

APL/SECT/DLH/SE: 2017-18

6th October 2017Electronic Filing

National Stock Exchange of India Limited
"Exchange Plaza" Bandra-Kurla Complex,
Bandra (E),
Mumbai-400051

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

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

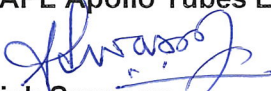
Re: Annual Report for the Financial Year 2016-17

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2016-17.

We may inform that the same has been approved and adopted at the 32nd Annual General Meeting of the Company held on Friday, 29th September, 2017 at the JP Hotel & Resorts, 6B, I.P. Extension, Patparganj, Near Max Hospital, Delhi- 110092.

Thanking you

Yours faithfully
For APL Apollo Tubes Limited


Adhish Swaroop
Company Secretary

Encl: a/a



A PARADIGM SHIFT

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Warehouses-cum-branches



OUR MISSION

TO LEAD THE PROCESS OF TRANSFORMATION FROM COMMODITY TO VALUE ADDED CONSUMER PRODUCTS

TO LEAD THE PIPE USAGE SEGMENT AND EMERGE AS A 'ONE-STOP-SHOP' FOR LARGEST SPECTRUM OF STEEL TUBES

TO MEET CONSUMER REQUIREMENT WITH HIGH QUALITY PRODUCTS, AT COMPETITIVE PRICE

TO CREATE SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

2.5
MILLION
MTPA

An integrated mix of well-defined strategies with tangible targets for long-term sustainable development



VISION 2020

Our Vision 2020 is built on four pillars: Building and nurturing a high performance team through attracting, developing and retaining the best talents. Becoming the undisputed market leader through exceptional customer service, Exploiting the current business opportunities and Exploring new avenues to maximize revenues. At APL APOLLO, we have formulated a long-term growth strategy to cash on the benefits from favorable economic factors by augmenting our capacity from the existing 1.3 to 2.5 Million MTPA by financial year 2019-20. We continue to rigorously work towards implementing our long-term integrated business plans to achieve our vision of creating a global company and manufacturing branded products through

sustainable business practices. While our vision includes augmenting production capacity, it also focuses on enhancing our technical capability, harnessing the business potential in untapped markets through value-added customized products and focusing on building 'APL APOLLO' as the most trusted and sustainable brand. To achieve this vision, we have adopted the latest technologies such as Direct Forming Technology (DFT). We are also upgrading our existing production lines and are focused to attain higher EBITDA per ton margins with the implementation of high-end DFT technology. Further, we aim to strengthen our financial position in the organization by becoming debt-free and further reducing working capital cycle by financial year 2019-20.



CORPORATE INFORMATION

Executive Chairman

Shri Sanjay Gupta
(DIN:00233788)

Managing Director

Shri Ashok K. Gupta
(DIN:01722395)

Directors

Shri Vinay Gupta (DIN:00005149)

Shri Virendra Singh Jain (DIN:00253196)
(Appointed w.e.f. 28 January, 2017)

Ms. Neeru Abrol (DIN:01279485)

Shri Anil Kumar Bansal (DIN:06752578)

Shri Abhilash Lal (DIN :03203177)

Shri S T Gerela (DIN: 01565534)

Shri Sharad Mahendra (DIN:02100401)
(Appointed w.e.f. 29 October, 2016)

Shri Romi Sehgal (DIN: 03320454)
(Appointed w.e.f. 13 August, 2016)

Chief Financial Officer**Shri Deepak Kumar Goyal****Company Secretary****Shri Adhish Swaroop****Auditors****Statutory Auditors**

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

Cost Auditors

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

Secretarial Auditors

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

Internal Auditors

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

Bankers

State Bank of India
Union Bank of India
HDFC Bank Limited
Axis Bank Limited
HSBC Bank Limited
Yes Bank Limited
IDFC Bank Limited
DBS Bank Limited

Works**Unit-I**

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

Unit-II

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

Unit-III

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

Registered Office

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

Corporate Office

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

Registrar and Share Transfer Agent

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

Subsidiaries Plant Locations**Apollo Metalex Private Limited**

A-2, Industrial Area,
Sikandrabad,
Distt. Bulandshahar,
Uttar Pradesh - 203205

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

Shri Lakshmi Metal Udyog Limited

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

Lloyds Line Pipes Limited

Plot no. M-1,
Additional MIDC Area
Murbad, Thane,
Maharashtra - 421401



A PARADIGM SHIFT

We have seen a strong paradigm shift across our business operations over the last few years, driven by the optimization of various aspects of our business model. As a leading Indian manufacturer of steel tubes and hollow sections, APL APOLLO has marked its presence in the industry with an impressive Compound Annual Growth Rate (CAGR) growth of 32% in capacity, 32% in production

and 36% in revenue over a ten-year period of 2006-07 to 2016-17. Right from strengthening the product portfolio with the addition of new product patents, expanding capacity across established and newer marketplaces, strengthening foothold in newer markets to a healthy pick-up in performance from OEMs and Exports, the Company has grown leaps and bounds.



