emerging Company and Excellence in Performance & Business scalability award.

With our focus on the right areas, we believe we will continue to achieve bigger wins!

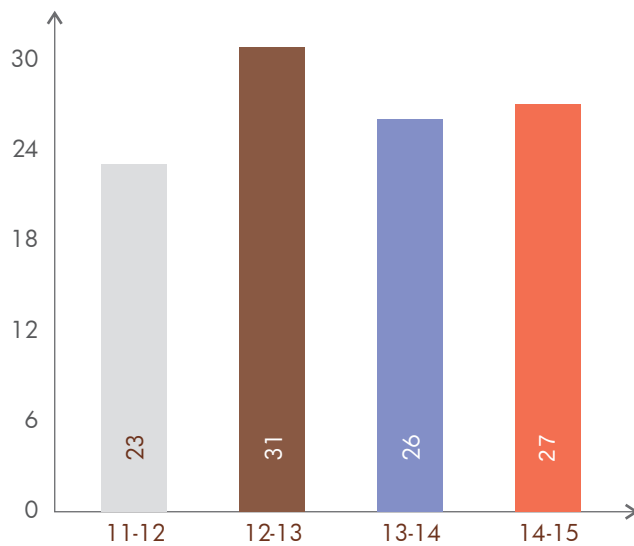


Rewarding Shareholders

Leading BY REWARDING SHAREHOLDERS



Book Value Per Share

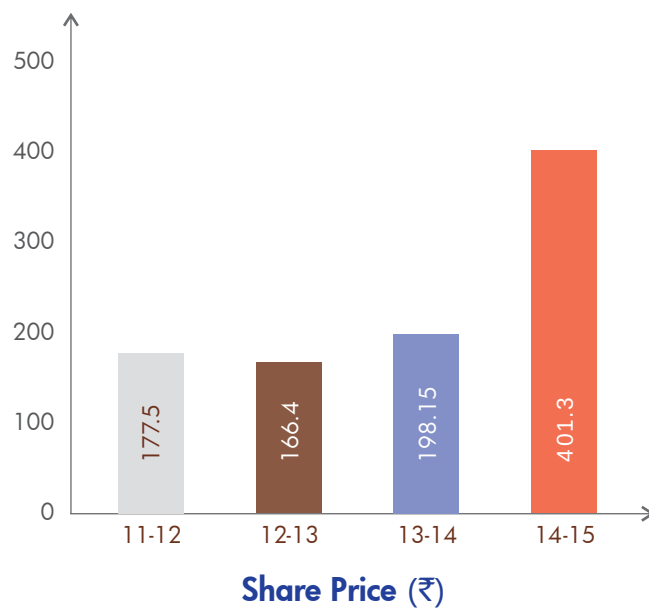
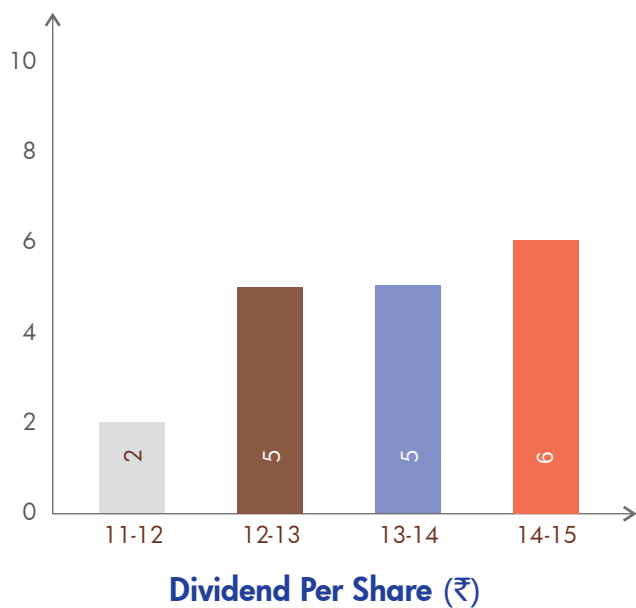


EPS (₹)



Creating shareholder value is in our heart. We constantly work towards rewarding our shareholders for the trust that they repose in us.

We plan to continue on our path of profitable growth, and create sustainable value for our shareholders.



Delivering Results

Leading BY DELIVERING RESULTS



When it comes to our results, we prefer to let them speak for themselves.

Revenue(net):
₹30,138 Million

EBITDA:
₹1,862 Million

PAT:
₹638 Million

EPS **₹27.2**

Gross sales growth
38%
Five-year CAGR

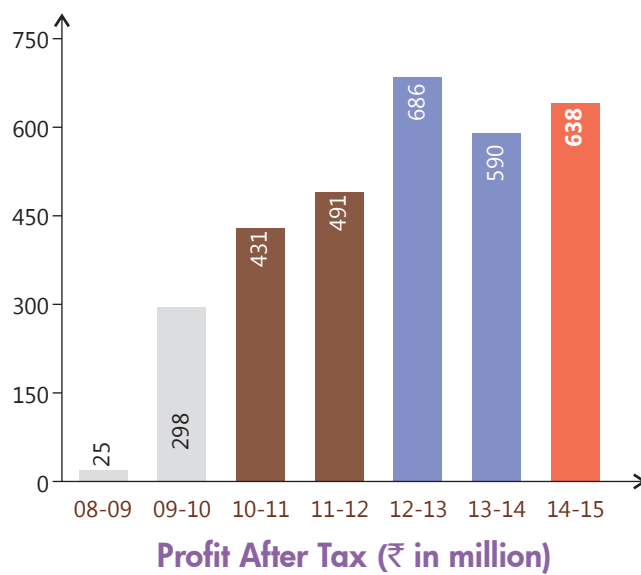
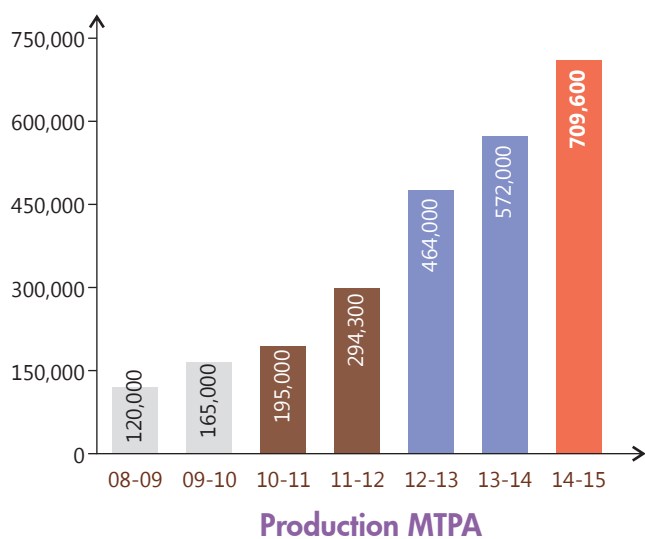
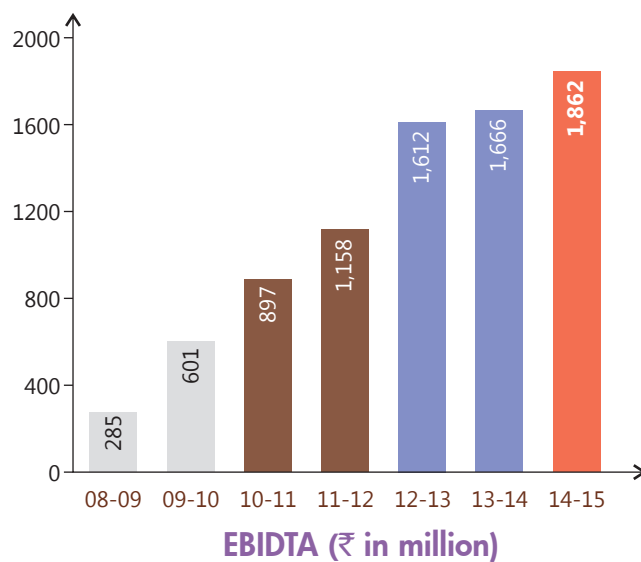
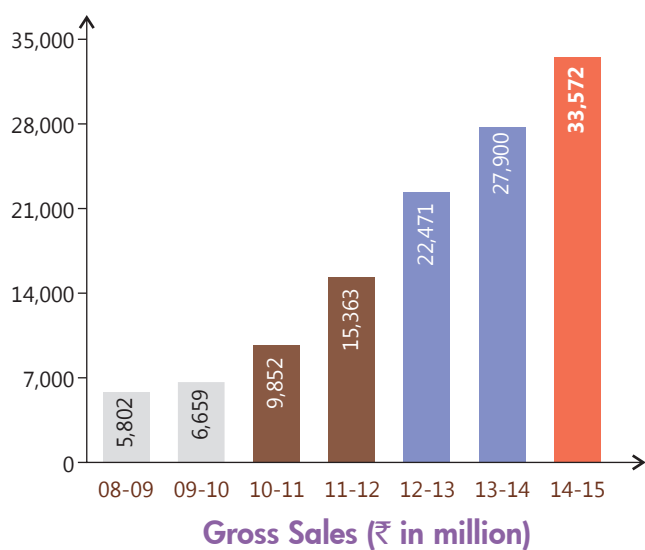
EBITDA growth
25%
Five-year CAGR

PAT growth
16%
Five-year CAGR

EPS
14%
Five-year CAGR

Book value growth
16%
Five-year CAGR

Financial Highlights



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Letter from Executive Chairman

Dear Shareholders

Fiscal 2015 was a year of strength, optimism and performance for APL Apollo in a challenging environment. We crossed revenue milestone of ₹ 3,000 crores and crossed ₹ 1 million TPA production capacity. This is another year where we reaffirmed to our stakeholders that we are on the right track.

Globally we are witnessing a mild improvement in the macroeconomic indicators in some economies of the world. India, which demonstrated a historical election mandate, has strengthened its macro-economic prospects. I believe that the government will pursue fresh economic reforms through investments in infrastructure and core areas. Steel being the foundation industry will play a significant role in this journey. This year, the domestic steel consumption growth improved to 3.1% from 0.6% in previous year. However, the construction and capital goods sectors, which together account for about 70-75% of the total steel demand in India, are yet to witness much on-the-ground recovery.

At APL Apollo, we are committed to evolve such a framework that brings value for all the stakeholders. We understand the infrastructural needs of the country and are committed to addressing them with our production scale, wide product portfolio, and a deep-rooted market presence.

During the year, we centred our efforts on increasing the production capacity as we believe that building capacities positions us strongly in the industry to meet the rising demand from the customers. We increased our installed annual capacity to 1.05 million tonnes. Our top line saw a robust 22% volume growth, to reach 709,600 tonnes this fiscal.

To address the changing needs of the market, we also initiated many new product innovations. We have brought colour coated pipes in India for the first time. We believe that colour coated pipes will find wide acceptance in India in the foreseeable future, given the twin benefits of looking aesthetically pleasing as well as performing the important function of prevention of rusting in pipes. The other key innovation that has been patented by us is the steel door frame. This product replaces wood, which has been the traditional material of use in normal door frames, with advantages of being economical and having a good resale value. The Government of India's initiative to promote low cost housing is a big driver for this product.

At APL Apollo, we have continued our focus on branding and marketing initiatives. We have further strengthened our presence in markets like Kerala, Maharashtra, Karnataka and UP while making deep inroads into virgin territories like Himachal Pradesh, Uttarakhand and other smaller states. Going forward, we are also looking at Eastern India wherein we do not have a market presence till now.

Another key achievement is the successful SAP implementation. We have now completed a year with the same and can take pride in the smooth rollover to the new way of doing things. As the scale and complexity of our operations increases, this transition was extremely critical for our long term success.

We achieved sales of ₹ 3,014 cr this year as compared to ₹ 2,497 cr of last fiscal, thereby registering a year on year growth of 20.7%. While we witnessed a strong domestic demand in the black and square pipes, we also managed a strong performance from the export markets. Today, we are globally recognised as a quality low cost producer and our brand commands a good visibility in the world markets.

The company's absolute EBITDA increased from ₹ 166.6 cr to about ₹ 186.2 cr which corresponds to a 6.2% EBITDA margin. The slight dip in the margin, factors in the inventory carrying loss, which was about ₹ 45 crore for this fiscal. The prices of our key raw material - HR coil, have been very volatile this year and we have been operating in a period of falling raw material prices. This has also put a pressure on margins of all the players in the steel industry. The company carries an inventory of almost 30-40 days and this decline in inventory value has hit our profitability. We believe that the prices of the HR coil are close to bottoming out and any rebound will add to our margins in the coming year. In the midst of difficult market conditions, we worked towards improving operational efficiency. The net profit of the company was at ₹ 63.8 crore, which was 8% higher than the previous year.

We are committed to secure a strong future for our company. Going forward, while we expect the momentum in demand to continue, we also hope to expand our margins and profitability and creating value for our shareholders. In this direction, the board has also recommended a dividend of ₹ 6 on a face value of ₹ 10, which translates to a dividend percentage of 60%.

I would like to thank all our shareholders and also our customers, suppliers, vendors and lenders, for their continuous support to the company during the year. I would also like to thank all the employees for their commitment to enhancing the performance of the company.



Sanjay Gupta
Executive Chairman

Q&A with Managing Director



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Your revenue in FY15 increased by over 20.7% over last year. How did you manage to achieve such a robust growth in challenging times?

The times have been challenging for last few years. A number of small players, particularly unorganized ones, have not been able to sustain their operations in the current economic scenario. We, at APL Apollo, have continued to work on our strengths. We have been increasing our production capacity, focusing on new products, increasing product range and entering new geographies. We are further increasing our operational efficiencies and reducing our production costs.

All these factors have helped us to achieve better growth rates and gain market share.

Raw material prices have declined significantly. What has been the impact on your business?

With decline in prices, consumption of steel pipes improves. Steel replaces wood and cement. We are also able to replace steel angle and beams, as our hollow sections and pipes are now economical as compared to other steel structural products. Further, the gap between steel pipes and plastic pipes reduces.

On the negative side, the fall in raw material has resulted in inventory loss.

You achieved capacity expansion target of 1 million tonnes. What is your next target for capacity expansion for the coming years?

We have been continuously increasing our capacity gradually. We have reached one million tonne capacity level, highest in the country. Now our production rate should cross one million tonne mark.

In the coming 3-4 years we are aiming to double our production capacity to over 2 million TPA. In FY2015-16, we aim to increase our capacity by 1.5 lakh TPA in our existing units.

We also plan to scout for additional sites for smaller plants in new geographies. These plants will focus on mass consumption items and cater to the local market within 500 km of their location. This will help us cut down the freight costs and also allow our larger facilities to focus more on high margins items, as the demand grows. This expansion exercise will start in earnest in this year and we expect to commission these plants in the next 18-24 months.

In the next 3 years, we plan to add higher size lines at our Hosur plant and Lloyds Pipe plant to further increase our product range and increase our production capacity by 2-2.5 lakh TPA. Furthermore, we want to build a Greenfield plant at a coastal site in Gujarat to cater to the export market, once sizeable export volumes are built.

The overall plan is to double the capacity to 2 Million Tons in next 3-4 years with a planned capex of ₹ 400 crores.

You have been building your brand. How is the effort progressing? What advantages are you gaining with the brand awareness?

Our branding initiatives are aimed at two fold objectives - first, towards creating the awareness and visibility of the APL Apollo brand and secondly, for providing our consumers a touch and feel of our products. We have installed over 5000 signages all over India for our dealers, retailers and fabricators. We have also installed billboards, carried out wall paintings, bus branding and in-shop signages in channel outlets. We have been engaging one-to-one with fabricators, architects, consultants, etc. and showcasing our product strength. Last year, we organized over 100 fabricator meets and engaged with 15000 fabricators. We have also embarked on van activation programs with prominent branding in rural areas for GI pipes and structural applications in low cost housing in urban areas.

What is your strategy for export market?

The Steel market world over, is passing through a difficult phase. So we have to be aggressive to maintain our hold. Our traditional export markets of US, Europe, Middle-East

continue to grow. We are trying to build a long term relationship with some key customers. We have opened up to new markets like Australia recently. This will give us some additional volumes.

We will focus on continuing growth in export market. However, since our growth in domestic market is robust, share of exports may remain at current level.

Q GST is going to be implemented from 01 April 2016. Do you see any advantages post the GST implementation?

We believe the implementation of GST will lead to significant benefit to large scale players like us over the unorganized players. One direct benefit will be the elimination of CST which is currently 2%.

It is too early to quantify the scale of benefits as the contours of the GST are yet to be finalized. Overall, GST will give a boost to the industry by consolidating our warehouses and bringing more logistic convenience.

Q You have launched steel door frames and window frames for the first time in India. What has been the consumer response and what opportunity do you see in that product?

We have recently launched steel door frame and window frame sections. While the life of the steel door frame section is double that of the wooden door frame, its cost is nearly one third. The steel door frame section unlike the wooden door frame is also resistant to termites and other pests. Furthermore, steel frames require very little surface work unlike wooden frames which need to be worked upon to be converted to the desired shape.

We have done a lot of R&D in this space and have customized our production line to add precision to the frames and ensure a consistency in the product. This has helped in finding acceptability for the product.

We are seeing a very good response in the limited markets where the product has been introduced. We are already

doing over 1000 tonnes per month and plan to introduce this product in many more markets this year.

These initiatives also support the present government's focus on 'Low Cost Housing' and its philosophy of 'Make In India' by providing better products to replace timber, which is scarce and largely imported.

We are very positive regarding this product line and hope to build large volumes in the years to come. The margins on this product line are twice the margins on our standard products and success of this product gives us the confidence to further innovate and launch new product lines on a regular basis.

Q You are in agri pipe business. Do you have any negative impact due to the slowing demand in rural India?

While we dominate the steel structural business in the urban sector, we are underpenetrated in the rural segment. So we believe that the rural sector offers a good opportunity for us.

Luckily the monsoon this year is turning out to be normal. The rural prosperity creates direct demand for pipes in two ways - first, by increased investment in irrigation to support higher crop production and secondly, from the increased wealth effect, that creates secondary demand for pipes used in construction of homes, sheds etc.

Q Are you looking at inorganic growth? What are the areas that you are looking for acquisitions?

We plan to grow at rate of over 25% per annum. The growth will be both organic and inorganic. Inorganic growth will be based on the selective opportunities that come to us. We are generally open to acquisition opportunities. We believe that there will be further consolidation in our industry and new opportunities for inorganic growth will certainly emerge. If you see our previous record, over the last 5 years we took over three companies namely Lloyds Pipes, Shri Lakshmi Udyog Mills and Apollo Metalex and successfully turned around all of them..

What is your current market share? What are you doing to improve it further?

The domestic market for ERW steel pipes is about 6.5-7.0 Million TPA. Last year we produced 6.8 lakh TPA which gives us market share of about 10%. We believe that in the next 3-4 years, we will further be able to increase our market share to about 20%.

Can you explain a bit about your distribution channels?

We continue to increase our channel partners as we move into new geographies. Today we have over 400 direct distributors, who may be supplying to over 30,000 retailers all over India. To strengthen our relationship with our channel partners, we have been taking several initiatives like dealer / retailer meets, incentive trips etc. We have a strong position in South, West and North India and look forward to expanding our network in East India.