A GAME CHANGER IN INDIA

625+
DEALERS

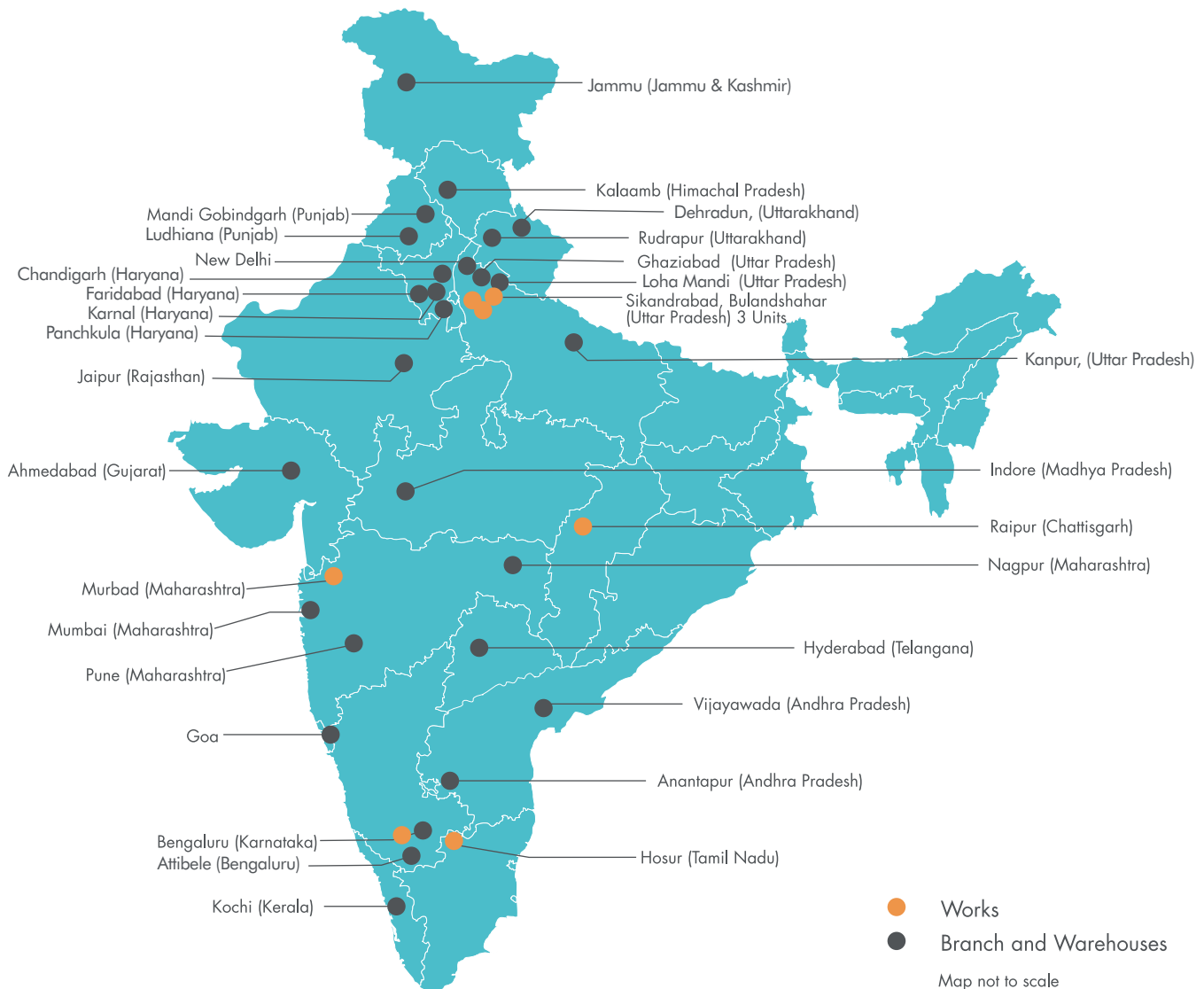
40,000+
RETAILERS

300+
TOWN & CITIES

During the year, we started commissioning a Greenfield plant at Raipur, which will be fully operational by September, 2017. With this, we have accomplished our long cherished dream of setting up pan-India manufacturing footprints. While crossing the one million tonne capacity benchmark in the financial year 2016-17, we asked ourselves 'WhatNext'! The answer was to transform from one of the world's largest to one of the world's best steel tubes manufacturing company. To achieve the same, "A PARADIGM SHIFT" is what was required. Hence, our business strategies revolved around approaching business from the viewpoint of sustainability, providing cost-efficient branded products at competitive price, capability building to leverage steel for building a better world, amalgamating innovative technology with the best of breed human talent, creating a melting pot of human ingenuity and

the potential ways in which steel can enhance lives, as well as an overhaul of the organizational framework from the standpoint of governance, risk management and value creation. Alongside another superlative business performance bearing CAGR growth of 22% in revenue and CAGR growth of 21% in net profit over a five year period of 2011-12 to 2016-17. The year gone by was equally defined by the various tenets of this paradigm shift. With a sharper focus on realizing our Vision 2020, we would parallelly be shaping our PARADIGM SHIFT, swiftly and steadily!

THE WORLD OF APL APOLLO



ACHIEVEMENTS

Launched color coated pipes for the first time in India

Launched new product, Brand "Apollo Coastguard", specially designed for the coastal regions

Introduction of the latest DFT (Direct Forming Technology in India) and upgrading existing lines

APL APOLLO has won the "Fastest Growing Manufacturing Company" award at the IPF Industrial Excellence Awards

KEY CUSTOMERS

INFRASTRUCTURE

Delhi Metro, Mumbai Metro, Bengaluru Metro, Hyderabad Metro, Kolkata Metro, Kochi Metro and Jaipur Metro, L&T, Gammon, Afcons, BL Kashyap, CPWD, GMR, Engineers India, MHADA and ACE among others



POWER AND GAS

BHEL, HP, IGL, Gujarat Gas, BP, Suzlon, MRPL, NTPC, Cairn Energy, Mahindra and Susten among others



PRE-ENGINEERING

Zamil, Kirby, Tigar, Pennar and many more



CORPORATES

Adani, Reliance, Ashok Leyland, Tata, DLF, SAIL and many more



DIVERSIFIED PRODUCT PORTFOLIO

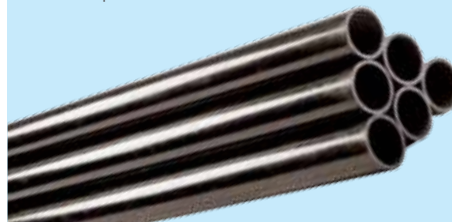
HOLLOW SECTIONS

Infrastructure fabrication, construction, machinery and furniture



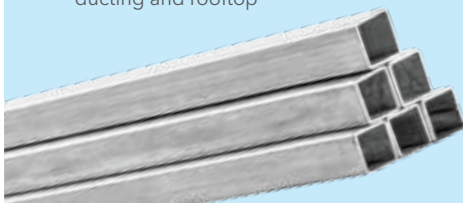
MS BLACK ROUND

Engineering structural water and sewage, fire protection and automobiles



PRE-GALVANIZED

Electric conduit pipes, fencing, cabling, ducting and rooftop



GALVANIZED TUBES

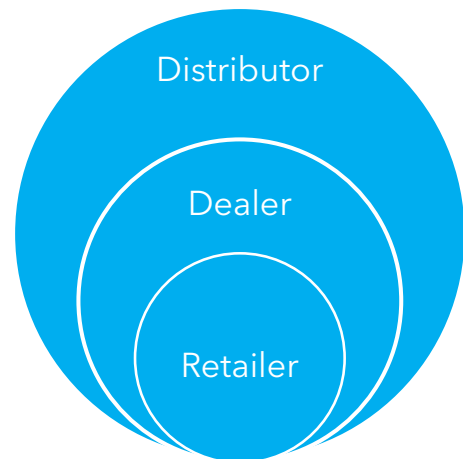
General engineering, underground piping and agriculture





CUSTOMER IS KING

APL APOLLO through its intense research, development and dedicated application engineering team adapts to the needs and requirements of the customers through better quality, flexible dimensions, minimal set-up time, simple operations, faster changes, better availability, increased automation and excellent services by adopting a customer-centric approach, APL APOLLO has evolved the 5 Ws that felicitates the problem-solving ability and deliver more value to the end users.