Your operating margins are in the range of 6%. What are you doing to improve the same?

The company believes that delighting our customers is the key to increasing our sales. We have been quite successful in that and over the last 10 years have increased our sales from ` 145 Cr (Sales in FY2005-06) to ` 3014 Cr in FY2014-15. Now we are shifting our focus to increasing our margins. To achieve this we are working on the following strategies:

- We have been developing new products and sizes, that have their own niche market and have higher margins.
- Our product basket today boasts of over 400 products, which is unmatched in the industry. We are further

expanding this product range.

- Increasing our geographical footprint to cut down on our logistics costs.
- Focus on reducing our operating costs, by increasing automation and reducing wastage.
- Reduce our financing costs. This year we have started issuing CP (Commercial Paper) and currently have ` 150 Cr outstanding. This has helped us reduce cost by 200 basis points.
- We have actively worked on brand building and this is now helping us get a higher realization over competing products.

Also, the current difficult situation is offering us an opportunity to globally scout for sourcing raw material to reduce our input costs. With all these efforts coming into play, we can say with pride that today we are one of the lowest cost producer in the world.

Our goal, in the long term, is to move up our operating margins significantly.

Where do you see the company 3-4 years from now?

In the next 3-4 years we intend to increase our production capacity to 2 million TPA and our market share to 20% of the industry. We further want to increase our operating margins to double digit figures. We believe that we will further consolidate our position as an undisputed leader in our category in India and emerge as one of the biggest global players in the category.

Board of Directors

Mr. Sanjay Gupta
Executive Chairman



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

Mr. Ashok K. 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 has won various medals and awards. He has been instrumental in transforming the organization(s) into a modern pulsating giant, and their incremental profitability and expansions.

Mr. Vinay Gupta
Director



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. 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.

Mr. Anil Kumar Bansal
Director

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



Mr. Anil Kumar Bansal is an ex-Executive Director of Indian Overseas Bank and 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 is a certified associate of CAIIB. Presently, he is serving as the Chairman and Director of CARE Limited, and Director of Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.

Board of Directors

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 financial services, including banking, consulting, insurance, investments and real estate. His experience spans over 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 lot of experience of capital markets, banking, regulatory affairs management, administration and investor relations. He has been a member of various committees, study groups & delegations constituted by government/semi-government authorities. He has also authored several articles, research papers, books on capital market/economic affairs.

Ms. Neeru Abrol

Director



Ms Neeru Abrol is a Chartered Accountant by profession, and has over 33 years of extensive experience. She was the Chairperson and Managing Director of National Fertilizers Limited, and is credited as the first woman C & MD of any Public Sector Fertilizer Company. Earlier, she worked with M/s Steel Authority of India for 26 years, handling various management positions. She has a great expertise in the field of Financial and General Management.

Key Management

Sanjay Gupta
Executive Chairman

Ashok K. Gupta
Managing Director

Romi Sehgal
CEO

Ajay Garg
Vice-President
Commercial

Arun Agrawal
Vice-President
Operations

Shiv Kr Bansal
Vice-President Sales

Deepak Goyal
Vice-President & CFO

Alok Kudesia
Baruna Panda
S. Guha
Plant Head

Dinesh Talniya
Information Technology

Dinesh Chandra
Marketing & Brand

Veena Pandey
Human Resource

Amit Kapoor
Regional Head - South





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10 years at a Glance

Particulars	2006	2007	2008	2009
Key Financials				
Sales Gross	1,650	2,301	3,160	5,729
Sales Net	1,454	2,027	2,737	5,194
EBDITA	52	146	325	285
PAT	14	67	161	25
Share Capital	31	32	107	203
Share Warrants				
Reserves and Surplus	58	123	573	1,457
Net Worth	90	155	680	1,660
Long Term Debt	71	119	206	79
Working Capital Debt	199	335	587	1,710
Gross Fixed Assets	122	201	348	720
Investments	-	-	18	20
Capital Work In Progress	-	-	31	68
Earning & Dividend (₹ per share)				
EPS	4	21	15	1
Dividend Per Share	-	1	-	-
Key Ratios (%)				
ROCE (%)	16.92	55.13	38.46	2.17
RONW (%)	12.08	32.93	30.05	1.94
Production				
Capacity MTPA	53,000	80,000	198,000	234,000
Production MTPA	48,300	59,000	75,900	120,000
Distribution				
No of Distributors	100	100	125	150
No of Warehouses	-	-	1	3
No of Plants	2	2	2	3

2010	2011	2012	2013	2014	2015
					in million
6,659	9,852	15,363	22,471	27,900	33,572
6,180	9,052	13,923	20,083	24,970	30,138
663	1,144	1,154	1,612	1,666	1,862
298	431	491	686	590	638
203	203	213	223	234	234
	72	83	40	-	-
1,708	2,091	2,698	3,414	4,018	4,487
1,911	2,366	2,994	3,678	4,252	4,721
80	402	737	859	1,396	1,417
1,493	2,061	2,242	3,403	3,403	2,926
1,312	2,315	2,952	3,766	5,024	6,497
-	23	1	12	176	191
202	318	455	151	279	239
					(` per share)
15	16	23	31	26	27
2	2	2	5	5	6
					(%)
16.68	20.15	20.02	21.44	17.72	18.15
15.97	18.11	18.30	20.58	14.88	14.21
274,000	490,000	500,000	600,000	800,000	1,050,000
165,000	195,000	294,300	464,000	572,000	709,600
150	175	200	275	300	405
4	5	15	19	26	26
4	5	5	5	5	6

Management Discussion & Analysis

The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. The Company's management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, words like 'will', 'shall', 'anticipate', 'believe', 'estimate', 'intend', 'expect' and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include those described under the heading "Risk factors" in the Company's prospectus filed with the Securities and Exchange Board of India (SEBI) as well as factors discussed elsewhere in this report. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as on their date of statement.

Information provided in this Management Discussion and Analysis (MD&A) pertains to APL Apollo Tubes Limited (the Company) and its subsidiaries on a consolidated basis, unless otherwise stated.

Economic Overview

Global growth in 2014 was a modest 3.4 percent, reflecting a pickup in growth in advanced economies

relative to the previous year and a slowdown in emerging market and developing economies. Despite the slowdown, emerging market and developing economies still accounted for three-fourths of global growth in 2014. Complex forces that affected global activity in 2014 are still shaping the outlook. These include medium- and long-term trends, such as population aging and declining potential growth; global shocks, such as lower oil prices; and many country- or region-specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies. Overall, global growth is projected to reach 3.5 percent and 3.8 percent in 2015 and 2016, respectively, in line with the projections in the January 2015 World Economic Outlook (WEO) Update. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporters.

As far as India is concerned, India's macro-economic prospects have strengthened and the country is best positioned among emerging market economies, gaining global investor's attention, says a report by ICICI Bank. The improvement in India's economic fundamentals has accelerated in FY2015, with the combined impact of a strong Government mandate, RBI's inflation focus supported by benign global commodity prices.

India is set to become the world's fastest-growing major economy by 2016 ahead of China. India is expected to grow at 6.3 per cent in 2015, and 6.5 per cent in 2016 by when it is likely to cross China's projected growth rate, the IMF said in the latest update of its World Economic Outlook.

India's consumer confidence continues to remain the highest globally and showed improvement in the fourth quarter of calendar year 2014 (Q4), riding on positive economic environment and lower inflation. Nielsen's findings reveal that the consumer confidence of urban India increased by three points in Q4 from the preceding quarter. With a score of 129 in Q4, urban India's consumer confidence is up by 14 points from the corresponding period of the previous year (Q4 of 2013) when it stood at 115.

India's foreign exchange reserves touched a record US\$ 322 billion, surpassing the previous high of almost US\$ 321 billion in September 2011.

India has become a promising investment destination for foreign companies looking to do business here. Mr Narendra Modi, Prime Minister of India, has launched the 'Make in India' initiative with the aim to give the Indian economy global recognition. This initiative is expected to increase the purchasing power of the common man, which would further boost demand, and hence spur development, in addition to benefitting investors.

The International Monetary Fund (IMF) and the World Bank, in a joint report, have forecasted that India will register a growth of 6.4 per cent in 2015, due to renewed confidence in the market brought about by a series of economic reforms pursued by the government.

Furthermore, the new 'Make in India' initiative is expected to be a vital component in India's quest for achieving wholesome economic development.

Steel Sector Update

As per the World Steel Association (WSA), global apparent steel use reported a growth of 0.6% only in CY2014, as against a growth of 3.6% in CY2013, while aggregate capacity utilisation too dropped to 76.7% in CY2014, from 78.4% in CY2013. Weak demand in China, owing to the real estate sector slowdown, resulted in a de-growth of 3.4% in CY2014 in the country, and was one of the major reasons behind the decline in the growth rate of global steel consumption. Muted demand conditions prompted steel producers in China to turn to export markets in CY2014, and the same resulted in a 50% growth in China's steel exports, which in turn led to a sharp decline in steel prices in the rest of the world, especially during the second half of FY15, from about \$485/MT in October 2014 to \$370/MT in March 2015.

Domestic steel consumption growth improved to 3.1% in FY15 from 0.6% in FY14, but remained low at an absolute level. However, the growth rate improved from 0.5% level during Apr-Oct 2014 to 3.1% in the whole of FY15, indicating a sharper improvement in the second half of FY15 on the back of improved automobile sales. Given that the construction and capital goods sectors, which together account for about 70-75% of the total steel demand in India, are yet to witness much on-the-ground recovery, automobile sector is expected to support domestic steel demand in the near term. On supply side, India's

steel production growth rate continued to exceed the consumption growth rate in FY15, and stood at 3.3%, with secondary steel producers reporting a higher growth of 3.9% during FY15 compared to 2.9% reported by integrated steel producers.

International price of iron ore is currently trading at near ten year lows. On April 02, 2015, spot price of iron ore with 62% Fe content was trading at USD 47.08 per dry metric tonne (dmt), cfr China, down 19% from a month ago. On a year on year (y-o-y) basis, average spot iron ore prices in April 2015 have corrected by a steep 55%. Though there has been some recovery in ore prices towards the fourth week of April 2015, touching USD 59.88 per dmt on April 28, 2015, the possibility of a sustained recovery looks unlikely at the moment, given that Chinese steel production is not expected to witness any appreciable growth in CY2015, and the global sea-borne iron ore market is passing through a phase of supply glut, because of significant upcoming low cost capacities from Australia and Brazil.

The operating margins of the domestic steel industry (sample: seven large Indian companies in the steel sector, together accounting for over 40% of the total domestic capacity) witnessed a decline in this year due to low capacity utilisation levels and a fall in sales realizations. However, recent softening of interest rates is likely to provide some relief to the debt-laden steel players in the near term.

As per the report of the Working Group on Steel for the 12th Five Year Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, Rajiv Gandhi Awaas Yojana among others.

At the time of its release, the National Steel Policy 2005 had envisaged steel production to reach 110 million tonnes (mt) by 2019-20. However, based on the assessment of the current ongoing projects, both in greenfield and brownfield, the Working Group on Steel for the 12th Five Year Plan has projected that domestic crude steel capacity in the country is likely to be 140 mt by

2016-17 and has the potential to reach 149 mt if all requirements are adequately met.

Company Overview

APL Apollo Tubes Limited (APL) operates in the steel tubes and pipes market specifically in the Welded Segment. The Welded segment has three sub-segments namely SAW Pipes, ERW Precision pipes and ERW Structural and Commercial pipes. We operate in the ERW Structural and Commercial segment. The pipes are made from Mild Carbon Steel and are used in transportation of water and other fluids as well as structural support system in fabrication and construction. Structural segment has a wider presence as far as APL Apollo is concerned and contributes to almost 55% of our turnover.

The current capacity of APL Apollo is about 1.05 million tonnes, spread across six manufacturing plants three in Sikandrabad, UP, and one each in Murbad (Maharashtra), Hosur (Tamil Nadu), Bangalore (Karnataka) thus making APL Apollo, the market leader in the ERW pipes with a share of over 10% of the organized market. Efforts are underway to set up a plant in the Eastern region of India and also in the Middle East thus making APL Apollo the only player in the country with a pan-india manufacturing capability.

The key products in the portfolio include MS-Black, Galvanized Tubes, Pre-galvanized Tubes and Hollow Sections. Hollow sections form 35% of the revenue mix while MS-Black and Pre-galvanized contribute 25% each and the rest comes from Galvanized tubes. From a margin perspective, pre-galvanized tubes have the highest margin of about 13-15% while MS-Black have more modest margins in the region of 4-6%.

The company has built a pan-India distribution network with over 400 direct dealers which is almost twice the size of the nearest competitor's distribution channels. Multi-locational plants also help reduce transportation and logistic costs and this is a key attribute of APL's strategy. Plans are afoot to double the dealer network in the next two years.

Operational Highlights – FY 15

The company's efforts this year have centered around increasing the production capacity as well as having operational efficiencies built in to the system to grow profitably. The prices of our key raw material HR coil have

been very volatile this year and we have been operating in a period of falling raw material prices. This has in turn put pressure on margins of all the players in the steel industry and our fortunes have not been much different. The company carries an inventory of almost 30-40 days to service the demands of the customers and this inventory loss has hit the EBITDA and hence the net profitability.

From a capacity perspective, the company has increased its capacity to almost 1.05 million tonnes this year and this represents a 31% rise in capacity over the last year. This positions us well in the industry to meet the rising demand from our customers and particularly in the area of structural where APL has carved a niche for itself.

Despite the strain in the industry, the Company has managed to maintain its volume growth. The volume registered for the year was 709,600 tonnes, which is a 22% jump over the previous year number of 572,000 tonnes. The spurt in volume was primarily driven by demand in black and square pipes. This was also complemented by a strong performance from the export markets, where demand from Europe and more recently Australia have given us good visibility in the world markets. We hope to continue our focus on exports with a view to spread the brand equity as well as increase the margins of the company.

Distribution Reach

The company's vast distribution network is spread across India, with warehouse cum branch offices in 20 cities. The company's network of over 400 direct dealers, who in turn may be servicing more than 30,000 retailers, gives an enviable presence of the company's network in over 200 cities and towns of the country. The wide geographical reach offers a competitive advantage to the company in terms of quicker delivery and service.

We have strengthened our presence in markets like Kerala, Maharashtra, Karnataka and UP while making deep inroads into virgin territories like Himachal Pradesh, Uttarakhand and other smaller states.

Financial Review

For the year under review, we had sales of ₹ 3,014 cr compared to ₹ 2,497 cr of last fiscal. These figures are net of excise duties. This corresponds to a growth of almost 21% year on year. Absolute EBITDA increased from ₹ 166.6 cr to about ₹ 186.2 cr which corresponds to a

6.2% EBITDA margin. This margin percentage is slightly lesser than last year but as mentioned the key reason for the drop in the margin was the inventory carrying loss. The inventory carrying loss was about ` 45 crore for this fiscal and it had an impact on the margin. If the losses due to the inventory were added back to the margins, we would have been at a much healthy level of profitability this year itself. We believe that the prices of the HR coil are bottoming out and we do not see this trend repeating for this year for sure.

The net profit of the company was at ` 63.8 crore which was 8% higher than the ` 59.0 crore last year after accounting for the inventory loss. This translated to an EPS of ` 27.2, an increase of 8.1% over last year. Net worth for the company as at the end of March 31, 2015 stood at ` 472.1 crore an increase compared to the ` 425.2 crore of last year.

The Board has recommend a dividend of ` 6 on a face value of ` 10 which translates to a dividend percentage of 60%.

The Debt-equity ratio stands at 0.92 for the year. This is with our stated objectives of maintaining the debt-equity ratio to a level as close to 1 as possible. As far as future expansion goes, we do not foresee any new long term debt being added to the balance sheet. The internal accruals would be able to sufficiently manage the funding requirements. There could be an increase in short term working capital in relation to the increase in the production levels.

The Capex envisaged for the current fiscal is about ` 80 - 100 crore to add capacity by interchanging existing mills.

Branding initiatives

To strengthen the APL Apollo brand, the company has undertaken several brand building initiatives. The company has directly engaged with over 15000 fabricators through 100 fabricator meets all over India. The company has installed over 5000 brand signages across its network of dealers, retailers and fabricators. Direct engagement with GI customers through branded van operations with consumer contest have been started in the rural markets of Karnataka and Andhra Pradesh. Bus branding, wall painting, in-shop branding, branded channel partner schemes, new look catalogs and POS items and a more engaging company website were some other initiatives.

New Initiatives

As part of the strategy to stay ahead of the curve, the company initiated many new product innovations in this fiscal. The company laid the foundation for introducing Colour Coated Pipes as a product in India for the first ever time. The line has been put up in our Murbad facility and we are already seeing acceptance of the product in India as well as a good demand for exports. We believe that colour coated pipes will find wide acceptance in India in the foreseeable future given the twin benefits of looking aesthetically pleasing as well performing the important function of prevention of rusting in pipes.

The other key innovation that has been patented is the door frame – both single and double door frames. This product replaces wood which has been the traditional material of use in normal door frames. The advantages that the steel door frame provides are manifold; it is far cheaper than wood, it does not wear out like wood and it has a good resale value. The Government of India's initiative to promote low cost housing is a big driver for this product as the cost differential with a wooden door frame ensures that the economically weaker sections of the society can profit from this innovation.

The company believes that innovations such as these will help differentiate the brand APL Apollo and etch it firmly in the minds of consumers. The R & D team at APL is constantly engaged in identifying and designing new products that can make a perceptible impact not only for the consumers but also for the company as a means of diversifying our risk.

Outlook

The industry has been passing through many cycles of troughs and peaks, but APL has been relatively insulated and has been growing at a steady pace. The key reasons for this growth has been our single minded focus on our products, strong distribution network, innovation and tight financial discipline.

Going forward, we expect the momentum in demand to continue and we hope to continue to grow our topline by 25% while also focussing on the margins. This should also help our return ratios to come back to healthy standards and hence benefit the shareholders.

Our stated goal of reaching the US\$ 1 bn in revenues continues and we hope to achieve the same in the next 3-4 years.



Leading

IN A DYNAMIC LANDSCAPE

Standalone Financial Results

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2015.

Financial Results

The summarized standalone and consolidated results of your company are given in the table below:

(₹ in million)

Particulars	Consolidated		Standalone	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Gross sales	33,572.34	27,900.48	22,179.07	21,856.49
Less : Excise duty and cess	3434.57	2930.93	2007.97	1787.39
Net sales / Income from operations	3,0137.77	2,4969.55	20,171.10	20,069.10
Operating EBITDA	1831.86	1645.54	944.80	933.49
Add : Other income	30.00	20.41	118.26	21.60
Less : Finance cost	664.53	609.30	501.54	462.16
Less : Depreciation and amortisation	220.07	164.32	120.13	98.69
Profit before exceptional items and tax	977.26	892.33	441.39	394.23
Less : Exceptional items	0.53	2.63	(0.93)	1.35
Profit before tax (PBT)	976.73	889.70	442.32	392.88
Less : Tax expense	339.16	299.92	127.78	131.03
Profit after Tax for the year (PAT)	637.57	589.78	314.54	261.85
Add : Balance in profit and loss account	2168.94	1765.36	946.91	871.26
Profit available for Appropriation:				
Transfer to General Reserve	65.00	50.00	50.00	50.00
Proposed dividend on Equity Shares	140.63	117.19	140.63	117.19
Tax on dividends	28.12	19.01	10.91	19.01
Balance Carried over to Balance Sheet	2527.76	2168.94	1059.91	946.91

Dividend

Your directors are pleased to recommend a dividend of ₹ 6/- per Equity Shares (i.e.60%) on 2,34,38,636 Equity Shares of ₹ 10/- each for the year ended March 31, 2015 aggregating to ₹ 168.75 millions including Corporate Dividend Tax of ₹ 28.12 millions as compared to ₹ 136.20 millions (including Corporate Dividend Tax of ₹ 19.01 millions) in the previous year. The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company. The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Book Closure Date.

Transfer to Reserves

The company proposes to transfer ₹ 65.00 millions to the General Reserve out of amount available for appropriations and an amount of ₹ 2,527.76 millions is proposed to be retained in the Profit and Loss Account during the financial year 2014-15.

Overview

A significant improvement has been achieved by the company during the current Financial Year. The company has achieved many new landmarks, in terms of capacity utilization, sales volume and branding. The overall performance of Steel Tubes and Pipe Industry was adversely affected by falling steel prices globally. The

overall economic conditions of the country, though improving, remains under strain and roadmap of development will take shape in the coming years, consequent to the successful implementation of government projects and other initiatives undertaken for growth.

The company has achieved many new landmarks in this fiscal, in terms of capacity utilization, sales volume and branding. The strategy and steps taken by the Company in designing new products in steel tubes and pipes segment by innovative means has succeeded in a big way with the production and launch products like color coated pipes for the first time in India and window / door frames which have been designed and patented by the company will further boost the sales of the company as demand for these products is expected to grow significantly in rural and semi-urban areas of the country. The launch of color coated pipes is seen as a testimony to the company's strength and abilities in the Steel Tubes and Pipe segment.

The company continues to focus on reducing cost of raw materials by procuring through imports, improving, efficiencies, reducing cost of borrowings, increasing penetration particularly in Tier II cities, developing new product sizes, finding new markets etc. We extended our geographical reach to the end users, strengthened our presence in Tier II and Tier III cities either via own warehouse cum branches or through dealer-distribution network. An additional warehouse-cum branch was opened at Chandigarh to cater to the burgeoning demand for our products, across various industrial applications, thereby, strengthening the APL Apollo brand. Due to the above measures being taken, the company managed to maintain its performance despite a hostile industry environment.

The company has also increased its capacities by adding new mills and adopting latest technologies across all the plants. To create demands for its diversified products the Company is focussing on creating and spreading the Company's popular Brand APL Apollo across the targeted markets. With this the company expects to maintain the growth momentum and improve margins

During the Financial Year 2014-15, the Company has recorded the highest ever volume, despite the adverse conditions across the globe. To maintain the market share, we have adopted a conscious strategy of keeping our margin at the lower end so that we do not lose our large customers.

Credit Rating

During the year, M/s ICRA Limited has upgraded the long-term rating from "[ICRA] A-" to "[ICRA] A" and has reaffirmed the short-term rating of "[ICRA] A1" to the Company. The outlook on the long-term rating is stable.

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.

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.

Subsidiary Companies, Joint Ventures and Associates

The Company has three wholly-owned subsidiaries namely, Shri Lakshmi Metal Udyog Limited, Lloyds Line Pipes Limited and Apollo Metalex Private Limited. A report on the performance and financial position of each of the subsidiaries and associates companies as per the Companies Act, 2013 is provided as Annexure "C" to the Consolidated Financial Statements and hence not repeated for the sake of brevity.

Further, in order to take the benefit of economy of scale and reduce the administration expenses, the Board of Directors in its Meeting held on June 13, 2015 has also approved the Scheme of Amalgamation of Lloyds Line Pipes Limited (wholly owned subsidiary) with the Company. The above said amalgamation would enable consolidation and further expansion of the Company. This will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the business.

The audited financial statement and related information of the subsidiaries, where applicable, will be available for inspection during regular business hours at the company's Registered Office at 37, Hargobind Enclave, Vikas Marg, Delhi-110 092 and the same are also available at our website i.e. www.aplapollo.com as prescribed in Section 136 of the Companies Act, 2013.

Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies

during the year

During the financial year ended March 31, 2015 no entity became or ceased to be the subsidiary, joint venture or associate of the company.

Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, there are no unclaimed or unpaid deposits lying with the Company for the year under review.

Details of significant and Material Orders passed by the Regulators, Courts and Tribunal

No significant and material order has been passed by the Regulators, Courts and Tribunals impacting the going concern status and Company's operations in future.

Change in the nature of business, if any

There was no Change in the nature of business of the Company during the Financial Year ended March 31, 2015.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes and commitments, affecting the financial position of the Company occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report other than those disclosed in the financial statements.

Further, the Board of Directors in its Meeting held on June 13, 2015 approved the issue of Equity Shares to the Employees of the Company pursuant to APL Apollo Employee Stock Option Scheme-2015 up to 7,50,000 Equity Shares, subject to the approval of shareholders. The Employees Stock Option Scheme -2015 (ESOS-2015) was also approved by the shareholders vide a special resolution passed through Postal Ballot on July 27, 2015.

Nomination and Remuneration Committee of the Company in its meeting held on July 28, 2015, has granted 7,24,000 Employees Stock Options under APL Apollo Employees Stock Option Scheme-2015. The following are the terms of Plan:-

1. Each Option will entitle the holder to 1 (one) Equity Share of the company, i.e. 7,24,000 Equity Shares in aggregate;

2. These option will vest in the eligible employees over a period of 12 months from the date of Grant;
3. Vesting is based on performance and employees continuity in the company; and
4. The options shall be exercisable within 5 years from the date of grant.

Thereafter, the Board of Directors in its meeting held on July 28, 2015 has taken on record and approved the grant of 7,24,000 options under APL Apollo Employees Stock Options Scheme-2015.

Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The internal financial controls to be followed by the Company were laid down and such internal financial controls were adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

Your Company upholds the standards of governance and

is compliant with the Corporate Governance provisions as stipulated in Clause 49 of the Listing Agreement in both letter and spirit during the period under review. Your Company lays strong emphasis on transparency, disclosure and independent supervision to increase various stakeholders' value.

The Company has complied with the Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges. A separate section on Corporate Governance, along with certificate from Statutory Auditors confirming compliance with the requirements of Clause 49 of the Listing Agreement with National Stock Exchange of India Limited and the BSE Limited (BSE), are annexed as Annexure "H" and forming part of the Annual Report.

Particulars of Contracts and Arrangements with Related Parties

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of all contracts / arrangements / transactions entered into by the Company with related parties during the financial year are in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on related party transactions and materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://aplapollo.com/pdf/rpt-policy.pdf>

Your Directors draw attention of the members to Note 32 to the Financial Statement which sets out related party disclosures. The particulars of contracts and arrangements entered into by the company with related parties referred to in Section 188 in Form AOC-2 is attached herewith as Annexure-D

Corporate Social Responsibility (CSR)

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

Responsibility (CSR) policy of the Company provides a road map for its CSR activities.

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

The Annual Report on CSR activities is annexed herewith as Annexure "B".

Risk Management Policy

During the year, the Board of Directors, in its Meeting held on February 18, 2015, has also adopted a formal Risk Management Policy for the Company, whereby, risks are broadly categorized into Strategic, Operational, Compliance, and Financial & Reporting Risks. The Policy outlines the parameters of identification, assessment, monitoring and mitigation of various risks which are key to the business objectives.

The Risk Management Policy has been uploaded on the Company's website and may be accessed at the link: <http://aplapollo.com/pdf/rmp.pdf>

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements.

The Company has a robust and comprehensive Internal Financial Control System commensurate with the size, scale and complexity of its operations. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures. The system encompasses the major processes to ensure reliability of financial reporting, compliance with the policies, procedures, laws and regulations safeguarding assets and economical and efficient use of resources. The policies and procedures adopted by the company ensure the orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors, accuracy and completeness of the records and timely preparation of reliable financial information.

The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman and Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the

Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Directors and Key Managerial Personnel

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

The Board in its Meeting held on March 24, 2015 by circular resolution, appointed Ms. Neeru Abrol, as an Additional Director and Independent Women Director on the Board, she holds office up to the date of this AGM. The requirement under Section 149 of the Companies Act, 2013 read with Rule 3 of Companies (Appointment of Directors) Rules, 2014 and Clause 49 of the Listing Agreement also stands complied with this appointment.

The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013, proposing her candidature for the office of the Director. The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that she is not disqualified under Section 164 (2) to act as Director. The company has also received declaration from her that she meets the criteria of independence as prescribed under Section of 149 (6) of the Companies Act, 2013.

In the opinion of the Board, she fulfills the condition for appointment as Independent Director on the Board.

She is eligible to be appointed as Director of the Company and her appointment requires the approval of the members at the ensuing Annual General Meeting.

Mr. Aniq Husain has resigned from directorship of the company w.e.f. May 9, 2015. Your Directors place on record their deep appreciation of valuable services rendered by Mr. Aniq Husain during his tenure as Director of the Company.

Further, in Compliance with requirements of Section 203 of the Companies Act 2013 Mr. Deepak Goyal was appointed as Chief Financial Officer of the company with

effect from February 18, 2015.

The details of directors being recommended for appointment / re-appointment as required in clause 49 of the Listing Agreement are contained in the Notice convening the ensuing Annual General Meeting of the Company.

Appropriate resolution(s) seeking your approval to the appointment / re-appointment of Directors are also included in the Notice.

Declaration by Independent Director(s)

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of various Committees. The Independent Directors also carried out the evaluation of the Chairman and the Non-Independent Directors, the details of which covered in the Corporate Governance Report.

Criteria for Evaluation of Directors

For the purpose of proper evaluation, the Directors of the Company have been divided in 3 (three) categories i.e. Independent, Non-Independent and Non-Executive and Executive.

The criteria for evaluation includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, result/achievements, understanding and awareness, motivation/ commitment/ diligence, integrity/ ethics/ value and openness/ receptivity.

Number of meetings of the Board of Directors

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2014-15, the Board of Directors of the Company met 5 (Five) times on 30th May 2014, 4th August 2014, 12th November 2014, 4th February 2015 and 18th February 2015. During the Financial Year 2014-15, Meeting of the Audit Committee were held on 30th May 2014, 4th August 2014,

12th November 2014, 4th February 2015 and 18th February, 2015. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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. The composition of the Audit Committee as on March 31, 2015 is as under:

Name of Director	Category
Mr. Anil Kumar Bansal (Chairman)	Independent Non-Executive
Mr. Abhilash Lal	Independent Non-Executive
Mr. Vinay Gupta	Non-Executive Promoter

Nomination and Remuneration Policy of Directors, Key Managerial Personnel and other Employees

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its Meeting held on February 18, 2015, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in Section 178 (3) of the Companies Act, 2013, based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are- Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Key Managerial Personnel (other than Managing / Whole Time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees. Nomination and Remuneration Policy has been uploaded on the company's website and may be accessed at the link: <http://aplapollo.com/pdf/nomination-policy.pdf>

The Company's Policy relating to appointment of Directors, payment of Managerial Remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178 (3) of the Companies Act, 2013 is furnished and forms part of this Report.

Details of establishment of Vigil Mechanism for Directors and Employees

In compliance with the provisions of Section 177 (9) of the

Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A high level Committee under the chairmanship of Mr. Anil Kumar Bansal has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

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

Auditors and Auditors' Report

A. Statutory Auditors - Audit Committee of the Company in its meeting held on July 29, 2015 has recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon as the Statutory Auditors of the Company in place of M/s VAPS & Co., Chartered accountants, whose term expires at the conclusion of the ensuing Annual General Meeting and they have expressed their unwillingness for re-appointment. Thereafter, the Board of Directors have also ratified the decision of the Audit Committee subject to approval of shareholders in the ensuing Annual General Meeting. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants eligible to hold the office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Thirty Fifth AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company. The certificate to the effect that if appointed would be within the prescribed limit under Section 141 of the Companies Act, 2013 has been obtained from them.

The observations of Statutory Auditors in their reports on standalone and consolidated financials are self-explanatory and therefore, do not call for any further comments under Section 134 of the Companies Act, 2013.

B. Cost Auditors – Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules made there under, the board of directors on the recommendation of the Audit Committee appointed M/s. R. J. Goel & Co., Cost Accountants, (Registration No.000026) as the Cost Auditor of the Company for the year ended March 31, 2015. The appointment and remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, your ratification for appointment and payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting. The Cost Auditor has confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013 and has certified that their firm is free from any disqualification specified under Section 148 (5) and all other applicable provisions of Companies Act, 2013. In terms of the requirements of the Companies (Cost Accounting Records) Rules, 2011. The Cost Audit Report for the year ended on March 31, 2015, shall be submitted within the time stipulated in the aforesaid rules.

C. Secretarial Auditors – Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed M/s Anjali Yadav & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2014-15. The Secretarial Audit Report for the Financial Year ended March 31, 2015 is annexed herewith marked as Annexure "E" to this Report. The Secretarial Audit Report is self-explanatory and therefore, do not call for any further comments.

Particulars of Loans, Guarantees or Investments under section 186

The company has given Loans, corporate guarantee or investments to its wholly owned 100% subsidiaries under Section 186 of the Companies Act, 2013 during the financial year 2014-15 which are given under the respective head and the same is furnished in the notes to the financial statements.

Share Capital

The paid up equity capital as on March 31, 2015 was ₹ 234,386,360. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity or bonus shares.

Extract of the Annual Return

The details forming part of the extract of the Annual Return in Form no. MGT-9 as required under Section 92 of the

Companies Act, 2013 is annexed hereto as Annexure-"A" and forms part of the Director's Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Particulars of Employees and related disclosures

Details pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Annual Report and annexed herewith as Annexure "F".

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaint has been received for sexual harassment of women at work place by the Company during the financial year 2014-15

Transfer to Investor Education and Protection Fund

Pursuant to the provisions of Section 125 (2) (c) of the Companies Act, 2013, your company has transferred ₹ 76,639/- during the financial year 2014-15 to the Investor Education and Protection Fund. This amount lying in the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 which was lying unclaimed/ unpaid with the Company for a period of seven years after declaration of Dividend for the financial year ended 2006-07.

Acknowledgements

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, bankers, rating agencies, stock exchanges, depositories, auditors, legal advisors, consultants business associates, state government, local bodies and all the employees with whose help, co-operation and hard work the Company is able to achieve the results.

The Board deeply acknowledges the trust and confidence placed by the customers of the Company and all its shareholders.

for and on behalf of the Board

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi

Dated : 29th July, 2015

Regd. Office:

37, Hargobind Enclave,
Vikas Marg, Delhi – 110092

Annexure-‘A’

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2015 of APL Apollo Tubes Limited

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

I. REGISTRATION AND OTHER DETAILS

1	CIN	L74899DL1986PLC023443
2	Registration Date	24/02/1986
3	Name of the Company	APL Apollo Tubes Limited
4	Category/Sub-Category of the Company	Public Company/Limited by Shares
5	Address of the Registered office and contact details	37, Hargobind Enclave, Vikas Marg, Delhi. Tele No. 011-22373437
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer	M/s. Abhipra Capital Limited GF- Abhipra Complex, Dilkhush Industrial Area A-387, G.T. Karnal Road Azadpur, Delhi-110 033 Tele. No. 011-42390725

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Black Pipe	24311	62.50 Approx.
2	Galvanized Pipe	24311	17.87 Approx.
3	Pre Galvanized Pipe	24311	11.39 Approx.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of Shares Held	Applicable Section
1	Shri Lakshmi Metal Udyog Limited	U85110DL1994PLC224835	Subsidiary	100	2(87)
2	Lloyds Line Pipes Limited	U27320DL2008PLC223550	Subsidiary	100	2(87)
3	Apollo Metalex Private Limited	U27104DL2006PTC146579	Subsidiary	100	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year As on 01.04.2014				No. of shares held at the end of the year As on 31.03.2015				% change During year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A) Shareholding of promoter and promoter group									
(1) Indian									
Individuals/HUF	2674813	-	2674813	11.41	1928350	-	1928350	8.23	-3.18
Central/State Government(s)	-	-	-	-	-	-	-	-	
Bodies Corporate	8267140	-	8267140	35.27	8025187	-	8025187	34.24	-1.03
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Any other (specify) Person acting in concert	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	10941953	-	10941953	46.68	9953537	-	9953537	42.47	-4.21
(2) Foreign									
Individuals (Non- Resident Individuals/ Foreign individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter & Promoter Group (A)=(A)(1)+(A)(2)	10941953	-	10941953	46.68	9953537	-	9953537	42.47	4.21
(B) Public Shareholding									
(1) Institutions									
Mutual Funds/ UTI	575753	-	575753	2.46	3411539	-	3411539	14.56	12.10
Financial Institutions/Banks	-	-	-	-	-	-	-	-	
Central /State Government(s)	-	-	-	-	-	-	-	-	
Venture Capital Funds	-	-	-	-	-	-	-	-	
Insurance Companies	-	-	-	-	-	-	-	-	

Category of Shareholder	No. of shares held at the beginning of the year As on 01.04.2014				No. of shares held at the end of the year As on 31.03.2015				% change during year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
Foreign Institutional Investors	2052000	-	2052000	8.75	1524694	-	1524694	6.51	-2.24
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	2627753	-	2627753	11.21	4936233	-	4936233	21.06	9.85
(2) Non-Institutions									
Bodies Corporate Domestic	2459685	-	2459685	10.49	773345		773345	3.30	-7.19
Individuals - I. Individual shareholders holding nominal share capital up to ` 1 lakh.	813678	25721	839399	3.58	681582	15721	697303	2.98	-0.6
II. Individual shareholders holding nominal share capital in excess ` 1 Lakh.	2134892	2800	2162892	9.23	2478429	28000	2506429	10.69	1.46
Any Other (specify)									
(i) Non-Resident Indians	1046704	-	1046704	4.47	1081153	-	1081153	4.61	0.06
(ii) Clearing Members	12302	-	12302	0.05	146490	-	146490	0.62	0.57
(iii) Foreign Bodies Corporate	3000000	-	3000000	12.80	3000000	-	3000000	12.80	-
(iv) HUFs	347948	-	347948	1.48	344146	-	344146	1.47	-0.01
Sub-Total (B)(2)	9815209	53721	9868930	42.11	8505145	43721	8548866	36.47	-5.64
Total Public Shareholding (B)=(B)(1)+(B)(2)	12442962	53721	12496683	53.32	13441378	43721	13485099	57.53	4.21
TOTAL (A)+(B)	23384915	53721	23438636	100.00	23394915	43721	23438636	100.00	-
(C) Shares held by Custodians & against which depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	23384915	53721	23438636	100.00	23394915	43721	23438636	100.00	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year As on 01.04.2014			Shareholding at the end of the year As on 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	APL Infrastructure Pvt Ltd.	7948440	33.91	-	8025187	34.24	-	0.33
2	Sanjay Gupta HUF	210000	0.90	-	210000	0.90	-	-
3	Sanjay Gupta	196450	0.84	-	196450	0.84	-	-
4	Vinay Gupta	21900	0.09	-	21900	0.09	-	-
5	Ashok K. Gupta	1500000	6.40	-	1500000	6.40	-	-
6	Apollo Pipes Limited	300000	1.28	-	-	-	-	-1.28
7	Saroj Rani Gupta	426360	1.82	-	-	-	-	-1.82
8	Neera Gupta	300000	1.28	-	-	-	-	-1.28
9	SMT Finance and Investment Limited	18700	0.08	-	-	-	-	-0.08
10	Sameer Gupta	20103	0.09	-	-	-	-	-0.09
Total		10941953	46.69	-	9953537	42.47	-	4.21