**92% distribution
through over 625
distributors and 27
warehouses**



- WHY- Do you need the product
- WHICH- Product range do you require
- WHAT- Do you require the product for
- WHEN- Do you require the product
- WHERE- Do you require all the product

HIGHLIGHTS

Historical Data - Consolidated

Particulars	2010	2011	2012	2013	2014	2015	2016	2017
Key Financials (₹ in crore)								
Sales Gross	666	986	1,536	2,247	2,862	3,482	4,656	4,997
Sales Net	618	905	1,393	2,008	2,569	3,138	4,214	4,545
EBIDTA	66	114	115	161	167	186	292	328
PAT	30	43	49	69	59	64	101	146
Share Capital	20	20	21	22	23	23	23	23
Reserves & Surplus	171	209	270	341	402	472	544	697
Net Worth	191	237	299	368	425	495	568	720
Long Term Debt	8	40	74	86	140	141	188	105
Working Capital Debt	149	206	224	340	340	292	411	466
Gross Fixed Assets	131	231	295	377	502	647	729	808
Investments	-	2	0.05	1	18	19	13	13
Capital WIP	20	32	46	15	28	20	32	122
Earning & Dividend (₹)								
EPS (Earning per share)	15	16	23	31	26	27	43	62
DPS (Dividend per share)	2	2	2	5	5	6	10	12
Key Ratios (%)								
ROCE	17	20	20	21	18	18	25	23
RONW	16	18	18	20	15	14	20	22
Production (MTPA)								
Capacity	274,000	490,000	500,000	600,000	800,000	1,050,000	1,300,000	1,300,000
Production	165,000	195,000	294,300	464,000	572,000	682,193	898,690	937,896
Distribution								
No. of distributors	150	175	200	275	300	375	600	625
No. of warehouses	4	5	15	19	26	26	26	27
No. of plants	4	5	5	5	5	6	6	7

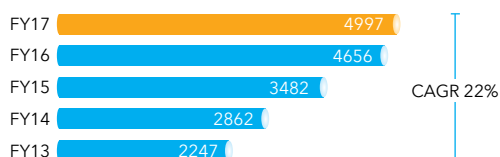
OPERATIONAL HIGHLIGHTS

Strategic tie-up with NEXTracker, a Flex company for manufacturing key structural components of its solar tracking system in India. The partnership constitute benefits such as reduction in shipment time by up to 50 percent to support India's National Solar Mission

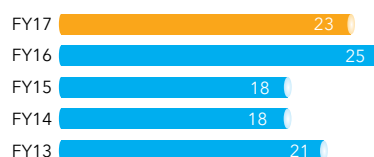
Total production increased by 4% from 898,690 MTPA in FY16 to 937,896 MTPA in FY17

Key Performance Indicators

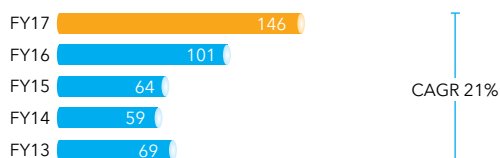
REVENUES (In ₹ crore)



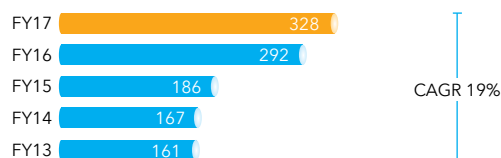
ROCE (%)



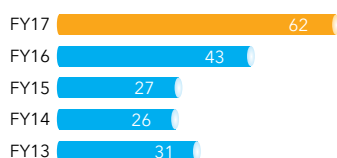
PAT (In ₹ crore)



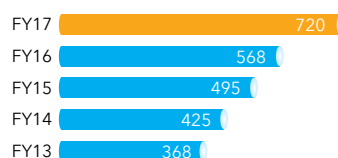
EBITDA (In ₹ crore)



EPS (In ₹)



NET WORTH (In ₹ crore)



Strengthened Pan-India presence significantly by starting the commissioning of Greenfield capacity at Raipur, Chattisgarh with an installed capacity of 325,000 MTPA, to be operational by September 2017

Successfully established India's first ever Direct Forming Mill Technology (DFT) line at the company's Hosur plant

Distribution capacity scaled up to total 625 distributors and 40,000 retailers in financial year 2016-17 from the existing 600 distributors and 35,000 retailers in financial year 2015-16



LETTER FROM THE CHAIRMAN

Dear Shareholders,

As another accomplished year passes by, I feel extremely elated to reconnect with you through our annual report. We have witnessed a paradigm shift by pursuing excellence towards achieving our economic, social and environmental goals. In financial year 2016-17, wherein the global economy has witnessed uneven growth, Indian economy has been on the path of robust growth trajectory.

It has been a difficult year for us as your Company faced several challenges such as demonetisation and volatile steel prices which had a negative impact on our volumes in the second half of the fiscal. But our strong business acumen has helped us sail through it. Although demonetisation

perturbed the Company's growth trajectory momentarily, in the longer term, it will help strengthen the Indian economy, providing a solid thrust to the Digital India initiative and reviving the banking sector through surplus cash inflow. The key macroeconomic factors such as rising FDI, strong domestic demand, projects related to infrastructure development and easing interest rates were the catalyst to fuel the growth of Indian economy. In fact, India's long-term growth outlook looks promising which is fueled by the government's drive towards economic liberalisation and impetus on social sector spending for building both hard and soft infrastructure of the country. We have formulated a long-term growth strategy to cash on the

benefits from favorable economic factors by augmenting our capacity from the existing 1.3 to 2.5 Million MTPA by financial year 2019-20.