(iii) Change in Promoters' Shareholding

S. No.	Shareholder's Name	Shareholding at the beginning of the year As on 01.04.2014		Shareholding at the end of the year As on 31.03.2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	APL Infrastructure Pvt Ltd.	7948440	33.91	8025187	34.24
2	Apollo Pipes Limited	300000	1.28	-	-
3	Saroj Rani Gupta	426360	1.82	-	-
4	Neera Gupta	300000	1.28	-	-
5	SMT Finance and Investment Limited	18700	0.08	-	-
6	Sameer Gupta	20103	0.08	-	-

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year As on 01.04.2014		Shareholding at the end of the year As on 31.03.2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	HDFC Trustee Company Limited - HDFC Prudence	-	-	771000	3.29
2	DSP BLACKROCK MICRO CAP FUND	344113	1.47	812839	3.47
3	IDFC PREMIER EQUITY FUND	-	-	1586500	6.77
4	FIL INVESTMENTS (MAURITIUS) LTD	-	-	612409	2.61
5	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	852000	3.64	852000	3.64
6	SYSTEMATIX FINCORP INDIA LIMITED	600569	2.56	411730	1.76
7	ABHA BHANSHALI	500000	2.13	372200	1.59
8	EMBLEM FII	1200000	5.12	1000000	4.27
9	SAMEER MAHENDRA SAMPAT	558500	2.38	558500	2.38
10	KITARA PIIN 1001	3000000	12.80	3000000	12.80
TOTAL		7501448	32.00	9977178	43.97

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year As on 01.04.2014		Shareholding at the end of the year As on 31.03.2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
A	DIRECTORS				
1	Mr. Ashok K. Gupta	1500000	6.400	1500000	6.40
B	KEY MANAGERIAL PERSONNEL (KMP)				
1	Mr. Adhish Swaroop	-	-	-	-
2	Mr. Deepak Goyal	-	-	-	-

V. INDEBTEDNESS

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

(` in millions)

	Secured Loans excluding	Deposits Unsecured	Loans Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3747.10	---	0.50	3747.60
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	12.40	---	---	12.40
Total (i+ii+iii)	3759.50	--	0.50	3760.00
Change in Indebtedness during the financial year				
Addition	---	500.00	---	500.00
Reduction	-355.30	---	---	-355.30
Net Change	-355.30	500.00	---	144.70
Indebtedness at the end of the financial year				
i) Principal Amount as on 31.03.2015	3401.00	500.00	0.50	3901.50
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due as on 31.03.2015	3.20	---	---	3.20
Total (i+ii+iii)	3404.20	500.0	0.50	3904.70

VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(` in millions)

S. No.	Particulars of Remuneration	Mr. Sanjay Gupta Chairman	Mr. Ashok K. Gupta Managing Director	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	24.00	11.30	35.30
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	---	----	-----
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---	----	-----
2.	Stock Option	---	----	-----
3.	Sweat Equity	---	----	-----
4.	Commission - as % of profit - others, specify...	---	----	-----
5.	Others, please specify	---	----	-----
	Total (A)	24.00	11.30	35.30
	Ceiling as per the Act			

The remuneration is within the limits prescribed under the Companies Act, 2013

B. Remuneration to other directors:

1. Independent Directors:

(` in millions)

S. No.	Particulars of Remuneration	Abhilash Lal	Anil Kumar Bansal	Aniq Husain	S. T. Gerela	C. S. Johri	Total
1	Fees for attending the Board/ committee meetings	0.28	0.21	0.26	0.28	0.02	1.05
2	Commission	---	---	---	---	---	---
3	Others	---	---	---	---	---	---
	Total (B) (1)	0.28	0.21	0.26	0.28	0.02	1.05

2. Other Non-Executive Directors

(` in millions)

S. No.	Particulars of Remuneration	Sanjay Gupta	Ashok K. Gupta	Vinay Gupta	Sameer Gupta	Total
1	Fees for attending the Board/ committee meetings	---	---	0.25	0.16	0.41
2	Commission	---	---	---	---	---
3	Others	---	---	---	---	---
	Total (B) (2)	---	---	0.25	0.16	0.41

Total (B)= (B1) + (B2) = ` 1.46 millions

Remuneration to Key Managerial Personnel other than MD/Manager/WT D (` in millions)

(` in millions)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Pankaj Gupta	Deepak Goyal CFO	Adhish Swaroop Company Secretary	
1	Gross salary	Not Applicable				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.		2.00	3.0	1.00	6.00
	(b) Value of perquisites u/s17(2) Income-tax Act,1961		---	---	---	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		---	---	---	---
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - Others, specify...	---	---	---	---	
5	Others, please specify					
	Total		2.00	3.00	1.00	6.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees Imposed	Authority [RD /NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure-'B'

Report On Corporate Social Responsibility (CSR) Activities/Initiatives

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

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

In adherence to Section 135 of the Companies Act, 2013 read with relevant rules, the Board of Directors upon the recommendation of CSR Committee, in its meeting held on February 18, 2015, has approved a CSR Policy of the Company.

2. The Composition of the CSR Committee.

As at March 31, 2015, the Corporate Social Responsibility Committee comprises of 3 members of the Board, 2 of which are Independent Directors. The Chairman of the Committee is an Independent Director. The composition of the CSR Committee is as under:

Name of Director	Category
Mr. Abhilash Lal (Chairman)	Independent Non-Executive
Mr. Anil Kumar Bansal	Independent Non-Executive
Mr. Ashok K. Gupta	Non-Executive Promoter

3. Company's CSR Objectives:

i . Welfare of orphaned and abandoned children

The beneficiaries of this programme will be children of the most vulnerable lot i.e. children of widows, single women, and Below Poverty Line (BPL) families. The programme aims to enable families to move out of the vicious cycle of poverty towards greater dignity and self-reliance by ensuring education of children and income generating capacity development of the care givers.

- All round development including education, nutrition, health and psychological development will be taken care of till the children are settles in their lives.
- A child care professional mother will live together with the children; will guide their development, and running her household independently.

- Girls and boys of different ages will live together as brothers and sisters, with natural brothers and sisters always staying within the same family.
- Each family will create its own home with their own unique feeling, rhythm and routine.
- The families will share experiences and will offer one another a helping hand. They will also live as integrated and contributing members of the local community. Through his or her family and community, each child will learn to participate actively in society.
- Primary and secondary schools will be opened which will not only cater to children and youngsters under our care but will also reach out to children in need from the neighborhood communities.

ii. Health Care

We will provide better healthcare and disease prevention through various initiatives, both direct and indirect.

- Dispensaries will enable first level of aid, basic healthcare and referral to a larger unit for more intensive care
- May provide basic medicines at free / subsidized prices in addition to medical attention
- May work in conjunction with Government and other agencies in organizing one off activities such as blood donation camps, inoculation camps, health check-ups etc.
- Encourage existing Dispensaries to expand network by financially supporting / sponsoring their initiatives

4. Average net profit of the company for last three financial years

The average Net Profit of three financial years preceding the reporting financial year (i.e.2013-14, 2012-13, and 2011-12) calculated in accordance with Section 135 of the Companies Act, 2013 is ` 338.36 Millions

- #### 5. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :
- ` 6.77 Millions

Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: ₹ 6.77 millions
- (b) Amount unspent, if any: ₹ 6.77 millions
- (c) Manner in which the amount spent during the financial year – Not Applicable.

6. In case the company has failed to spend the 2 (two) percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

The Company has already tied up with SOS Children for the welfare of parentless and abandoned children in India and necessary documents could not be executed to release the amount on these activities. However, the company will ensure to spend the expenditure of the said amount in financial year 2015-16.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Sd/

Mr. Abhilash Lal
(Chairman of CSR Committee)

Sd/

Mr. Ashok K. Gupta
(Managing Director)

Annexure-‘C’

Form No. AOC-I

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

Report on performance and Financial position of each of subsidiaries, Associates included in the Consolidated Financial Statements of the Company:

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

(₹ in million)

S. No.	Name of Subsidiary	Apollo Metalex Private Limited	Shri Lakshmi Metal Udyog Limited	Lloyds Line Pipes Limited
1	Share Capital	27.11	58.95	200.00
2	Reserve & Surplus	531.68	495.46	395.57
3	Total Assets	1,524.40	1,407.12	2,792.65
4	Total Liabilities	1,524.40	1,407.12	2,792.65
5	Investments	77.29	Nil	Nil
6	Turnover	4,007.05	4,372.89	6,918.38
7	Profit Before Taxation	137.11	245.94	257.47
8	Provision of Taxation	102.31	80.92	85.58
9	Profit After Taxation	92.28	165.02	171.90
10	Proposed Dividend	Nil	135.58	Nil
11	% of Shareholding	100	100	100

Annexure-'D'

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis-

None: During the Reporting Period, all the transactions not at arm's length basis.

(a) Name(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	Not Applicable
(c) Duration of the contracts / arrangements/transactions	Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(e) Justification for entering into such contracts or arrangements or transactions	Not Applicable
(f) Date(s) of approval by the Board	Not Applicable
(g) Amount paid as advances, if any:	Not Applicable
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis

None: During the Reporting Period, there was no material* Contracts or Arrangement.

(*As defined under Clause 49 of the Listing Agreement and adopted by the Board of Directors in the Related Party Transaction Policy of the Company. "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.)

(a) Name(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	Not Applicable
(c) Duration of the contracts / arrangements/transactions	Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
(e) Date(s) of approval by the Board, if any:	Not Applicable
(f) Amount paid as advances, if any:	Not Applicable

for and on behalf of the Board

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi

Dated : 29th July, 2015

Regd. Office:

37, Hargobind Enclave,

Vikas Marg, Delhi - 110092

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED March 31, 2015

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

To,

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by APL Apollo Tubes Limited bearing CIN-L74899DL1986PLC023443 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

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

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable to the Company during the period of audit and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable to the Company during the period of audit
- (vi) I further report that, having regards to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has complied with the following laws applicable to the company:-
- (a) Indian Explosives Act, 1884
 - (b) Factories Act, 1948
 - (c) Environment (Protection) Act, 1986
 - (d) The Water (Prevention & Control of Pollution) Act, 1974
 - (e) Hazardous Waste (Management & Handling Rules) 1989
 - (f) Air (Prevention & Control Pollution) Act, 1981
 - (g) Employees Provident Fund and (Misc. Provisions) Act, 1952
 - (h) Payment of Wages Act, 1936
 - (i) Payment of Gratuity Act, 1972
 - (j) Contract Labour (Regulation & Abolition) Act, 1970
 - (k) Industrial Disputes Act, 1947
 - (l) Minimum Wages Act, 1948
 - (m) Payment of Bonus Act, 1965
 - (n) Industrial Employment (Standing Orders) Act, 1946
 - (o) Trade Union Act, 1926
 - (p) Workmen Compensation Act, 1923
 - (q) Industries (Development & Regulation) Act, 1951

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; (Not applicable as the same was not notified during the period covered by the report)
- (ii) The Listing Agreements entered into by the Company with BSE Limited, The Calcutta Stock Exchange Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited.

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

I further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For Anjali Yadav & Associates

Anjali Yadav (Proprietor)

FCS No.: 6628

C P No.: 7257

Place: New Delhi

Date: 29th July, 2015

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

Annexure-'A'

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

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

Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates

Anjali Yadav

Proprietor

FCS No.: 6628

C P No.: 7257

Place: New Delhi

Date: 29th July, 2015

Annexure-‘F’

(A) Details pursuant to the provisions of section 197 (12) of the companies act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director /KMP and Designation	Remuneration of Director/ KMP for Financial Year 2014-15 (` In millions)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Sanjay Gupta Chairman	24.00	---	138:1	Profit before Tax increased by 12.60 % and Profit After Tax increased by 20.13 % in Financial Year 2014-15
2	Mr. Ashok K. Gupta Managing Director	11.30	10	43:1	Profit before Tax increased by 12.60 % and Profit After Tax increased by 20.13 % in Financial Year 2014-15
3	Mr. Deepak Goyal Chief Financial Officer	3.00	10	N.A.	Profit before Tax increased by 12.60 % and Profit After Tax increased by 20.13 % in Financial Year 2014-15
4	Mr. Pankaj Gupta Chief Financial Officer	2.00	10	N.A.	Profit before Tax increased by 12.60 % and Profit After Tax increased by 20.13 % in Financial Year 2014-15
5	Mr. Adhish Swaroop Company Secretary	1.00	10	N.A.	Profit before Tax increased by 12.60 % and Profit After Tax increased by 20.13 % in Financial Year 2014-15

- ii) The median remuneration of employees of the Company during the Financial Year was ` 14505;
- iii) In the Financial Year, there was an increase of 13 % in the median remuneration of employees;
- iv) There was 507 permanent employees on the rolls of the Company as on March 31, 2015;
- v) Relationship between average increase in remuneration and company performance: - The Profit before Tax for the Financial Year March 31, 2015 increased by 12.60% whereas the increase in median remuneration was 12%. The average increase in median remuneration was in line with the performance of the Company and partly on individual employee's performance;
- vi) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company: - The total remuneration of Key Managerial personnel increased by 0.03 % from ` 32.90 millions in 2013-14 to ` 35.30 millions In 2014-15 whereas the Profit before Tax increased by 12.60 % to ` 442.30 millions in 2014-15 ( ` 392.80 millions in 2013-14);
- vii) Variations in the market capitalization of the Company, Price Earnings Ratio as at the closing date of the current financial year and previous year and percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

	Closing Market Price per share (₹)		Percentage increase	Price Earnings Ratio		Market Capitalization (₹ in Million)	
	As on 31.03.2015	As on 31.03.2014		As on 31.03.2015	As on 31.03.2014	As on 31.03.2015	As on 31.03.2014
NSE	400.40	195.65	104.65	29.86	17.19	9384.80	4585.80
BSE	401.30	198.15	102.52	29.93	17.41	9405.90	4644.30

The Company has not made any Public Issue or Right Issue of securities in the last 10 (ten) years, and therefore no comparison has been made of current share price with public offer price.

The securities of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2014-15 was 13% whereas the increase in the managerial remuneration for the same financial year was 0.03%.
- ix) The Key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Policy for Directors and Senior Management Personnel.
- x) The ratio the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year: - The Chairman is the highest paid Director. No employee received remuneration higher than the Chairman.
- xi) It is hereby affirmed that the remuneration paid during the financial year ended March 31, 2015 is as per the Remuneration Policy of the Company.

(B) Statement showing particulars of employees pursuant to the provisions of section 197 (12) of the companies act, 2013 read with rule 5(2) of the companies (appointment and remuneration of managerial personnel) rules, 2014

Persons employed for the full year ended March 31, 2015 who were in receipt of the remuneration which in the aggregate was not less than ₹ 60,00,000/- P.A.

S. No	Name of Employee	Designation	Gross Remuneration	Qualification	Total Experience in Years	Date of Commencement of Employment	Age in Years	Last Employer & Designation Held
1	Sanjay Gupta	Chairman	2,40,00,000	Entrepreneur	22	02.09.2003	44	--
2	Ashok K. Gupta	Managing Director	1,13,04,000	MSc Physics	33	19.10.2011	59	Jindal Industries Ltd

Persons employed for the part of the year ended March 31, 2015 who were in receipt of the remuneration which in the aggregate was not less than ₹ 5,00,000/- P.M.

S. No	Name of Employee	Designation	Gross Remuneration	Qualification	Total Experience in Years	Date of Commencement of Employment	Age in Years	Last Employer & Designation Held
--	--	--	--	--	--	--	--	--

Annexure-'G'

Disclosure pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (Chapter IX) for Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

I. Conservation of Energy.

- (a) Energy conservation measures taken: The Company gives highest priority for conservation of energy by using a mix of technology changes, process optimization methods and other conventional methods, on a going basis. Various energy conservation measure taken by the Company are:
- Use of energy saving devices like TFT monitors, CFL tubes, LED lights among others.
 - Optimization of load factor.
 - Defined AC working hours and temperature to suit seasonal changes.
 - Optimization 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:

(` in million)

Particulars	Consolidated		Standalone	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Power and Fuel Consumption				
Electricity				
Unit	3,22,15,066	2,44,12,138	1,47,53,882	1,27,46,840
Total Amount	238.20	169.89	126.90	93.02
Rate per Unit	7.39	6.96	8.60	7.30
Own generation Through DG				
Unit	93,85,710	83,20,719	81,72,311	72,31,931
Fuel consumed (Ltr.)	21,51,006	20,92,560	18,60,674	18,18,743
Fuel consumed (`)	113.80	107.40	98.60	92.47
Cost per unit (`)	12.13	12.91	12.06	12.79
Furnace Oil				
Fuel consumed (MT)	2584	3008	1305	1639
Fuel consumed (`)	108.90	133.27	57.64	71.33
Cost per unit (`)	42,157	44,299	44,169	43,524

II. Technology Absorption

Research and development

1. Specific areas in which Research and Development measures were carried out by the Company: The research 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 are 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 optimization, 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, adaption and innovation

1. Efforts, in brief, made towards technology absorption, adaption 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 exports plans:

The Company is presently exporting its products to more than 35 countries across the world. It has a constant watch on the development 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 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Foreign exchange earnings	1957.41	1894.21	1049.06	953.07
Foreign exchange outgo	19.98	9.01	13.13	1.50

Annexure-'H'

1. Corporate Governance Report

Company's philosophy on Corporate Governance is to achieve the highest levels of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. We believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development.

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

2. Board Of Directors

Composition and Category of Directors

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors with one women director and not less than 50 (Fifty) % of the Board of Directors comprising Non-Executive Directors.

The Chairman of the Board is an Executive Director with half of the Board comprising of Independent Directors.

As on March 31, 2015, your Company's Board has strength of Eight (8) Directors comprising Four (4) are independent. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

As required under Section 149(3) of the Companies Act, 2013 Ms. Neeru Abrol has been appointed as an Independent Women Director on the Board.

None of the Directors is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all the companies in which he/she is a Director.