APL APOLLO serves as a 'one-stop shop' for a wide spectrum of steel tube products, catering to multiple sectors including urban infrastructure, automobile, construction, housing, energy, irrigation, solar plants, greenhouses and engineering. Increased focus from the Government of India towards boosting consumption patterns across these key sectors of the economy coupled with initiatives such as 'Make in India' will help to drive higher growth, which in turn bodes well for your Company. Further, key reforms like GST will benefit organised players like APL APOLLO in a highly unorganised steel tube industry.

Over the last few years, we have been leveraging on our innovation capabilities to expand our product offerings with an aim to improve our market reach as well as create a distinct mark for our Brand. I am pleased to share that APL APOLLO is the first company to introduce the latest global technologies including Direct Forming Technology (DFT) in India. DFT will supplement APL's presence in the existing product categories, while also creating new avenues of growth through customised manufacturing which cannot

be usually delivered through conventional technology. In addition, we are confident it will unlock a vast potential across OEM (Original Equipment Manufacturers) and Export markets.

During the year, we started commissioning a Greenfield plant in an underpenetrated market like Raipur, Chattisgarh, which will be fully operational by September 2017. This marks a key milestone for us as the Company has now truly emerged as the only branded steel tubes manufacturer with pan-India presence. We believe we will be able to rapidly ramp-up utilisation levels given the robust untapped demand and potential in Central and Eastern markets.

We are constantly evolving to create a sustainable brand through best in class operational practices. We continue to drive a focused branding approach across markets enabling higher visibility and stronger market gains. During the fiscal, the Company undertook many steps to further help diversify the 'APL APOLLO' brand reach and drive higher growth. The change is visible across all the levels through the adoption and implementation of latest business practices and technology at every stage.

With our Vision 2020, we endeavor to create APL APOLLO as the most preferred brand by customers, a profitable business space for our shareholders and an exemplary organisation for our respective stakeholders. Our aim is to expand contribution from value-added products through innovation, strengthen our balance sheet and enhance overall corporate governance by facilitating high level of transparency within the organisation.

The essence of our key business decisions is already being reflected in our constant growth. With the Paradigm Shift in our business operations, we have created an impressive present and are constantly striving to leave the footprints of our legacy for the generations to follow in future.

On behalf of the Board of Directors of APL APOLLO and its group companies, I thank the senior management team for steering the Company to newer heights and all our employees for their passion and dedication towards the Company. I also extend my sincere gratitude towards our stakeholders for their continued support and patronage towards our path of profitable yet sustainable development.

Sanjay Gupta
Executive Chairman

WE PRODUCE 1
LAKH MTPA PIPES
PER MONTH WHICH
IS EQUIVALENT TO
40,000 KM, FURTHER
EQUALIZING
THE EARTH'S
CIRCUMFERENCE OF
40,075 KM



Q & A WITH MANAGING DIRECTOR

How do you view your Company's performance in the year gone by and what is the future outlook of the company?

It was appreciating because we delivered stable business performance even in a challenging external environment. The volume growth improved marginally by 4% which was slower than expected owing to demonetisation and volatile steel prices. Our net sales increased by 8% to Rs. 4,545 crore from Rs. 4,214 crore in financial year 2016-17. During the fiscal, PAT marked a significant improvement of 45% to Rs. 146 crore. Realisation across different product categories witnessed improvement due to higher steel prices as referring the company policy, any fluctuation in steel prices is directly passed on to the customer.

EBITDA margin stood at 7.2% in financial year 2016-17 compared to 6.9% in financial year 2015-16. The Company registered higher sales volume in exports and OEMs

category with exports registering the growth of 45% at 56,706 tons and OEMs registering growth of 126% at 26,158 tons. In the coming years, increasing portfolio of value-added branded products and higher utilisation levels should lead to higher EBITDA per ton performance.

Our key future priorities include market expansion of DFT (Direct Forming Technology), Exports and OEMs market. In the financial year 2016-17, we started commissioning of our Raipur plant for tapping the high potential of East and Central India market, which will be completed by September 2017. Additionally, we will also intensify our marketing and branding activities and increase our reach in our established and growing markets. Currently, our exports share is 6% and we plan to increase it upto 15% in the coming 3 years. For OEM business, currently, our share is 2% and in coming 3 years we plan to increase it by 10%. With integrated initiatives like innovation, adoption

of latest technologies, branding initiatives and global scale we are committed to build tremendous value for all our stakeholders in the years to come.

What is Vision 2020? How do you plan to achieve it?

Vision 2020 is a well-defined roadmap to achieve the Company's planned growth targets. Our Vision 2020 is to emerge as a Global Branded Steel Tubes Company that manufactures steel tubes and products of premium quality at a competitive pricing range. The vision integrates recommendations from our diverse customer base and employee teams. We have built this growth plan on key strategic pillars, which focuses on increasing contribution from value-added products, aiming to achieve a production capacity of 2.5 Million MTPA, strengthening financial position by becoming debt-free, enhancing the levels of transparency in the organisation by way of improved board mix and driving a high margin accretive business model.

What is Direct Forming Technology and how it will drive incremental growth in the business?

Direct Forming Technology (DFT) is the latest global technology for making Hollow sections of superior quality. The technology is being strongly preferred in the advanced global economies like US, Europe, South Korea and Japan. APL APOLLO, being a pioneer in instituting latest technologies has yet again introduced a new technology - the DFT platform in India to address the growing demands of the Indian market. DFT enables the formation of hollow sections of varying shapes, sizes and thickness, resulting in direct material savings. Unlike traditional technology where round tube was formed first and then converted to rectangular or square shape, Hollow Sections are formed directly through high speed welding. The new technology helps to reduce the rollover time and requires lesser storage space. DFT technology has opened an array of opportunities across various sectors of the Indian economy and we remain confident towards capitalising on these industry trends.

How will patented products provide you an edge over competition?

Patents help in innovations and longevity as replicas don't get created. During the fiscal, the Company was awarded patents for never-seen-before designs for seven products. These new product development and design patents not only lead to higher share gains across markets, but also limit competition, thereby leading to higher margins.

What is APL APOLLO doing towards brand development?

In order to create an echo around the brand 'APL APOLLO', the organisation has chalked out a multi - pronged marketing strategy, which includes mass media advertising, experiential marketing techniques, web-based marketing initiatives and community building activities. We will be showcasing our technological progress to our target audience on a periodic basis. This year, the Company's major thrust is going to be on differential marketing mode to popularize its new brand image. In sync with this strategy, the Company launched a new brand - 'Apollo Coastguard' to tap the growing

consumption of galvanized steel tubes in the Coastal regions. Looking ahead, the Company will be focusing on launching new brands under 'APL APOLLO' to enhance its unique and innovative products portfolio.

What is the strategy behind launching new brand 'Apollo Coastguard'?

Coastal market in India is witnessing a significant growth in the consumption of galvanized steel pipes, which is primarily used for the purpose of roofing structures providing shelter from rains and sunlight. Previously, there was a gap differential between customer requirements and availability of products, wherein the consumers wanted a long-lasting rust proof product. Understanding consumer needs, we launched our new brand - Apollo Coastguard. The product mainly caters to the coastal regions of India like Kerala, Konkan etc. with 'moderate-to-heavy' rainfall. It is a special galvanized steel product, offering excellent corrosion resistance against wind, water and road salts, making them 100% rust proof pipes. The rich inner coating of Zinc will help protect against the interior rusting of pipes, while continuous 120 GSM hot dip galvanized coating will enhance the life of these steel pipes providing durability and strength.

What are the sustainability initiatives taken this year and what would be the focus areas going forward?

Sustainable Development is the overarching working template in APL APOLLO Tubes Limited. Our organisation is committed to grow and operate its business in a socially responsible way. Our vision is to grow and expand our business whilst reducing the environmental impact of our operations, thereby enhancing our positive social impact. Our aim remains on achieving responsible growth and we will inspire to bring this to life by encouraging people to take small actions everyday that will add up to make a big difference. In terms of the focus areas we have set out four big goals i.e. safety, improving health and well-being, reducing environmental impact and enhancing livelihood. These goals are helping the organisation to drive profitable growth, save costs and fuel innovation.

What are the key priorities going forward and outlook for the current year?

We are defining the future roadmap to drive our business to full potential. The year ahead will see us focus on a set of key growth agendas of capacity expansion, adoption of new technologies, unlocking potential through newer markets, Exports and OEMs. During the year, we started commissioning of a Greenfield plant in Raipur, to be fully operational by September 2017 to tap the under-penetrated East and Central markets. Going forward, we are focused to tap the business potential in hilly terrains like Uttarakhand, J&K and Himachal Pradesh etc. Moreover, we are expecting all the nine lines of DFT technology to be commissioned by financial year 2017-18, which will further enhance our volume growth. We are also investing a lot of efforts towards improving contribution from OEMs & Exports. Our recent partnership with NEXTracker augments OEMs business segment growth and we expect strong contribution from these segments in the years to come.

BOARD OF DIRECTORS



Shri Sanjay Gupta

Executive Chairman

Shri Sanjay Gupta has around 20 years of experience in diverse steel industry segments. Under his visionary and dynamic leadership, the Company has evolved and developed from a steel tube manufacturer to a global leader of branded steel products. He inherits the excellent entrepreneurship skills from his late father Shri Sudesh Gupta and under his leadership the Company continues to grow exponentially towards becoming an organisation of international repute.



Shri Ashok K. Gupta

Managing Director

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



Shri Vinay Gupta

Director

With 17 years of industry experience, Shri Gupta has in-depth knowledge in manufacturing and trading of pipes, tubes, sheets and other varieties of steel products. He has been assigned with the explicit responsibility of driving the Company's pre-galvanized and international market businesses.



Shri Sharad Mehandra

Director

Shri Mahendra is an executive director on the Board of the Company since 30 October, 2016. He is an engineering graduate (B.E. Mechanical) with more than 27 years of experience in Automobiles, Steel and Chemical industry. He started his carrier with Yamaha Motors in Sales and Marketing and has been associated in the senior management team of reputed organisations like JSW Steel, Phillips Carbon Black - RPSG Group (Chemical division). He is recipient of "Hall of Fames Award" in London for "Most Dynamic Marketing and Communication Professional". He has travelled extensively globally and familiar with the best industry practices and holds expertise in B2B & B2C marketing with insights of rural marketing and out of the box thinking.



Shri Romi Sehgal

Director

Shri Romi Sehgal is an executive director on the Board of the Company since 13 August, 2016. He has made excellent contribution to Steel and Tubes Industry for more than three and half decades right from designing and manufacturing of Tube Mills to putting up Green Field Projects, successful commissioning of Projects and ensuring uninterrupted optimum production from factories. He is a Science graduate and has worked at Managerial and Leadership positions in reputed companies such as Atlas Steel Tubes Limited, Atma Steel Tubes Limited, Bharat Steel Tubes Limited and for 13 Years in Gallium Industries Limited which is a manufacturer of Steel Tube equipment in collaboration with Kusahabe Elect. and Mech. Co Japan.

**Shri V.S. Jain**

Director

Shri V.S. Jain is an Independent Director on the Board of the Company since 28 January, 2017. He completed his assignment as a Member, Public Enterprises Selection Board (PESB) which has been set up by the Government with the objectives of evolving a sound managerial policy for central public sector enterprises and to advise Government on appointments to top management posts at the Board level. He has served as Chairman of Steel Authority of India (SAIL) and as Executive Director of Indian Oil Corporation (IOC). He has also served as an independent director on the Boards of Rashtriya Ispat Nigam Ltd., Essar Oil Ltd., National Multi-commodity Exchange of India and is presently on the Board of Dalmia Bharat Ltd. He is a fellow member of the Institute of Chartered Accountants of India as well as the Institute of Cost Accountant of India.

**Ms. Neeru Abrol**

Director

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

**Shri Anil Kumar Bansal**

Director

An ex-executive director of the Indian Overseas Bank, Shri Anil Kumar Bansal brings with him four decades of rich experience in the banking industry. He supports the organisation in undertaking key financial decisions. His impressive knowledge of banking, Indian economy, corporate affairs and risk and ratings is strongly backed by his rich professional experience. Currently, he is also serving as the Director of CARE Limited, Canara, HSBC, Oriental Bank of Commerce, Life Insurance Company Limited, IFCI Infrastructure Development Limited and Cent Bank Home Finance Limited.