Directors' Profile:

The Board of Directors is composed of highly renowned professionals drawn from diverse fields, who bring with

them a wide range of skill and experience to the Board, which enhance the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

Mr. Sanjay Gupta, Chairman

At the helm of the Company, Mr. Sanjay Gupta epitomizes the depth of acumen of the tubes industry and astute business sense. With a rich experience of over more than two decades in various steel industry segments, Mr. 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 K. 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 won various medals and awards. He has been instrumental in transforming the organization into a modern pulsating Giant, and their incremental profitability and expansions.

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.

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. Vinay Gupta, Director

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.

Mr. Abhilash Lal, Director

A mechanical engineer, Mr. Abhilash 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. His areas of consulting included Banking Strategy, Risk Management, Product Portfolio Development, Feasibility Studies, India Entry Strategies and Change Management. He also helped a leading captive BPO transition to a third party provider and was part of the leadership team at an international property consultant. He is currently Partner and COO of MCap, an investment advisory firm.

Mr. Anil Kumar Bansal, Director

Mr. Anil Kumar Bansal is an ex-Executive Director of Indian Overseas Bank, has almost 4 decades of rich experience in banking industry. Before joining Indian Overseas bank he served in Union Bank of India in various capacities. During his illustrative career he has won various awards and recognitions and has been instrumental in critical initiatives. 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 in Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited.

Ms. Neeru Abrol, Director

(Appointment w.e.f. 24th March, 2015)

Ms. Neeru Abrol is a Chartered Accountant by profession and has over 33 years (including 26 years in SAIL in various capacities) of rich experience in Manufacturing Industry. She was the Chairperson and Managing Director of National Fertilizers Limited. She was the first woman C&MD of any Public Sector Fertilizer Company. She has been awarded various accolades. The Institute of Chartered Accountants of India (ICAI) in December 2011

awarded her the "Business Achiever" in Women category. SCOPE in January 2012 conferred her maiden award as "Outstanding Woman Manager" in PSEs for 2009-10. Bureaucracy Today - Star PSU Excellence Awards gave her "Best PSU Person of the year 2012". Top Rankers Excellence Financial Leadership Award by Jindal Global Business School was conferred on her in January 2013 and in February 2014; she was awarded the Greatest Corporate Leaders of India Award. In August 2014, she has been awarded 5th Rajiv Gandhi Excellence Award as most Enterprising CEO of the year. In February, 2015 she has received for the second time CA Business Leader – Women Category for 2014 from ICAI.

Directors' Induction, Familiarization and Training:

As per Clause 49 of the Listing Agreement the Company has entered into with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE), the Company shall provide suitable training to Independent Director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. The details of such training imparted are also required to be disclosed in the Annual Report.

The Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility. The Company has been organizing visits of the Directors to its plants at various locations in the country from time to time with a view to enable them to familiarize with the nature of industry, operations, processes and to interact with the management personnel and staff.

Directors are regularly briefed about the Industry's specific issues to enable them to understand the business environment in which the company operates. To enhance their skills and knowledge the Directors are regularly updated on the changes in the policies, laws and regulations, developments in the business environment etc.

Efforts are also made to familiarize the Directors about their roles, rights, responsibility in the Company, its business model and the environment in which the Company operates.

Board functions, procedure and Meetings:

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.

Meeting of Board of Directors

During the Financial Year 2014-15, five (5) Meetings of the Board of the Directors of the Company were held i.e. on May 30, 2014, August 4, 2014, November 12, 2014, February 4, 2015 and February 18, 2015. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Managing Director makes presentation on the quarterly and annual operating & financial performance and on annual operating and capex budget. Post meetings, important decisions taken by the Board are communicated to the concerned officials and departments.

The Composition and category of the Directors on Board, their relationship with other Directors, their attendance at the Board Meetings during the year and at the last Annual General Meeting, and also number of Directorships and Committee Memberships/ Chairmanships in other companies and number of shares held by them as at March 31, 2015 are as follows:

Name of Director	Category	No. of Board Meetings attended	Attendance in last AGM	No. of shares held	No. of other Directorships#	Details of other Board Committee / Membership\$	
Sanjay Gupta	C	5	No	1,96,450	6	---	---
Ashok K. Gupta	MD	5	Yes	15,00,000	1	---	---
Vinay Gupta	NE	5	No	21,900	3	---	---
Sameer Gupta	NE	2	No	---	6	---	---
Aniq Husain*	NE	4	Yes	700	1	---	---
S. T. Gerela	NE	5	No	---	3	1	1
C. S. Johri **	NE	1	Yes	---	---	---	---
Abhilash Lal	NE	5	Yes	---	2	3	1
Anil Kumar Bansal ***	NE	3	---	1,000	6	4	1
Neeru Abrol ****	NE & AD	--	---	---	6	4	2

C= Chairman, MD= Managing Director, NE= Non-Executive Director (Also Independent in terms of Provisions of Clause 49 (1) (A) (iii))
AD= Additional Director

only covers membership/chairmanship of Audit Committee and Stakeholders' relationship committee of other Indian public limited companies excluding APL Apollo Tubes Ltd.

\$ Excludes Directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

*Resigned from directorship w.e.f. 09.05.2015.

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

***Appointed as additional director w.e.f. August 4, 2014.

****Appointed as Independent Woman Director w.e.f. March 24, 2015.

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, 2013, 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.

Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance with the Code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.

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'

Code of Conduct of Independent Directors:

As per the provisions of Section 149(8) of the Companies Act, 2013 the Company and Independent Directors shall abide by the provisions specified in Schedule IV. Further, Schedule IV lays down a code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted for Independent Directors of the Company and the same has also been placed on the website of the Company.

3. Audit Committee

The role and terms of reference of the Committee are in conformity with the provisions Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process

and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the 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, 5 (five) meetings of the Audit Committee of the Company were held i.e. on May 30, 2014, August 4, 2014, November 12, 2014, February 4, 2015 and February 18, 2015. The composition of the Audit Committee as on March 31, 2015 and the meetings attended by its members are as under:

Name of Director	Status	No. of meetings attended
Mr. Anil Kumar Bansal	Chairman	3
Mr. Abhilash Lal	Member	5
Mr. Vinay Gupta	Member	3

The composition of the Audit Committee was reconstituted as on May 9, 2015 and same is reproduced as under:

Name of Director	Status
Mr. Anil Kumar Bansal	Chairman
Mr. Abhilash Lal	Member
Mr. Vinay Gupta	Member
Ms. Neeru Abrol	Member

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013, and shall be responsible for:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a directors and the Board;
- ii) Formulate of criteria for evaluation of Independent Directors and the Board;
- iii) Devising a policy on Board diversity;
- iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

The Board has constituted a Nomination and 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. Nomination and Remuneration Policy have been uploaded on the web site of the company and may be accessed at the link: <http://aplapollo.com/pdf/nomination-policy.pdf>

During the year, one meeting of the Nomination and Remuneration Committee were held i.e. on February 18, 2015 which was duly attended by all committee members. The composition of the Remuneration Committee as on March 31, 2015 is as under:

Name of Director	Status	No. of meetings attended
Mr. S. T. Gerela	Chairman	1
Mr. Aniq Husain	Member	1
Mr. Vinay Gupta	Member	1

The composition of the Nomination and Remuneration Committee was reconstituted as on May 9, 2015 and same is reproduced as under:

Name of Director	Status
Mr. S. T. Gerela	Chairman
Mr. Vinay Gupta	Member
Ms. Neeru Abrol	Member

Remuneration to the Directors

During the year ended March 31, 2015 Mr. Sanjay Gupta, Chairman was paid a salary of ` 24.00 millions and no other benefits and Mr. Ashok K. Gupta, Managing Director was paid a salary of ` 11.30 millions and no other benefits, no payment was made to any other Director(s).

5. Stakeholders Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Share Transfer and Shareholders' / Investors' Grievance Committee as the "Stakeholders' Relationship Committee".

Stakeholders' Relationship Committee inter alia approves transfer & transmission of shares, issue of duplicate / re-materialized shares and consolidation & splitting of certificates, redressal of complaints from investors etc. Stakeholders' Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including power to reject transfer

of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing Agreement and the Company's Articles of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders of the Company including complaints related to non-receipt of balance sheet and non-receipt of declared dividends. Stakeholder policy has been uploaded on the website of the company and may be accessed at the link: <http://aplapollo.com/pdf/stakeholder-policy.pdf>

During the year, one meeting of the Stakeholders Relationship committee held i.e. on February 18, 2015 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.

The composition of the Stakeholders Relationship Committee as on March 31, 2015 is as under:

Name of Director	Status	No. of meetings attended
Aniq Husain	Chairman	1
S. T. Gerela	Member	1
Sameer Gupta	Member	1

The composition of the Stakeholder relationship Committee was reconstituted as on May 9, 2015 and same is reproduced as under:

Name of Director	Status
Ms. Neeru Abrol	Chairperson
S. T. Gerela	Member
Sameer Gupta	Member

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 centralized 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, 2015 no investor complaint was pending.

6. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company w.e.f. 01.04.2014 as per the provisions of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014.

During the year 1 (one) meeting of the CSR Committee was held on February 18, 2015. The composition and the attendance of Directors at the meeting are as under:-

Name of Director	Status	No. of meetings attended
Abhilash Lal	Chairman	1
Anil Kumar Bansal	Member	1
Ashok K. Gupta	Member	1

7. Independent Directors' Meeting:

During the year 1 (one) meeting of the Independent Directors was held on February 18, 2015 inter-alia, to discuss:

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

8. Details of last three general meetings

The details of Annual General Meetings held in last three years are as under:

Year	Venue	Date	Time
2013-14	IMA- East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110 092	30.09.2014	12.45 P.M.
2012-13	IMA- East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110 092	30.08.2013	12.45 P.M.
2011-12	IMA- East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110 092	29.09.2012	12.45 P.M.

In accordance with the law, a poll (electronically and by physical ballot) was conducted on all the resolutions of the

Notice; all the members were given an option to vote through electronic means using the CDSL platform.

At the Annual General Meeting of the Company held on 30.09.2014, two Resolutions were passed as Special Resolutions as mentioned hereunder:

1. Resolution under section 180(1) (a) of the Companies Act, 2013 for creation of mortgage / charge of Company's assets.
2. Resolution under Section 180(1) (c) of the Companies Act, 2013 for borrowing money up to ` 500 Crores over and above the aggregate of paid up capital and free reserves of the Company.

At the Annual General Meeting of the Company held on 30.08.2013, three Resolutions were passed as Special Resolutions as mentioned hereunder:

1. Approval for alteration of Clause III(B)- 'Object 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.
2. 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. up to March 31, 2017 from ` 2,00,00,000 per annum to ` 20,00,000 per month.
3. Approval for modification of remuneration payable to Mr. Ashok K. Gupta, Managing Director of the Company w.e.f. April 1, 2013 for the remainder of his tenure i.e. up to January 31, 2017 from ` 1,00,00,000 per annum to ` 10,00,000 per month.

At the Annual General Meeting of the Company held on 29.09.2012, one Resolution was passed as Special Resolutions as mentioned hereunder:

Approval for appointment of Mr. Sanjay Gupta, as the Chairman (under Whole-time Director category) of the Company for a period of 5 years with effect from April 1, 2012 on a remuneration including minimum remuneration pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

One Resolution under Section 180(1) (a) was passed through Postal Ballot for sell and transfer of the Company's

Unit III presently situated at A-25, Industrial Area, Sikandarabad, Distt. Bulandshahar, U.P. was passed during the financial year ended March 31, 2015.

The Company has passed the special resolution through Postal Ballot on July 27, 2015 for issue up to 7,50,000 equity shares under Employees Stock Option Scheme 2015.

9. Disclosures

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:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the Note no.34 to the Financial Statements.

c) Disclosure on accounting treatment:

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

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

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

e) Risk Management:

The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which was

presented to the Audit Committee and reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

f) Vigil Mechanism / Whistle Blower policy:

In compliance with provisions of Section 177 (9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement the company has framed a Vigil Mechanism / Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

g) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Agreement except that relating to the appointment of separate post of Chairman and CEO.

10. Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

11. CEO & CFO Certification:

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and the same is attached and forms part of the Annual Report.

12. Compliance Certificate of the Auditors:

Certificate from the Company's Statutory Auditors M/s VAPS & Co. confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached and forms part of the Annual Report.

13. Means of Communication:

The quarterly, half yearly and the annual financial results are published in English and vernacular newspapers and are also furnished to the Stock Exchanges, with whom the Company has listing arrangements to enable them to put them on their website. The Company has its own website i.e. www.aplapollo.com wherein all relevant information are available.

14. General Shareholders' Information:

Annual general meeting

Date and time: 28th August, 2015 at 01.00 P.M.

Venue: JP Hotel & Resorts, 6B, I.P. Extension, Patparganj, Near Max Hospital, Delhi – 110092

Book closure: 17th August, 2015 to 21th August, 2015 (both days inclusive)

Period	Board Meetings
Results for quarter ended June 30, 2015	: Within 45 days of the end of the quarter
Results for quarter ended September 30, 2015	: Within 45 days of the end of the quarter
Results for quarter ended December 31, 2015	: Within 45 days of the end of the quarter
Results for quarter ended March 31, 2016	: Within 60 days of the end of the Financial Year

Listing of Shares:

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

1. National Stock Exchange of India Ltd (Symbol : APLAPOLLO)
2. Bombay Stock Exchange Ltd (Scrip Code : 533758)
3. Ahmedabad Stock Exchange Limited, Ahmedabad
4. Calcutta Stock Exchange Limited, Kolkata

The Listing Fees of all the Stock Exchanges has been paid by the Company for the financial years 2015-16 and 2014-15.

ISIN Code for the Company's Equity Shares: **INE702C01019**

Corporate Identity Number (CIN) **L74899DL1986PLC023443**

Distribution Schedule as at March 31, 2015

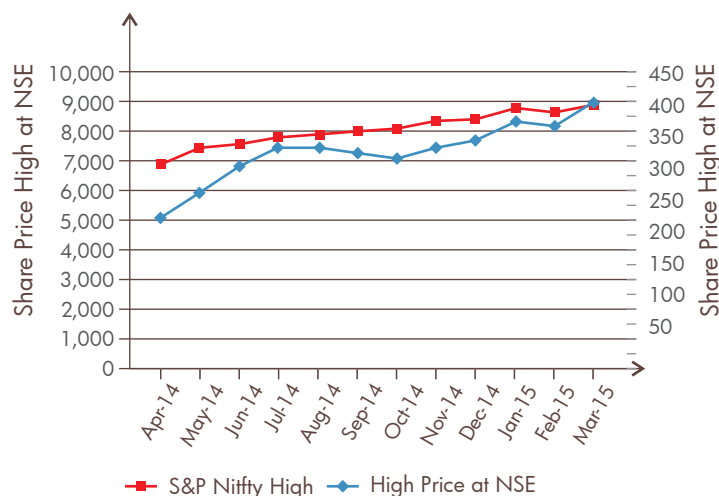
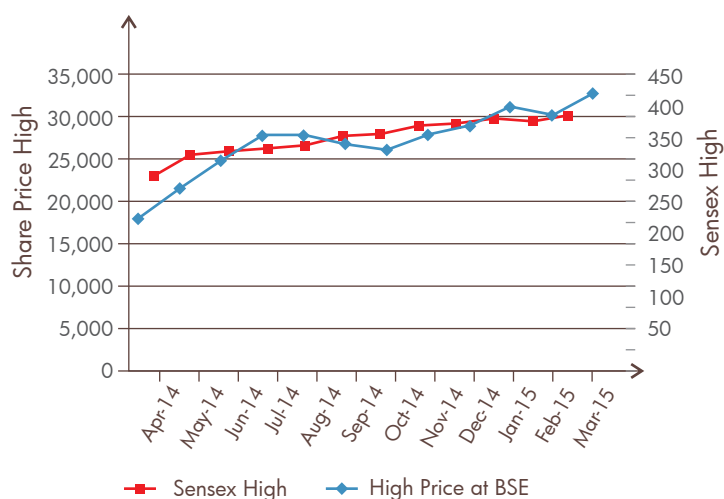
Nos. of Equity Shares held	No. of shareholders	% to total	No. of shares	% to total
Up to 500	3,209	88.99	3,22,011	1.37
501-1,000	158	4.38	1,26,773	0.54
1,001-2,000	76	2.11	1,13,918	0.49
2,001-3,000	46	1.27	1,19,670	0.51
3,001-4,000	19	0.53	65,492	0.28
4,001-5,000	15	0.42	69,578	0.30
5,001-10,000	26	0.72	2,08,547	0.89
10,001 and above	57	1.58	2,24,12,647	95.22
TOTAL	3,606	100.00	2,34,38,636	100.00

Nos. of Equity Shares held

Category	No. of shares held	% to total voting rights	% to total holding
Indian Promoters	99,53,537	42.47	42.47
Foreign Institutional Investors [FII]	15,24,694	6.50	6.50
Mutual funds	34,11,539	14.56	14.56
Bodies Corporate	7,73,345	3.30	3.30
Indian Public	36,94,368	15.76	15.76
NRIs / OBCs	40,81,153	17.41	17.41
TOTAL	2,34,38,636	100.00	100.00

Market Price Data

Month & Year	Stock price at BSE (In ` Per share)			Stock price at BSE (In ` Per share)		Stock price at NSE (In ` Per share)			S&P CNX Nifty	
	High	Low	Traded Quantity	High	Low	High	Low	Traded Quantity	High	Low
April, 2014	229.00	190.00	407404	22939.31	22197.51	228.50	186.35	591976	6869.85	6650.40
May, 2014	276.00	185.00	508766	25375.63	22277.04	275.05	194.55	705481	7563.50	6638.55
June, 2014	319.00	258.00	1322284	25725.12	24270.20	320.95	257.15	1195044	7700.05	7239.50
July, 2014	355.65	281.40	296036	26300.17	24892.00	354.00	282.05	421673	7840.95	7422.15
August, 2014	357.00	312.70	631812	26674.38	25232.82	355.00	315.00	874559	7968.25	7540.10
September, 2014	344.90	280.05	52503	27354.99	26220.49	344.95	279.10	82662	8180.20	7841.80
October, 2014	335.00	280.00	92484	27894.32	25910.77	336.00	281.00	115660	8330.75	7723.85
November, 2014	360.00	310.50	263342	28822.37	27739.56	354.95	306.50	452050	8617.00	8290.25
December, 2014	370.00	309.90	353829	28809.64	26469.42	370.05	310.00	411205	8626.95	7961.35
January, 2015	400.00	325.00	140694	29844.16	26776.12	399.00	325.00	308955	8996.60	8065.45
February, 2015	388.00	334.00	67252	29560.32	28044.49	393.20	331.10	130761	8941.10	8470.50
March, 2015	420.00	336.70	619249	30024.74	27248.45	420.10	346.00	1684270	9119.20	8269.15



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 - 4239 0725 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. .

Dividend history for the last 5 years is as under:-

Financial Year	Date of Declaration	Dividend per Share (₹)
2014-15*	*09.05.2015	6.00
2013-14	30.09.2014	5.00
2012-13	30.08.2013	5.00
2011-12	29.09.2012	2.00
2010-11	30.09.2011	Two interim dividend of ₹ 2.00 each

*Subject to approval of shareholders.