**Shri Abhilash Lal**

Director

A mechanical engineer and post graduate from IIM Bangalore, Shri Lal has 29 years of professional experience in senior roles across financial services, including banking, consulting, real estate and private equity. His diversified experience spans business development, strategy, advisory and operations.

**Shri S.T. Gerela**

Director

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



ASPIRATION SHIFTS TOWARDS BECOMING GLOBAL LEADERS



Clocking a decadal CAGR growth of 36%, our steel pipe capacity of 1.3 Million MTPA, stands more than double of our closest peer. We stand tall as the cost leader, thanks to our technological leadership, economies of scale, resource optimisation and deep understanding of the industry as well as the market.

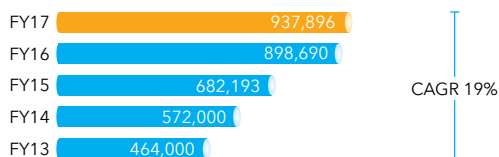
With the rising population and increasing per capita consumption, government has launched various initiatives to meet the rising consumption demand in sectors such as infrastructure, energy and real-estate. This will eventually enhance our business opportunities as the usage of steel tubes and pipes will replace the other conventional materials such as wood etc.

At APL APOLLO, we are headed to utilise this opportune phase in transforming ourselves as a global company. The focus is on further strengthening our business vision, governance framework, leadership pool, brand equity and sustainable development by way of enhanced social and environmental impact.

We are strengthening the Board by adding directors from diversified professional backgrounds having varied experience across different functional domains. During the year, we have increased the Board's strength from 8 to 10 Directors, inducting three new Directors including a replacement induction.

We are backing our technological leap with a sharp focus on harnessing and expanding our HR talent pool. Our HR policies, practices and systems are being benchmarked with those of the best in the world. A new HR regime is being incubated, one that attracts, recruits, trains and retains the best accessible human talent for creation and partaking of stakeholder value.

Production (MTPA)



30+

Years ago to redefine the statistics of Steel Industry, APL APOLLO has successfully achieved a paradigm shift

1.3

Million MTPA steel production capacity catering to an array of sectors such as energy, infra, agriculture, automotive and construction



FOCUS SHIFTS TO INNOVATION AND VALUE ADDITION

2020

We have crafted Vision 2020 and in line with the same, we are committed to scale up our production capacity from the existing 1.3 to 2.5 Million MTPA of tubes and pipes

400+

Product varieties in different shapes and sizes through continuous innovation to develop a wide range of strong product portfolio



The dream of raising country's per capita steel consumption to match the global average passes through the corridors of value-added processed steel sector. One needs to amalgamate the structural strength of steel with imaginative application, enhanced aesthetics, cost benefits and ease of installation. Only then the country will

witness the spectrum of value-added steel applications expanding and deepening across infrastructure, real estate, transportation, energy and agriculture.

At APL APOLLO, we have been at the forefront of enhancing the world of steel pipes and hollow sections. We have been spearheading the adoption of best global technologies and processes. Be it the induction of high speed mills that raised our milling speed by five times, strip galvanising lines or the unique rotary sizing mills, we have remained at the forefront of technological supremacy in domestic steel pipe industry. In a first among domestic peers, we introduced the revolutionary Direct Forming Technology (DFT) in India in financial year 2017-18.

The governing light of our technological quest remains customer delight through elevated quality standards and innovative applications of our products. The fact that it leads to higher productivity, lower cost and expanded addressable market adds up as a bonus for strengthening our presence in the market.

Our continued investment in best in breed R&D talent and infrastructure has been instrumental in our aggressive growth. We keep challenging our R&D team to come up with innovative designs and applications ahead of our peers. Converting the financial year 2016-17 as their blockbuster year, our R&D team delivered as many as seven design patents, taking Company's design patent count to eight.

With our continued investment in value-added product segment maturing fast, we are making a gradual shift from low end products to high value-added margin accretive products in our product mix. As part of our Vision 2020, we are aiming to raise revenue contribution from value-added products to more than 90% by financial year 2019-20. While legacy pipe and tube segment would continue to provide us a solid base, we would increasingly focus on structural steel segment and newer application segments therein.

OUR PATENTS



Double door frame



Hand rail



Narrow section 40x10



Window L Section



Single door frame



Window T section



Z Section



Elliptical Tube

THE TURF SHIFTS FROM COMMODITY TO BRANDED PRODUCTS

APL APOLLO has been a pioneer in the space of steel pipe manufacturing. As the product line has evolved, so has the brand appeal in the markets that it operates in. While three-tier distribution with robust supply chain continues to propel the market presence, the Company has been implementing a focused branding strategy since 2013. Besides driving increased visibility and awareness of the brand, the aim is to give the end customers a first-hand feel of the products and customer services. Customer perception of brand 'APL APOLLO' is being reinforced on triple planks of Strength, Quality and Cost-effectiveness.

Customer interface through sustained promotion and brand activation has helped in gaining larger market share. Intense Below-the-line activities like Fabricator Meets, Ground Activations and participation in Domestic and Global exhibitions have resulted in superior customer connect. During the year under review, the Company has also appointed a leading Marketing and Brand Development consultant to jointly create the brand strategy and positioning through various media and interactive channels. In order to drive higher channel loyalty, the dealer-connect programme included a 4-day Star Cruise trip to Singapore and Malaysia for 1000 of its high performing dealers.

With rising brand awareness, the focus is now primarily on two potential distribution segments bearing higher margins, namely OEMs and Exports. Introduction of high-end technologies and especially Direct Forming



Technology (DFT) adds value to these two segments. The organization is confident of raising OEM's share from current 2% to about 10% and Export's share from the current 6% to about 15% in the overall revenue by financial year 2019-20.

APL APOLLO is focused on manufacturing pipes as per the customer's need and requirement and aims to become the manufacturer of solutions. As a part of new product development, the Company has launched a new brand 'Apollo Coastguard' in April 2017, creating a revolutionary change in the world of galvanized steel pipes. The Coastguard pipes are made of special galvanized steel to provide excellent corrosion resistance against wind, water and road salts, making them 100% rust proof pipes to last for generations. Similarly, many other specialised products are under development and will be introduced in the consecutive years. Innovation is the key at APL APOLLO; be it at the product level or the brand level, the objective is to provide best solutions in the space.



BUILDING BRAND
APLAPOLLO
THROUGH
NEW PRODUCT
LAUNCHES





THE GOAL EXPANDS FROM MERE ECONOMIC TO SOCIAL AND ENVIRONMENTAL PERFORMANCE



LONG-TERM SUSTAINABLE GROWTH

Achieving a paradigm shift through profitable yet sustainable business growth

Alongside its path of evolution, a business's objective also keeps moving in the upward direction. The first goal happens to pursue and make revenue growth sustainable while the second one remains to make profit growth sustainable. Having grown over a reasonable period of time on these two parameters, a growth-oriented responsible business sets an even higher goal. That of pursuing sustainable development, a goal that brings about a paradigm shift in the approach as well as the long-term prospects of the business.

At APL APOLLO, we are shifting our focus on sustainable development. Having adopted our BRR Policy this year, we are presenting our maiden Business Responsibility Report as a forming part of this annual report. For its virtue of recyclability, steel itself is considered to be an environment-friendly product. A major portion of our current production goes towards agriculture and the off-take in solar power segment is poised to increase significantly in coming years.

The company is mapping its energy consumption trends in manufacturing as well as transportation of finished products and also raw material. The aim is to benchmark them with our domestic and global peers and stay focused on incremental energy optimisation over a sustained period of time. While we can boast of our safety track record, we are contemplating on introducing more measures towards making our workplace and the human assets safer.

Our social well-being agenda is transcending beyond our employees and channel partners to include adjoining communities around our manufacturing locations as well. While we have chosen to monetarily contribute our CSR obligations until now, our CSR committee is evaluating ways and means to deploy a reasonable portion of our profits for larger benefit of the community.

In continuance to our commitment towards being a sustainable organisation, we have proactively adopted sustainable environmental practices in our business operations. Our Green Initiatives include programmes for reducing Carbon emission through the usage of renewable energy technologies (RET), energy efficient hardware, reducing Diesel Generator (DG) running by the use of deep discharge batteries thereby reducing diesel consumption as well as optimising Air Conditioner operations.

We have always been committed to impart skill development and employment to local businesses in rural areas through recruitment of rural youth for local sales operations. A major portion of the procured goods and services are de-centralised to local offices in states.

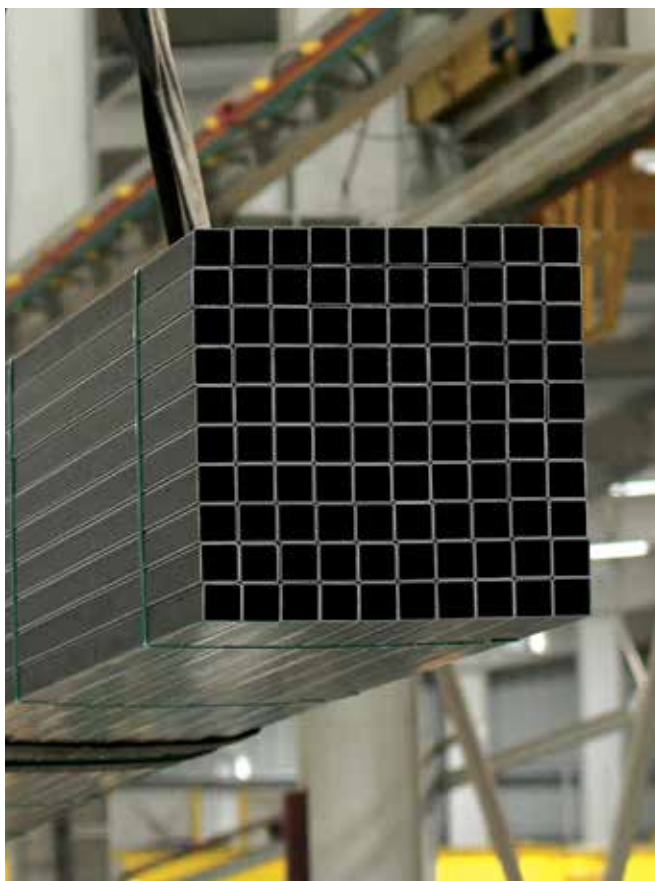


MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

As per the latest report of World Economic Outlook, the GDP of global economy is estimated to grow by 3.5% in financial year 2016-17 as compared to 3.1% in financial year 2015-16. This growth is attributed to the cyclical recovery in investment, manufacturing and trade. In addition, the favourable deflationary measures, boost in demand and agreed restrictions on oil supply were the key driving forces of this growth.

Financial year 2016-17 has been historical for Indian economy in terms of big decisions like Demonetisation in third quarter, approval of GST (Goods and Services Tax) Bill in the parliament, slated to be implemented from 01 July, 2017 as well as passage and approval of other important bills which play crucial role in the building of a robust and progressive economy. Even amidst the global sluggishness, the Indian economy



has maintained a consistent GDP growth of 7% due to favourable government policies, influx of foreign funds and a plethora of development initiatives commenced by the Indian government on both stand-alone basis and in collaboration with the private sector. Due to the consistent growth, India has been successful in achieving stable rupee-dollar exchange rate, moderate fiscal deficit and comparatively lower inflation rate than previous financial years.

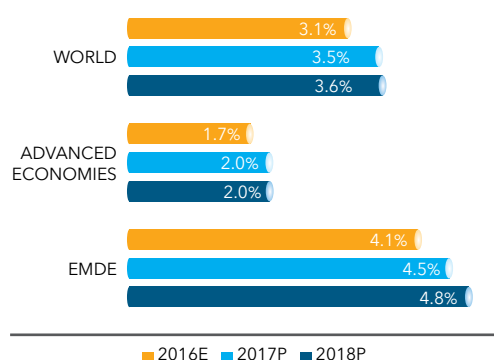
Under the key financial decisions, RBI reduced the repo, reverse repo and bank rates by 75 bps, to spur economic growth and consumer demand. With continuous reforms to boost entrepreneurship under place, India has also improved its ranking by four spots in the World Bank's Ease of Doing Business (EoDB) in financial year 2015-16. As India aims to be amongst the top 50 nations, further proposed reforms like formulating a clutter-free tax filing process and complete digitalisation of business processes, will certainly act as impetus in meeting the economic targets.