Unclaimed Dividends

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of 7 (Seven) years to the Investor Education & Protection Fund established by the Government. The Company has transferred ₹ 76,639/- to the said fund, the dividend for the year ended March 31, 2007 which have remained unclaimed / unpaid.

Dematerialization of Shares

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

As on March 31, 2015, 99.81 % of the Company's total Equity Shares representing 2,33,94,915 Shares were held in dematerialized form and 43,721 shares representing 0.19% of paid-up share capital were held in physical form.

Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India

(SEBI), a Practicing Company Secretaries carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit carries out every quarter and the report thereon is submitted to Stock Exchanges and is also placed before the Board of Directors.

Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments

GDRs/ ADRs: There were no outstanding GDRs/ ADRs, as on March 31, 2015.

Warrants and other convertible instruments

There were no warrants outstanding for conversion as on March 31, 2015.

Plant Location

Unit – I

A-19, Industrial Area,
Sikandrabad, Distt. Bulandshahr (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 and A-25, Industrial Area, Sikandrabad,
Distt. Bulandshahr (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

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

for and on behalf of the Board

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi
Dated : 29th July, 2015

Regd. Office:
37, Hargobind Enclave,
Vikas Marg, Delhi – 110092

DECLARATION OF CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended March 31, 2015 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

for and on behalf of the Board

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Deepak Goyal
CFO

Place : Delhi
Dated : 29th July, 2015

Regd. Office:
37, Hargobind Enclave,
Vikas Marg, Delhi – 110092

CEO/CFO Certification

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

Certification by Chief Executive Officer and Chief Financial Officer

We Ashok K. Gupta, Managing Director and Deepak Goyal, Chief Financial Officer of APL Apollo Tubes Limited certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the Year ended March 31, 2015 and that to the best of our knowledge and belief:
 - i) the statements do not contain materially untrue statement, or omit any material fact or contain statements that might misleading;
 - ii) the statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and Audit Committee:
 - i) Significant changes, if any, in the internal controls over financial reporting during the year;
 - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

for and on behalf of the Board

Ashok K. Gupta
Managing Director

Deepak Goyal
CFO

Place : Delhi
Dated : 29th July, 2015

Regd. Office:
37, Hargobind Enclave,
Vikas Marg, Delhi – 110092

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, 2015, 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. 082515

New Delhi
July 29, 2015

Independent Auditors' Report

To

The Members, APL Apollo Tubes Limited, Delhi.

1. We have audited the accompanying financial statements of M/s APL Apollo Tubes Limited which comprise the Balance Sheet as at March 31, 2015, 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.

2. **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the act") with respect to 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 Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial control that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the

Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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. 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.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on 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 the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2015.
- ii) In the case of the Profit & Loss Statement, of the Profit of the Company for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

4. **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information

and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

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

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

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

Place: Delhi
Date: May 09, 2015

Annexure to the Independent Auditors' Report

Re: APL Apollo Tubes Limited

Referred to in paragraph 3 and 4 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 period 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.
2. a) The inventories have been physically verified during the period by the management. 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. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3. a) The company has granted unsecured loan to its one wholly owned subsidiary Company covered in the register maintained under section 189 of the companies Act, 2013. 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)
- b) The company is regular in receipt of the principal amounts as stipulated and has been regular in the receipt of interest, if any.
- c) There is no overdue amount of loans granted to

companies, firms or other parties covered in the register maintained under section 189 of the companies Act, 2013.

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. 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 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder .

In our opinion and according to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any other Tribunal against the company.

6. We have broadly reviewed the books of account relating to materials, labor 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 148 (1) of the Companies Act, 2013 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.
7. (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, Value Added 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, Value Added Tax, Cess etc. were outstanding as at March 31, 2015 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, Value Added Tax, Cess which have not been deposited on account of any dispute, are as per annexure below:

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	
	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	
	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	
"	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	
	Penalty under Rule 9(2) and 173Q of Central Excise Rule, 1944.	0.10	16.08.1999	
"	Demand in Terms of section 11A on Zinc Ash/Dross clearance.	1.08	July'08 to Mar'09	CESTAT, New Delhi
	Penalty under Rule 25 of Central Excise Rules 2002 read with section 11AC of Central Excise Act 1944.	0.03		
"	Demand under Rule 6(3)(b) and Rule 6(3)[Explanation –II] of CCR rules ,2004 read with section 11AB of C.E.Act 1944	0.31	May'08 to July'08	CESTAT, New Delhi
"	Recovery of Cenvat credit under Rule 14 of CCR,2004 read with section 11A(10)(4) of C.E.Act, 1944	3.03	2008 to 2012	CESTAT, New Delhi
	Penalty under rule 15(2) of CCR,2004 read with Section 11 AC of C.E.Act, 1944	3.03	2008 to 2012	
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	Before the High Court Judicature of Allahabad

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	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	Apr'08 to Mar'09	Commercial Tax Tribunal, Ghaziabad
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer/Sale to SEZ Units	20.81	Apr'09 to Mar'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 Penalty under Rule 15 of CCR,2004 read with section 11AC of Central Excise Act,1944	1.9 1.9	Apr'11 to Mar'12	CEST at, New Delhi
Value Added Tax Act-2008	Reversal of Input Tax Credit on Consignment/ Stock Transfer/ Sale to SEZ units. Against Statutory Declaration Forms	29.45 0.47	Apr'10 to Mar'11	Commercial Tax Tribunal, Ghaziabad
Value Added Tax Act-2008	Reversal of Input Ag. Statutory Declaration Forms	22.34 1.58	Apr'11 to Mar'12	Commercial Tax Tribunal, Ghaziabad
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer	0.81	2010-11 and 2011-12	Before the High Court Judicature of Madras

(d) According to the information and explanation given to us and records of the company examined by us, the company has transferred amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under to such fund within time.

8. The company has no accumulated losses as at March 31, 2015 and has not incurred any cash losses during the financial period covered by our audit and in the immediately preceding financial period.
9. 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 a financial institution, bank or debenture holders.
10. The company has given Corporate guarantee for loans taken from bank or financial institutions. At the end of the year, the outstanding liability by such companies to bank or financial institutions was ` 920.78 Million

11. In our opinion, the term loans have been applied for the purpose for which they were raised.

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

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

Place: Delhi
Date: May 09, 2015

Balance Sheet

as at March 31, 2015

(` in million)

Particulars	Note No.	31 st March 2015	31 st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	234.39	234.39
(b) Reserves and Surplus	3	3,183.75	3,020.76
(c) Money received against share warrants			
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	836.01	939.36
(b) Deferred Tax Liabilities (Net)		445.44	345.84
(c) Other Long Term Liabilities	5	0.50	0.50
(d) Long Term Provisions	6	12.81	9.63
(4) Current Liabilities			
(a) Short-Term Borrowings	7	2,720.47	2,615.14
(b) Trade Payables	8	397.61	615.50
(c) Other Current Liabilities	9	436.04	292.78
(d) Short-Term Provisions	10	199.86	189.90
Total Equity & Liabilities		8,466.86	8,263.80
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		2,951.75	2,300.13
(ii) Intangible Assets			-
(iii) Capital work- in- Progress		200.78	145.41
(iv) Intangible Assets Under Development		36.16	33.83
(b) Non-current investments	12	3,188.69	2,479.37
(c) Deferred tax assets (net)		880.96	865.96
(d) Long term loans and advances	13		-
(e) Other non-current Intangible assets		665.94	697.67
(f) Other non-current Intangible assets		114.95	115.71
(2) Current Assets			
(a) Current investments			
(b) Inventories	14	1,833.46	1,807.13
(c) Trade receivables	15	1,201.62	1,822.45
(d) Cash and cash equivalents	16	96.14	40.50
(e) Short-term loans and advances	17	392.19	336.18
(f) Other current assets	18	92.91	98.84
Significant Accounting Policies	1		
Total Assets		8,466.86	8,263.80

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

for and on behalf of the Board

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

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : May 09, 2015

Adhish Swaroop
Company Secretary

Deepak Goyal
Chief Financial Officer

Statement of Profit & Loss

for the year ended March 31, 2015

(' in million except EPS)

Particulars	Note No.	2014-2015	2013-2014
I Gross Revenue from operations	19	22,179.07	21,856.49
Less: Excise Duty & Cess		2,007.97	1,787.39
Net Revenue from operations		20,171.10	20,069.10
II Other Income	20	118.26	21.60
III III. Total Revenue (I +II)		20,289.36	20,090.69
IV Expenses:			
Cost of materials consumed	21	15,303.54	13,708.66
Purchase of Stock-in-Trade		2,947.14	5,111.49
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	166.93	(388.60)
Employee Benefit Expense	23	233.26	211.51
Financial Costs	24	501.54	462.16
Depreciation and Amortization Expense		120.13	98.69
Other Expenses	25	575.44	492.56
Total Expenses (IV)		19,847.97	19,696.46
V Profit before exceptional and extraordinary items and tax	(III - IV)	441.39	394.23
VI Exceptional Items	26	(0.93)	1.35
VII Profit before extraordinary items and tax (V - VI)		442.32	392.88
VIII Extraordinary Items			
IX Profit before tax (VII - VIII)		442.32	392.88
X Tax expense:			
(1) Current tax		70.52	76.70
(2) Deferred tax		99.60	71.20
(3) Tax Expenses in respect of earlier years			-
(4) Mat Credit Entitlement		(42.34)	(16.87)
XI Profit/(Loss) from the period from continuing operations	(IX-X)	314.53	261.85
XII Profit/(Loss) for the period		314.53	261.85
XIII Earning per equity share:			
(1) Basic		13.42	11.38
(2) Diluted		13.42	11.38

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

for and on behalf of the Board

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

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi
Dated : May 09, 2015

Adhish Swaroop
Company Secretary

Deepak Goyal
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2015

Particulars	2014-2015		2013-2014	
1. Cash Flow From Operating Activities				
Net Profit before tax and extra ordinary items		442.32		392.88
Adjustments for:				
Depreciation & Amortisation	120.13		98.69	
Deferred Expenditure	63.45		52.67	
Interest & Finance Charges	501.54		462.16	
Loss on sale of fixed assets/Investments	(0.93)	684.19	1.35	614.88
Operating Profit Before Working Capital Changes		1,126.51		1,007.75
Adjustments for:				
Increase/Decrease in Trade Receivables	620.82		(168.08)	
Increase/Decrease in Other Receivables	(17.56)		(106.49)	
Increase/Decrease in Inventories	(26.32)		(31.67)	
Increase/Decrease in Trade & Other Payable	(62.98)	513.95	43.24	(263.00)
Cash Generated from Operations		1,640.46		744.75
Direct Taxes paid including Fringe Benefit Tax		(26.70)		(63.34)
Cash Flow before extra ordinary items		1,613.76		681.41
Extra ordinary items		-		
Net Cash from Operating Activities (A)		1,613.76		681.41
2. Cash Flow from Investing Activities:				
Purchase of Fixed Assets	(855.17)		(725.56)	
Investment in Property	(15.00)		(86.31)	
Misc Expenditure	(74.96)		(140.06)	
Sale of Fixed Assets	26.65		27.59	
Advances for Fixed Assets	11.47		88.09	
Net Cash from Investing Activities (B)		(907.01)		(836.24)
3. Cash Flow from Financing Activities:				
Proceeds from issue of Shares and Warrants issued during the Year	-		121.26	
Receipt / Repayment of Secured loans	1.97		573.82	
Dividend & DDT paid	(151.54)		(136.20)	
Interest & Finance Charges	(501.54)		(462.16)	
Net cash generated from Financing activities		(651.11)		96.71
Net Cash from Financing Activities (C)		(651.11)		96.71
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)		55.64		(58.12)
Add : Cash & Cash Equivalents at the Beginning of the Year		40.50		98.62
		96.14		40.50
Cash & Cash Equivalents at the End of the Year		96.14		40.50

Notes : 1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Note No.16

2. The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard (AS -3), "Cash Flow"

3. Figures in brackets indicate cash outflow.

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

for and on behalf of the Board

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

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : May 09, 2015

Adhish Swaroop
Company Secretary

Deepak Goyal
Chief Financial Officer

Notes to Standalone Financial Section

for the year ended March 31, 2015

Note 1: Significant Accounting Policies

1.1 Basis of Preparation of Financial Statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 27.

1.2 Operating Cycle

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

1.3 Fixed Assets

- a) 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.
- b) 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.
- c) 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.

1.4 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 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.

1.5 Inventories Valuation

Inventories are valued at the lower of cost (First in First Out –FIFO method) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

1.6 Depreciation

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

Depreciation on tangible fixed assets have been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of assets has been assessed under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufactures warranties and maintenance support, etc.

General Plant Machinery - 20 Years

Factory Shed and Building - 30 Years

Office Equipment - 20 Years

Vehicle – 10 Years
Furniture and Fittings- 15 Years
Computer – 6 Years
Software – 6 Years

1.7 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 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.

1.8 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.

1.9 Borrowing Cost

Borrowing costs include interest; amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.10 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

1.11 Non-Current Intangible Assets

Other non-current intangible assets represent expenditure incurred on brand promotion. It has been decided to write off these expenses over the period of five years.

1.12 Revenue Recognition

Sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax, value added tax and freight outward.

Revenue from services is recognised when the services are complete.

1.13 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.14 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost.

1.15 Provision and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

1.16 Cash and cash equivalents (for purposes of Cash Flow Statement).

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.17 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.

1.18 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(` in million)

Particulars	31 st March 2015	31 st March 2014
Note 2: Share Capital		
1 AUTHORIZED CAPITAL		
2,50,00,000 Equity Shares of ` 10/- each	250.00	250.00
(Previous year 250,00,000 Equity Shares of ` 10/- each)	250.00	250.00
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL		
2,34,38,636 Equity Shares of ` 10/- each	234.39	234.39
(Previous Year 2,34,38,636 Equity Shares of ` 10/- each)		
Total	234.39	234.39
1 Reconciliation of the number of issued, subscribed and paid-up shares:		
Shares outstanding as at the beginning of the year	23.439	22.324
Shares bought back during the year	-	-
Additions during the year	-	1.115
Deletion during the year	-	-
Shares outstanding as at the end of the year	23.439	23.439

(In Previous Year 11,15,000 Equity shares were issued on August 13, 2013 upon conversion of equal number of warrants held by Mr. Ashok K. Gupta (a promoter group entity) out of total 15,00,000 warrants issued @ ` 145/- on February 14, 2012.)

Rights, preferences and restrictions attached to shares Equity Shares

The Company has one class of equity shares having a par value of ` 10 each. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholders	31 st March, 2015		31 st March, 2014	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
APL Infrastructure Pvt. Ltd.	8,025,187	34.239%	7,948,440.00	33.912%
KITARA PIN	3,000,000.00	12.799%	3,000,000.00	12.799%
IDFC Premier Equity Fund	1,586,500.00	6.769%	231,640.00	0.990%
Ashok K. Gupta*	1,500,000.00	6.400%	1,500,000.00	6.400%
EBLEM FII	1,000,000.00	4.266%	1,200,000.00	5.119%

*(Part of Promoter and PAC)

(` in million)

Particulars	31 st March 2015	31 st March 2014
Note 3: Reserve & Surplus		
1 Security Premium	1,873.70	1,873.70
Balance brought forward from previous year	1,873.70	1,723.17
Add: Additions		150.53
Less: Transfers		-
2 General Reserve	250.15	200.15
Balance brought forward from previous year	200.15	150.15
Add: Additions	50.00	50.00
Less: Transfers		-
3 Surplus (Statement of Profit & Loss)	1,059.90	946.91
Balance brought forward from previous year	946.91	871.26
Less: Proposed Dividend	140.63	117.19
Less: Dividend Distribution Tax on Proposed Dividend	10.91	19.01
Less: Transfer to General Reserve	50.00	50.00
Add: Profit for the period	314.53	261.85
Total	3,183.75	3,020.75
# Proposed Dividend to be distributed to equity shareholders is ` 6/- (Previous Year Proposed Dividend ` 5/-) per equity share		
Note 4: Long Term Borrowings		
Secured Loans		
1 Term Loan		
- From Bank	836.01	939.36
Total	836.01	939.36

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

S.No	Amount of Loan	Terms of Repayment
1	Term Loan amounting ` 260.00 Million (Previous Year ` 400.00 Million).	Repayable in 18 unequal quarterly installments commencing from December, 2012. Last installment due on March, 2017.
2	Term Loan amounting ` 480.00 Million (Previous Year ` 400).	Repayable in 17 unequal quarterly installments commencing from March, 2015. Last installment due on March, 2019.
3	Term Loan amounting ` 200.000 Million (Previous Year ` 250).	Repayable in 20 equal quarterly installments commencing from April, 2014. Last installment due on March, 2019.
	Nature of Security for Sub Note No. 1.1 to 1.3 of Note No. 4: Please refer note 7.1	
4	Term Loan amounting ` 200.00 Million (Previous Year ` NIL) is secured against subservient charge over entire present & future current assets and fixed assets and personal guarantee of Mr. Sanjay Gupta.	Repayable in 4 unequal quarterly installments commencing from Dec, 2015. Last installment due on Sept, 2016.
5	Term Loan amounting ` 33.68 Million (P.Y. ` 34.90 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.
6	Various Vehicle Loans total amount ` 6.87 Million of hypothecation of respective vehicle.	All loans have 36 monthly installments commencing from various dates.

Installment falling due in respect of all the above Loans upto March 31, 2016 have been grouped under "Current Maturities of long term debt".

(` in million)

Particulars		31 st March 2015	31 st March 2014
Note 5: Other Long Term Liability			
1 Security Deposit*		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		12.81	9.63
Total		12.81	9.63
The Company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method.			
Note 7: Short Term Borrowing			
Secured Loan			
Loan Repayable on Demand			
- From Bank		2,220.47	2,615.14
Unsecured Loan			
Loan Repayable on Demand			
- From Other Parties		500.00	-
Total		2,720.47	2,615.14
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 at A-19 & A-20 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 Personal guarantee 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		292.90	134.56
2 Sundry Creditors for Trading Goods			332.21
3 Sundry Creditors for Others		70.29	119.81
4 Expenses Payable		34.42	28.92
Total		397.61	615.50
Note 9: Other Current Liabilities			
1 Current Maturities of Long Term Borrowings		344.56	192.62
2 Interest accrued but not due on Borrowings		3.15	12.44
3 Unclaimed Dividend		4.13	1.37
4 Statutory Dues		71.47	76.63
5 Advance From Customers		12.73	9.71
Total		436.04	292.78
Note 10: Short Term Provisions			
1 Provision for Excise Duty on Finished Goods		47.52	62.49
2 Dividend Proposed		140.63	117.19
3 Provision for Taxation		11.70	10.22
Total		199.86	189.90

Note 11: Fixed Assets as on March 31, 2015

(` in million)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Addition during the period	Sales/ Transfer during the period	As at 31.03.2015	Upto 31.03.2014	For the period	Adjusted during the period	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
A. FIXED ASSETS										
Land	174.74	130.91	24.36	281.29	-	-	-	-	281.29	174.74
Building	507.00	110.80	-	617.81	47.27	15.55	-	62.82	554.99	459.73
Plant & Machinery	1,858.11	550.74	1.29	2,407.57	268.15	95.04	1.31	361.87	2,045.69	1,589.96
Office Equipment	19.09	2.39	-	21.49	2.51	0.97	-	3.48	18.00	16.58
Vehicle	42.11	1.23	1.63	41.71	16.23	4.02	0.24	20.02	21.70	25.88
Furniture & Fixture	29.44	0.61	-	30.05	2.44	2.96	-	5.41	24.65	27.00
Computer	9.46	0.78	-	10.24	5.36	1.58	-	6.94	3.30	4.10
Zinc (46.142 M.T.)	2.13	-	-	2.13	-	-	-	-	2.13	2.13
SUB TOTAL (A)	2,642.09	797.47	27.28	3,412.29	341.96	120.13	1.55	460.54	2,951.75	2,300.13
B. WORK-IN-PROGRESS	145.41	200.78	145.41	200.78	-	-	-	-	200.78	145.41
SUB TOTAL (B)	145.41	200.78	145.41	200.78	-	-	-	-	200.78	145.41
C. Intangible Assets Under Development	33.83	2.33	-	36.16	-	-	-	-	36.16	33.83
SUB TOTAL (C)	33.83	2.33	-	36.16	-	-	-	-	36.16	33.83
Current Year Figure (A+B+C)	2,821.33	1,000.59	172.69	3,649.23	341.96	120.13	1.55	460.54	3,188.69	2,479.37
Previous Year Figure	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

Particulars	31 st March 2015	31 st March 2014
Note 12: Non-Current Investment		
1 Quoted		
(i) 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) 27,11,100 Equity shares of Apollo Metalex Pvt. Ltd. of ` 10/- each fully paid up	72.11	72.11
(ii) 58,95,000 Equity shares of Shri Lakshmi Metal Udyog Ltd. of ` 10/- each fully paid up	362.99	362.99
(iii) 2,00,00,000 Equity shares of Lloyds Line Pipes Ltd. of ` 10/- each fully paid up	332.50	332.50
(ii) Investment in Immovable property	112.85	97.86
Total	880.96	865.96
Aggregate book value of unquoted Investments	880.46	865.46
Aggregate book value of quoted Investments	0.50	0.50
Market Value of quoted Investments	0.50	0.50
Aggregate provision for diminution in value of Investments		-
Additional Information:		
Out of 58,95,000 Equity Shares of Shri Lakshmi Metal Udyog Limited, 53,95,000 Equity Shares were acquired in a non-cash deal, wherein 17,98,333 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	181.94	193.40
2 Security Deposit		
Unsecured, Considered Good	154.00	174.26
3 Loans & Advances to related parties		
- Wholly Subsidiary Company	330.00	330.00
4 Other Loans & Advances		-
Total	665.94	697.67
Note 14: Inventories		
1 Raw Material	512.46	343.04
2 Finished Goods	1,238.53	1,394.97
3 Stores & Spares	58.63	39.08
4 Rejection & Scrap	23.85	30.04
Total	1,833.46	1,807.13
The closing stock of finished goods and scrap has been valued Inclusive of Excise Duty amounting to ` 47.52 Million (Previous Year ` 62.49 Million) as per ASI-14 (Revised) issued by the Institute of Chartered Accountants of India.		

(` in million)

Particulars	31 st March 2015	31 st March 2014
Note 15: Trade Receivables		
1 Outstanding for more than six months from the date they were due for payment		
a) Unsecured, Considered Good:	14.72	14.83
2 Others from the date they were due for payment		
a) Unsecured, Considered Good:	1,186.90	1,807.62
Total	1,201.62	1,822.45
Note 16: Cash & Cash Equivalent		
1 Cash and Cash Equivalents		
Cash Balance	10.16	4.77
Bank Balance	3.11	2.45
Sub Total (A)	13.26	7.22
2 Other Bank Balances		
In margin money with maturity less than 12 months at inception	81.24	31.83
Accrued Interest on FDR's & Securities	1.63	1.45
Sub Total (B)	82.87	33.28
Total (A + B)	96.14	40.50
Note 17: Short Terms Loans and Advances		
Advance Recoverable in cash or in kind or for value to be considered good		
i) Advance to Suppliers	29.30	47.25
ii) Advance to Others	26.13	4.78
iii) Prepaid Expenses	7.39	0.70
iv) Advance Payment with Revenue Authorities (Indirect Taxes)	244.78	241.19
v) MAT Credit Entitlement	84.59	42.25
Total	392.19	336.18
Note 18: Other Current Assets		
1 Claim Receivable	32.19	50.38
2 Brand Image Expenses	60.73	48.46
Total	92.91	98.84
Note 19: Revenue from Operations		
1 Sales		
-Domestic	20,997.45	20,820.11
-Export	1,049.48	953.07
	22,046.93	21,773.18
2 Job Work	89.76	20.20
3 Other Operating Income	3.85	12.05
4 Export Incentive	38.52	51.05
Total	22,179.07	21,856.49
1 Black pipe	13,779.62	13,323.33
2 Galvanized Pipe	3,938.88	4,456.37
3 Pre Galvanized Pipe	2,510.99	2,968.61
4 Coils	1,129.97	445.77
5 Others	687.47	579.09
Total	22,046.93	21,773.18

(` in million)

Particulars	2014-2015	2013-2014
Note 20: Other Income		
1 Misc Income	112.60	20.62
2 Interest Income	5.66	0.97
Total	118.26	21.60
Note 21: Cost of Material Consumed		
1 Raw Material		
Opening Stock	343.04	705.34
Add: Purchases	15,370.73	13,253.06
Less: Closing Stock	512.46	343.04
	15,201.31	13,615.36
2 Stores & Consumables	102.23	93.29
Total	15,303.54	13,708.66
1 Black pipe	10.11	0.62
2 HR Coil	13,294.25	12,272.10
3 GP Coil	1,299.15	922.31
4 Zinc	497.28	412.04
5 Others	100.52	8.29
Total	15,201.31	13,615.36
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	1,335.17	945.47
Scrap	27.36	28.46
Total-1	1,362.53	973.93
2 Closing Stock (Net of Excise Duty)		
Finished Goods	1,174.40	1,335.17
Scrap	21.20	27.36
Total-2	1,195.60	1,362.53
Total (2-1)	166.93	(388.60)
For Mode of Valuation, refer Point No. 5 of Significant Accounting Policies.		
Note 23: Employment Benefit Expenses		
1 Salaries, Wages, Bonus etc.	211.03	193.15
2 Contribution to Provident and other Funds	15.01	11.68
3 Staff Welfare Expenses	7.22	6.69
Total	233.26	211.51
Note 24: Financial Cost		
1 Interest on Working Capital Facilities	414.80	401.08
2 Interest on Term Loan	57.18	46.93
3 Other Borrowing Cost	29.55	14.15
Total	501.54	462.16

(` in million)

Particulars	2014-2015	2013-2014
Note 25: Other Expenses		
1 Furnace Oil	57.64	71.33
2 Power & Fuel	225.53	185.50
3 Rent	41.51	34.45
4 Repair & Maintenance:-		
Building	0.24	0.12
Plant & Machinery	9.75	4.21
Others	1.60	0.69
5 Insurance	1.40	0.77
6 Rates & Taxes	4.89	5.83
7 Job Work	24.92	34.99
8 Legal & Professional Charges	10.29	6.47
9 Commission on sales	42.84	42.09
10 Others	154.83	106.12
Total	575.44	492.56

Note 26: Exceptional Item

During the year the Company has sold Plant & Machinery and Vehicles consequently, there is profit on sale of ` 0.93 Million.

Note 27: Depreciation

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ` 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate/useful life	Revised useful life based on SLM
Factory Building	3.34% / ~ 30 years	30 years
General Plant & Machinery	4.75% / ~ 20 years	20 years/ 15 years
Office Equipment	4.75% / ~ 20 years	20 years
Vehicle	9.50% / ~ 10 years	10 years
Furniture & Fixture	6.33% / ~ 15 years	15 years
Computer	16.21% / ~ 6 years	6 years

Note 28: Contingent Liability

Contingent liability not provided for in respect of;

(` in million)

S. No.	Particulars	2014-2015	2013-2014
1.	Counter guarantee to Union Bank of India for performance guarantee given to various departments	15.41	12.03
2.	Corporate Guarantee(s) have been given for securing working capital facilities sanctioned to its Subsidiary Companies.		
3.	Sales Invoice Discounted (Under channel financing scheme from Banks/Institutions to customers for which the company has given counter guarantee)	358.94	50.87

Note 29: 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, 2015 have been actuarially determined and provided for in the accounts.

Particulars	(` in million)	
	2014-2015	2013-2014
Changes in the present value of defined benefit obligation		
Present benefit obligation at the beginning of year	9.63	6.33
Current service cost	2.40	2.11
Interest cost	0.75	0.51
Past service cost	Nil	Nil
Actuarial gain/(loss)	0.99	0.87
Benefits paid	(0.97)	(0.19)
Projected benefit obligation at the end of the year	12.81	9.63
Changes in the fair value of plan assets		
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	12.81	9.63
Fair value of plan assets at the end of the year	-	-
Funded status of the plans-asset/(liability)-Liability recognized in the balance sheet	(12.81)	(9.63)
Gratuity cost for the year		
Current service cost	2.41	2.11
Interest Cost	0.75	0.51
Past service cost	-	-
Expected return on plan assets	-	-
Net actuarial gain/(loss) recognized in the year	0.99	0.87
Net Gratuity cost	4.15	3.48
Assumptions		
Discount rate	7.83	8.50
Expected rate of return on plan assets	-	-
Long term rate of compensation increase	4.50	6.00

Note No. 30: Disclosure regarding computation of EPS in accordance with AS-20.

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

Particulars	2014-2015	2013-2014
A. Basic EPS		
Profit After Tax As per P&L A/c (₹)	314.37	261.85
Weighted Avg. Number of Equity Share	23,014,020	23,014,020
Basic EPS (₹)	13.41	11.38
B. Diluted EPS		
Profit After Tax As per P&L A/c (₹)	314.37	261.85
Diluted Number of Equity Shares o/s	23,014,020	23,014,020
Diluted EPS (₹)	13.41	11.38
C. Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	23,014,020	23,014,020
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	-	-
4. Warrants were issued entitling the holders to subscribe for one equity share having nominal value ₹ 10 for every warrant issued.	-	-
5. Total Diluted Equity Shares (1+3)	23,014,020	23,014,020

Note 31:

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 32: Brand building Expense

During the Year the company has incurred an expenditure of ₹ 74.96 Millions (Previous Year ₹ 14.01 Millions) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortized in 5 years equally.

Note 33:

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 ₹ 42.37 Millions (Previous Year ₹ 16.87 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 34: 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)

Other than promoter :

Mr. Deepak Goyal (CFO)

Relatives of Key Management Personnel

Mrs. Saroj Rani Gupta (Mother of Directors)

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

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

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

b) Detail of Related Party Transactions

(` in million)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
Sales of Goods/Job Work	538.66	-	-	-	538.66
Sales of Capital Goods	294.72	-	-	-	294.72
Purchase of Goods/Job Work Charges	3279.32	-	-	-	3279.32
Director's Remuneration Paid	-	-	35.30	-	35.30
Office/Vehicle/Factory rent Paid	-	12.55	-	12.74	25.29
Funds Received	-	-	-	-	-
Funds Given	-	-	-	-	-
c) Amount due to /from Related Parties as at March 31, 2015					
Amount due to Related Parties	-	-	-	-	-
Amount due from Related Parties	330.00	-	-	-	330.00

(` in million)

Particulars	2014-2015	2013-2014
Note 35: Value of Import	118.08	56.12
Note 36: Value of Export (CIF)	1049.06	953.07
Note 37: Expenditure in foreign Currency	13.13	1.50
Note 38: The outstanding balance of Debtors/Creditors in the books of the company is subject to confirmation.		
Note 39: Auditors Remuneration (excluding Service Tax)		
i) Statutory Audit Fee	0.75	0.75
ii) Taxation matters	0.15	0.15
iii) Other Services	0.10	0.10
Total	1.25	1.25
Note 40: Break up of Managerial Remuneration		
i) Salaries	34.72	34.71
ii) Contribution to Provident Fund	0.58	0.58
iii) Other Perquisites	-	-
iv) Commission	-	-
Total	35.30	35.29
Note 41: Break up of Directors Traveling Expenses:		
i) Foreign Travelling	2.60	0.16
ii) Inland Travelling	2.81	2.19

Note 42: 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, 2015, if any, due to such undertaking could, therefore, not to be disclosed.

Note 43: Amounts except number of shares and earnings per share are rounded off to the nearest rupees.

Note 44: The figures of previous year have been regrouped/rearranged wherever considered necessary.

Note 45: Corporate Social Responsibility

As per section 135 of Companies Act, 2013, The Company was to require an amount of ` 6.77 Million in CSR activities, which remain unspent at the end of the year.

As per our separate audit Report of
even date attached

for and on behalf of the Board

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

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

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi
Dated : May 09, 2015

Adhish Swaroop
Company Secretary

Deepak Goyal
Chief Financial Officer

A dramatic sunset scene with a bright sun low on the horizon, casting long, vibrant rays of orange and red light across a dark, silhouetted landscape. The sky is filled with wispy clouds, some of which are illuminated by the sun's rays.

Leading

IN A DYNAMIC LANDSCAPE

Consolidated Financial Results

Independent Auditors' Report

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

To

The Members, APL Apollo Tubes Limited

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, 2015, which comprise the consolidated Balance Sheet as at March 31, 2015, 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.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the act") with respect to preparation of these consolidated 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 Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial control that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and fair 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 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 fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. 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.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 the case of the Consolidated Balance Sheet, of the State of affairs of the Group as at March 31, 2015.
- ii) In the case of the Consolidated Profit & Loss Statement, of the Profit of the Group for the year ended on that date.
- iii) In the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

4. Other Matters

The financial statements of two subsidiaries namely Shri Lakshmi Metal Udyog Limited and Lloyds Line Pipes Limited have not been audited by us, whose financial statements reflect total assets of ` 3907.72 Million as at March 31, 2015 (Previous Year ` 3490.56 Million), total revenues of ` 10299.44 Million as at March 31, 2015 and (Previous Year ` 7388.83 Million) and net cash out flows amounting to ` 27.06 Million as at March 31, 2015 ( Previous Year ` 18.80 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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

5. Report on Other Legal and Regulatory Requirements

1.) As required by Section 143(3) of the Act, we report, to the extent applicable, that: -

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Company has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

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

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

Place : Delhi
Date : May 09, 2015

Consolidated Balance Sheet

as at March 31, 2015

(` in million)

Particulars	Note No.	31 st March 2015	31 st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	234.39	234.39
(b) Reserves and Surplus	3	4,486.55	4,017.75
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,416.66	1,371.83
(b) Deferred Tax Liabilities (Net)		744.60	521.19
(c) Other Long Term Liabilities	5	0.70	1.00
(d) Long Term Provisions	6	30.17	23.67
(4) Current Liabilities			
(a) Short-Term Borrowings	7	2,925.58	3,402.60
(b) Trade Payables	8	2,062.78	1,241.73
(c) Other Current Liabilities	9	629.50	411.39
(d) Short-Term Provisions	10	369.46	277.04
Total Equity & Liabilities		12,900.38	11,502.58
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		5,711.46	4,000.89
(ii) Intangible Assets		0.32	0.33
(iii) Capital work- in- Progress		203.08	245.01
(iv) Intangible Assets under development		36.16	33.83
		5,951.03	4,280.06
(b) Goodwill on Consolidation		199.00	199.00
(c) Non-current investments	12	190.65	175.65
(d) Deferred tax assets (net)			
(e) Long term loans and advances	13	372.47	449.49
(f) Other non-current assets	14	115.26	117.29
(2) Current Assets			
(a) Current investments			
(b) Inventories	15	3,195.69	2,884.89
(c) Trade receivables	16	1,794.91	2,494.26
(d) Cash and cash equivalents	17	192.07	100.82
(e) Short-term loans and advances	18	789.41	683.39
(f) Other current assets	19	99.90	117.74
Total Assets		12,900.38	11,502.58

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

for and on behalf of the Board

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

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi
Dated : May 09, 2015

Adhish Swaroop
Company Secretary

Deepak Goyal
Chief Financial Officer

Consolidated Statement of Profit & Loss

for the year ended March 31, 2015

(' in million except EPS)

Particulars	Note No.	2014-2015	2013-2014
I Gross Revenue from operations	20	33,572.34	27900.48
Less: Excise Duty & Cess		3,434.57	2930.93
		30,137.77	24969.55
II Other Income	21	30.00	20.41
III III. Total Revenue (I +II)		30,167.77	24989.96
IV Expenses:			
Cost of materials consumed	22	26,994.67	22407.27
Purchase of Stock-in-Trade		109.06	428.54
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(39.31)	(523.64)
Employee Benefit Expense	24	392.45	335.51
Financial Costs	25	664.53	609.30
Depreciation and Amortization Expense	26	220.07	164.32
Other Administrative Expenses	27	849.04	676.32
Total Expenses (IV)		29,190.51	24097.63
V Profit before exceptional and extraordinary items and tax	(III - IV)	977.26	892.33
VI Prior Period Items		-	-
VII Profit before exceptional items and tax (V - VI)		977.26	892.33
VIII Exceptional Items		0.53	2.63
IX Profit before tax (VII - VIII)		976.73	889.70
X Tax expense:			
(1) Current tax		224.01	203.82
(2) Deferred tax		223.41	121.11
(3) Tax Expenses in respect of earlier years		0.48	4.50
(5) Mat Credit Entitlement		(108.74)	(29.51)
XI Profit(Loss) from continuing operations	(IX-X)	637.56	589.79
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)		637.56	589.79
XVI Earning per equity share:			
(1) Basic		27.20	25.63
(2) Diluted		27.20	25.63

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

for and on behalf of the Board

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

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Delhi
Dated : May 09, 2015

Adhish Swaroop
Company Secretary

Deepak Goyal
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2015

(` in million)

Particulars	2014-2015		2013-2014	
1. Cash Flow From Operating Activities				
Net Profit before tax and extra ordinary items		976.73		889.70
Add Adjustments for:				
Depreciation & Amortisation	220.07		164.32	
Interest & Finance Charges	664.53		609.30	
Loss on sale of Fixed Assets/Investments	0.53		2.63	
Prior period items	-	885.13	-	776.26
Operating Profit Before Working Capital Changes		1,861.86		1,665.96
Adjustments for:				
Increase/Decrease in Sundry Debtors	699.36		(300.61)	
Increase/Decrease in Other Receivables	(62.07)		(152.13)	
Increase/Decrease in Inventories	(310.80)		(3.07)	
Increase/Decrease in Trade & Other Payable	1,055.64	1,382.12	363.76	(92.05)
Cash Generated From Operations		3,243.98		1,573.92
Cash Flow before extra ordinary items				
Direct Taxes Paid		(50.89)		(246.83)
Net Cash from Operating Activities (A)		3,193.09		1,327.09
2. Cash Flow from Investing Activities:				
Purchase of Fixed Assets	(1,937.49)		(1,277.92)	
Misc Expenditure	(9.76)		(46.85)	
Sale of Fixed Assets	30.63		14.70	
Advances for Fixed Assets	62.69		194.85	
Misc Investment	(15.00)		(163.61)	
Net Cash from Investing Activities (B)		(1,868.92)		(1,278.82)
3. Cash Flow from Financing Activities:				
Proceeds of Shares Issued during the Year	-		121.26	
Receipt / Repayment of Secured loans	(932.18)		529.97	
Receipt / Repayment of Unsecured loans	500.00		(1.42)	
Dividend & DDT Paid	(136.20)		(129.73)	
Interest & Finance Charges	(664.53)		(609.30)	
Net Cash from Financing Activities (C)		(1,232.92)		(89.22)
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)		91.25		(40.95)
ADD: Cash & Cash Equivalents at the Beginning of the Year		100.82		141.77
		192.07		100.82
Cash & Cash Equivalents at the End of the Year		192.07		100.82

Notes : 1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Note No.17

2. The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard (AS -3), "Cash Flow"

3. Figures in brackets indicate cash outflow.

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

for and on behalf of the Board

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

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : May 09, 2015

Adhish Swaroop
Company Secretary

Deepak Goyal
Chief Financial Officer

Notes to Consolidated Financial Section

for the year ended March 31, 2015

Note 1: Significant Accounting Policies

1.1 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, 2015 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.

1.2 Basis of Preparation of Financial Statement

- The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with the Accounting Standard 1 referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.
- The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- 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.
- 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 II to the Companies Act, 2013. 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.

1.3 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.

1.4 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.

1.5 Depreciation

Depreciation on tangible fixed assets have been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of assets has been assessed under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufactures warranties and maintenance support, etc.

1.6 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).

1.7 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.

1.8 Duties & Credits

- a. 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, is adjusted towards cost of materials.
- c. Duty credit on export sales has been taken on accrued basis whether license has been issued after closing of the financial year.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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 2015	31 st March 2014
Note 2 : Share Capital		
1 AUTHORIZED CAPITAL		
2,50,00,000 Equity Shares of ₹ 10/- each	250.00	250.00
(Previous year 250,00,000 Equity Shares of ₹ 10/- each)	250.00	250.00
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL		
2,34,38,636 Equity Shares of ₹ 10/- each	234.39	234.39
(Previous Year 2,23,23,636 Equity Shares of ₹ 10/- each)		

(` in million)

Particulars	31 st March 2015	31 st March 2014
Total	234.39	234.39
Note 3: Reserves and Surplus		
1 Security Premium	1,643.66	1,643.66
Balance brought forward from previous year	1,643.66	1,493.13
Add: Additions	-	150.53
Less: Transfers	-	-
2 General Reserve	270.15	205.15
Balance brought forward from previous year	205.15	155.15
Add: Additions	65.00	50.00
3 Surplus (Statement of Profit & Loss)	2,572.75	2,168.94
Balance brought forward from previous year	2,168.94	1,765.36
Less: Dividend Proposed	140.63	117.19
Less: Dividend Distribution Tax on Dividend	28.12	19.01
Less: Transfer to Reserves	65.00	50.00
Add: Profit for the period	637.56	589.79
Total	4,486.55	4,017.75
Note 4: Long Term Borrowings		
Secured Loans		
1 Term Loan		
- From Bank	1,406.23	1,361.39
- From Other Parties	-	-
2 Deferred payment liabilities	10.43	10.43
Total	1,416.66	1,371.83
Note 5: Other Long Term Liabilities		
1 Others:		
- Security Deposits	0.70	1.00
Total	0.70	1.00
<i>* This amount represents security received from certain dealer/distributors</i>		
Note 6: Long Term Provisions		
1 Provisions for Employee Benefits	30.17	23.67
Total	30.17	23.67
Note 7: Short Term Borrowings		
Secured Loans		
1 <u>Loan Repayable on Demand</u>		
- From Bank	2,425.58	3,402.60
Unsecured Loans		
2 <u>Loan Repayable on Demand</u>		
- From Other Parties	500.00	-
Total	2,925.58	3,402.60
Note 8: Trade Payable		
1 Sundry Creditors for Raw Material	1,797.86	986.17
2 Sundry Creditors for Fixed Assets	1.45	-
3 Sundry Creditors for Trading Goods	-	1.12
4 Sundry Creditors for Others	169.32	184.99
5 Expenses Payable	94.14	69.46
Total	2,062.78	1,241.73
Note 9: Other Current Liabilities		
1 Current Maturities of Long Term Borrowing	490.00	273.60

(` in million)

Particulars	31 st March 2015	31 st March 2014
2 Interest accrued but not due on Borrowing	9.58	21.92
3 Unclaimed Dividend	4.13	-
3 Investor Education & Protection Fund	-	1.37
4 Statutory Dues	85.77	83.81
5 Advance From Customers	40.02	30.70
Total	629.50	411.39
Note 10: Short Term Provisions		
1 Provision for Excise Duty on Finished Goods	119.59	110.00
2 Provision for Taxation (Net)	90.93	24.14
3 Provision for Employee Benefits	7.40	6.70
4 Provision for Tax on Dividend Proposed	10.91	19.01
4 Dividend Proposed	140.63	117.19
Total	369.46	277.04

Note 11: Fixed Assets as on March 31, 2015

Particulars	Gross Block				Deprecation				Net Block	
	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2015	WDV as on 31.03.2014
Tangible Assets										
Land	99.71	-	-	99.71	-	-	-	-	99.71	99.71
Industrial Plot	177.40	212.61	-	390.01	-	-	-	-	390.01	177.40
Factory Shed & Building	576.69	176.52	-	753.21	48.11	14.03	-	62.14	691.07	528.58
Building	351.73	110.80	-	462.54	36.13	15.59	-	51.73	410.81	315.60
Staff residential building	14.73	-	-	14.73	1.27	0.52	-	1.79	12.94	13.46
Plant and Equipment	3,199.22	1,463.29	20.34	4,642.16	424.77	174.58	1.65	597.70	4,044.47	2,774.45
Furnitures & Fixtures	33.83	0.92	-	34.75	3.76	4.54	-	8.30	26.45	30.07
Vehicles	53.32	8.39	5.13	56.58	19.98	5.47	1.73	23.72	32.86	33.34
Office Equipment	23.82	3.09	-	26.90	3.15	2.58	-	5.73	21.18	20.67
Computer	12.64	1.37	-	14.01	7.17	2.65	-	9.82	4.19	5.46
Zinc (46.142 M.T.)	2.13	-	-	2.13	-	-	-	-	2.13	2.13
SUB TOTAL (A)	4,545.24	1,976.98	25.48	6,496.74	544.35	219.96	3.38	760.92	5,735.82	4,000.89
Intangible Assets										
Trade Marks	0.02	-	-	0.02	0.02	-	-	0.02	-	-
Computer Software	0.54	0.11	-	0.65	0.22	0.12	-	0.33	0.32	0.33
SUB TOTAL (B)	0.55	0.11	-	0.66	0.24	0.12	-	0.35	0.32	0.33
Capital Work-in-progress										
Building Under Construction	95.63	557.50	629.21	23.92	-	-	-	-	23.92	95.63
Plant & Machinery	122.09	478.12	421.04	179.16	-	-	-	-	179.16	122.09
WIP (Office Equipment)	-	0.02	0.02	-	-	-	-	-	-	-
WIP (Furniture & Fixtures)	-	-	-	-	-	-	-	-	-	-
Expenses pending for allocation	27.29	-	27.29	-	-	-	-	-	-	27.29
SUB TOTAL (C)	245.01	1,035.64	1,077.57	203.08	-	-	-	-	203.08	245.01
Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	-
Software Under Development	33.83	2.33	-	36.16	-	-	-	-	36.16	33.83
SUB TOTAL (D)	33.83	2.33	-	36.16	-	-	-	-	36.16	33.83
Total [A+B+C+D](Current Year)	4,824.63	3,015.06	1,103.05	6,736.65	544.58	220.07	3.38	761.27	5,975.38	4,280.06
(Previous Year)	3,566.88	2,029.24	771.48	4,824.64	385.60	164.32	5.34	544.58	4,280.06	3,181.28

(` in million)

Particulars	31 st March 2015	31 st March 2014
Note 12: Non-Current Investment		
1 Unquoted		
(i) Investment in Mutual Funds		
(i) Union KBC Tax Saver	0.50	0.50
2 Investment in Immovable Property		
(i) Villa at Jaypee Greens	190.15	175.15
Total	190.65	175.65
Aggregate book value of unquoted Investments	190.15	175.15
Aggregate book value of quoted Investments	-	-
Market Value of quoted Investments	0.50	0.50
Aggregate provision for diminution in value of Investments	-	-
Note 13: Long Term Loans and Advances		
I) Capital Advances		
Unsecured, Considered Good	191.19	253.88
II) Security Deposit		
Unsecured, Considered Good	178.64	193.46
III) Loans & Advances to related parties	-	-
IV) Other Loans & Advances	2.64	2.15
Total	372.47	449.49
Note 14: Other Non-Current Assets		
1 Brand Image Expenses	114.95	116.87
2 Preliminary Expenses	0.31	0.42
Total	115.26	117.29
Note 15: Inventories		
1 Raw Material	1,158.93	920.65
2 Finished Goods	1,859.44	1,821.53
3 Stores & Spares	115.89	92.80
4 Rejection & Scrap	61.43	49.91
Total	3,195.69	2,884.89
Note 16: Trade Receivables		
1 Outstanding for more than six months from the date they were due for payment		
a) Unsecured, Considered Good:	17.50	1.94
2 Others from the date they were due for payment		
a) Unsecured, Considered Good:	1,777.40	2,492.33
Total	1,794.91	2,494.26
Note 17: Cash & Cash Equivalent		
A Cash and Cash Equivalents		
Cash Balance	14.25	5.39
Bank Balance	3.37	13.82
Sub Total (A)	17.61	19.21

(` in million)

Particulars	31 st March 2015	31 st March 2014
B Other Bank Balances		
In margin money with maturity less than 12 months at inception	172.83	80.16
Accrued Interest on FDR's & Securities	1.63	1.45
Sub Total (B)	174.46	81.61
Total (A+B)	192.07	100.82

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	66.51	79.66
Advance to Others	29.72	5.15
Prepaid Expenses	8.69	2.25
Advance Payment with Revenue Authorities (Indirect Taxes)	491.34	508.63
MAT Credit Entitlement	193.16	84.48
Advance payment of Income tax	-	3.22
Total	789.41	683.39

Note 19: Other Current Assets

1 Brand Image Expenses	60.73	48.95
2 Claim Receivable	39.07	68.69
2 Preliminary and deferred expenses	0.10	0.10
Total	99.90	117.74

(` in million)

Particulars	2014-2015	2013-2014
Note 20: Revenue from Operations		
1 Sales Domestic	31,529.46	25,886.17
2 Sales Export	1,957.41	1,894.21
3 Job Work	0.93	6.43
4 Other Operating Income	5.03	12.05
5 Export Incentive	79.51	101.62
6 Gross Revenue	33,572.34	27,900.48
Total		

Note 21: Other Income

1 Interest Income	14.44	6.21
2 Other Non-Operating Revenue	15.56	14.20
Total	30.00	20.41

Note 22: Cost of Material Consumed

1 Raw Material	26,746.34	22,210.07
Opening Stock	920.65	1,449.82
Add: Purchases	26,984.62	21,680.89
Less: Closing Stock	1,158.93	920.65
2 Stores & Spares	248.34	197.20
Total	26,994.67	22,407.27

(` in million)

Particulars		2014-2015	2013-2014
Note 23: Change in Inventories			
1	Opening Stock (Net of Excise Duty)		
	Finished Goods	1,754.17	1,231.04
	Scrap	34.89	34.38
	Total-1	1,789.06	1,265.42
2	Closing Stock (Net of Excise Duty)		
	Finished Goods	1,782.25	1,754.17
	Scrap	46.11	34.89
	Total-2	1,828.37	1,789.06
	Total (2-1)	(39.31)	(523.64)
Note 24: Employment Benefit Expenses			
1	Salaries & Wages	348.99	300.06
2	Contribution to Provident and other Funds	24.95	18.54
3	Staff Welfare Expenses	12.34	13.57
4	Gratuity & leave encashment expenses	6.16	3.33
	Total	392.45	335.51
Note 25: Financial Cost			
1	Interest on Working Capital Facilities	553.41	531.89
2	Interest on Term Loan	57.18	46.93
3	Other Borrowing Cost	53.94	30.49
	Total	664.53	609.30
Note 26: Depreciation & Amortised Cost			
1	Depreciation	220.07	164.32
	Total	220.07	164.32
Note 27: Other Expenses			
1	Furnace Oil	108.92	133.27
2	Power & Fuel	352.19	277.32
3	Rent	44.43	37.22
4	Repair & Maintenance:-		
	-Building	1.01	0.32
	-Plant & Machinery	12.63	10.67
	-Others	3.89	8.66
5	Insurance Expenses	2.09	1.56
6	Rates & Taxes	8.69	8.45
7	Job Work Charges	9.84	0.21
8	Freight Expenses		
8	Legal & Professional Charges	13.77	9.14
9	Commission on Sales	60.47	59.04
10	Others	231.12	130.47
	Total	849.04	676.32

(₹ in million)

Particulars	2014-2015	2013-2014
Note 28: Contingent Liability not provided for in respect of		
1. Performance guarantees given to various departments	33.74	12.03
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 Discounted (Under channel financing scheme from Banks/ Institutions to customers for which the company has given counter guarantee)	388.15	82.18

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

Particulars	2014-2015	2013-2014
Note 29: Earning Per Share (AS-20)		
BASIC		
a. Net profit after tax	637.56	589.79
b. Number of Weighted Average Equity Share of (₹) 10 each	23,014,020	23,014,020
c. Basic Earnings per share	27.20	25.63
d. Nominal Value per Share	10.00	10.00
DILUTED		
a. Net profit after tax	637.56	589.79
b. Number of Weighted Average Equity Share of (₹) 10 each	23,014,020	23,014,020
c. Diluted Earnings per share	27.20	25.63
Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	23,014,020	23,014,020
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	-	-
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	23,014,020

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 ₹ 74.96 million (Previous Year ₹ 14.01 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 K. 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. Meenakashi 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 of Key Management of Personnel	Total
Director's Remuneration	-	42.79	-	42.79
Rent and Handling Charges	13.47	-	14.19	27.66
Amount due to related parties	-	-	-	-
Amount due from related parties	-	-	-	-

(C) Amount due to / from related parties as at March 31, 2015 : Nil

(` in million)

Particulars	2014-2015	2013-2014
Note 33: Value of Imports	118.08	79.28
Note 34: Value of Export	1,957.41	1,894.21
Note 35: Expenditure in foreign currency	19.98	9.01
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	1.12
ii) Taxation matters	0.23	0.23
iii) Other Services	0.39	0.39
Total	1.74	1.74
Note 39: Break up of Managerial Remuneration:		
i) Salaries	37.72	37.71
ii) Contribution to Provident Fund	0.58	0.58
iii) Other Perquisites	-	-
iv) Commission	5.20	4.28
Total	42.79	42.57
Note 40: Break up of Directors Travelling Expenses:		
i) Foreign Travelling	2.60	0.33
ii) Inland Travelling	2.84	2.26
Total	5.44	2.59

(` in million)

Particulars	2014-2015	2013-2014
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, 2015, 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 : New Delhi
Dated : May 9, 2015

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Deepal Goyal
Chief Financial Officer

Vinay Gupta
Director

Form AOC-I

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

(` in million)

S. No.	Name of Subsidiary	Apollo Metalex Private Limited	Shri Lakshmi Metal Udyog Limited	Lloyds Line Pipes Limited
1	Share Capital	27.11	58.95	200.00
2	Reserve & Surplus	531.68	495.46	395.57
3	Total Assets	1,524.40	1,407.12	2,792.65
4	Total Liabilities	1,524.40	1,407.12	2,792.65
5	Investments	77.29	Nil	Nil
6	Turnover	4,007.05	4,372.89	6,918.38
7	Profit Before Taxation	137.11	245.94	257.47
8	Provision of Taxation	102.31	80.92	85.58
9	Profit After Taxation	92.28	165.02	171.90
10	Proposed Dividend	Nil	135.58	Nil
11	% of Shareholding	100.00	100.00	100.00

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 9, 2015

for and on behalf of the Board

Sanjay Gupta
Chairman

Adhish Swaroop
Company Secretary

Ashok K. Gupta
Managing Director

Deepal Goyal
Chief Financial Officer

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)

Mr. Anil Kumar Bansal (DIN:06752578)

Ms. Neeru Abroal* (DIN:01279485)

Appointed w.e.f. March 24, 2015

Mr. Sameer Gupta (DIN:00005209)

Mr. S T Gerela (DIN:01565534)

Mr. Vinay Gupta (DIN:00005149)

Chief Financial Officer

Mr. Deepak Goyal

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 Ext - 110 049

Bankers

State Bank of India

Union Bank of India

HDFC Bank Limited

HSBC Bank Limited

Axis Bank Limited

DBS Bank Limited

Yes Bank Limited

South Indian Bank

Indusind 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)

Wholly-owned subsidiaries

Apollo Metalex Private Limited

A-2 & 25, Industrial Area, Sikandrabad,
Distt. Bulandshahar, (U.P.)

Shri Lakshmi Metal Udyog Limited

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

Lloyds Line Pipes Limited

Plot no. M-1, Additional MIDC Area
Murbad, Thane, Maharashtra - 21401

Warehouses-cum-branches

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

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.
Hundai Showroom, Dehradun (Uttarakhand)

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

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

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

Sirmour: Trilokpur Road, Kala Amb, Sirmour (Himchal
Pradesh)

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, Mouje Navapura, Taluka Sanand (Ahmedabad)

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

Sirmour: Trilok Pur Road, Kalaamb, Sirmour (Himachal Pradesh)

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

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

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

Vijaywada: Plot No. 58/1-3, Beside Reliance Super Market, Bhawanipuram Vijaywada - 520012 (Andhra Pradesh)

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 have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, failure events or otherwise.

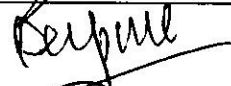
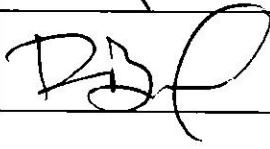


APL Apollo Tubes Limited
37, Hargobind Enclave, Vikas Marg, Delhi - 110092
CIN : L74899DL1986PLC023443
www.aplapollo.com



Form A

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

SI No.	Particulars	
1.	Name of the company	APL Apollo Tubes Limited
2.	Annual Financial Statement for the Financial Year	March 31, 2015
3.	Type of Audit	Un-Qualified
4.	Frequency of observation	None
5.	Singed by :	
	Mr. Ashok K Gupta (Managing Director)	
	Mr. Deepak Goyal (Chief Financial Officer)	
	Mr. Praveen K Jain (Auditors of the company)	
	Mr. Anil Kumar Bansal (Audit Committee Chairman)	

Date: May 9, 2015

Place: Delhi