INDUSTRY OVERVIEW

Steel Industry

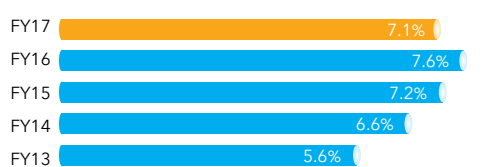
As per World Steel Association, the total global production of crude steel was 1,628.5 million tons in 2016, marginally higher by 0.8% over 2015. The average capacity utilisation in 2016 was 69.3% as against 69.7% in 2015. The CIS nations, Middle East and Asia witnessed an increase in crude steel production wherein the production has decreased in Europe, US and Africa.

EXHIBIT 1: WORLD GDP YOY GROWTH (%)



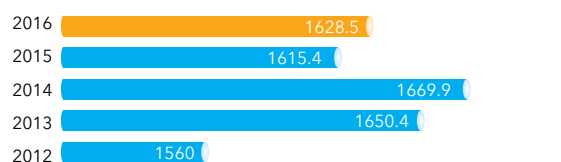
Source: IMF's World Economic Outlook, April 2017

EXHIBIT 2: INDIA GDP YOY GROWTH (%)



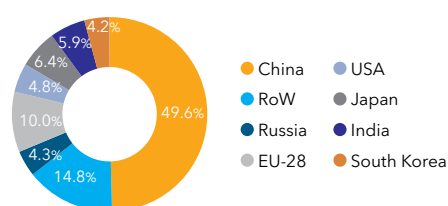
Source: CSO

EXHIBIT 3: WORLD STEEL PRODUCTION (Million Tons)



Source: World Steel Association

EXHIBIT 4: MAJOR NATION'S SHARE IN STEEL PRODUCTION



Source: World Steel Association

The total production for Asia in 2016 stood at 1,125.1 million tons, up by 1.6% over 2015. After drop in production last year, China has witnessed an YoY increase of 1.2% in production to 808.4 million tons. However, grappling with a domestic slowdown, China has pushed for exports of its steel in other countries. With this huge dumping by China globally, many nations have imposed tariffs on steel imported from China. Also, China's share of world crude steel production has marginally increased from 49.4% in 2015 to 49.6% in 2016. The crude steel production in Japan has been in the downward trend for the second year in a row and fell by -0.3% to 104.8 million tons. Similarly, in South Korea production fell by -1.6% and in European Union by -2.3%. However, Italy posted an increase in production by 6.0% in 2016 over 2015. The steel prices rose throughout most of the last year in many regions after the decade-long lows in 2015.

Comparatively, India portrays a better scenario as the crude steel production in India continues to move steadily in the upward trajectory. Having taken over United States in 2015, India is expected to take over Japan in the coming years to become the world's second largest steel producer. The steel sector of India has registered a robust growth of 11% with total production of 101.2 MT in financial year 2016-17 as per the JPC (Joint Plant Committee), even after the slow domestic consumption in 2016-17. India currently holds a significant potential for growth given its low per capita steel consumption of 61 Kg as compared to world average of 208 Kg.

In past decade, the industry has registered tremendous growth, barring a few hiccups in some quarters like in the last quarter of financial year 2016-17 due to momentarily impact of demonetisation. By 2025, the estimated market size is going to be enthralling 300 MT from 96 MT in financial year 2015-16 with an estimated growth of 10% in financial year 2017-18. The largest consumption and growth-driving sectors will be infrastructure, agriculture, automotive and green-house projects. A snapshot of the growth trajectory of Indian steel industry is presented below.

Currently, the Indian steel industry is dwindling between acute demand and supply gaps leading to larger imports and lesser exports of the steel products. To improve



the situation, Indian government has introduced some effective measures like the introduction of Minimum Import Duty ("MIP") on selected steel products.

Resulting, the imports have declined by 34.5% to 3.01 MT and exports have increased by 23.6% to 2.38 MT on YoY basis between April-August 2016. Further in financial year 2016-17, government extended the MIP on 173 products. The exports increased to 5.87 MT in April 2017 compared from 4.8 MT in April 2016. In financial year 2016-17, the country's exports have increased by 102% from 4.06 MT

EXHIBIT 5: STEEL PRODUCTION

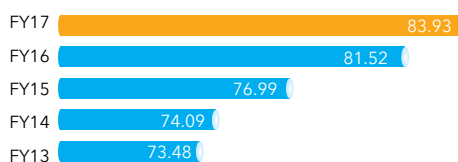
(Production in Million Tonnes)



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

EXHIBIT 6: STEEL CONSUMPTION IN INDIA

(Consumption in MT)



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



STATE OF THE ART PACKAGING

in financial year 2015-16 to 8.24 MT. The graph below presents a snapshot of the current import-export status of steel in India. Other favourable policies introduced by the government to eliminate the non-performing assets of the industry, 100% capacity and efficiency utilisation, 20% safe-guard duty on steel imports and 100% FDI through automatic route is certainly going to provide momentum for increasing exports in the country.

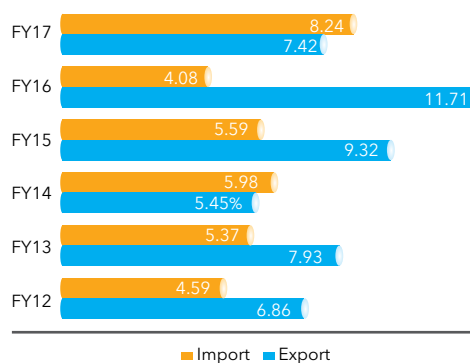
Steel Tubes and Pipes

Steel tubes and pipes play a vital role in the development of construction, infrastructure, energy sectors and other industrial applications. There will be a huge demand of steel pipes and tubes in future due to thrust of Indian government on the infrastructure development as well as Make In India initiative to propel the growth and development of Indian companies.

Indian steel pipes and tube industry is known for its superior quality, low cost and geographical advantage across the globe. The production is estimated to be around 8 MTPA.

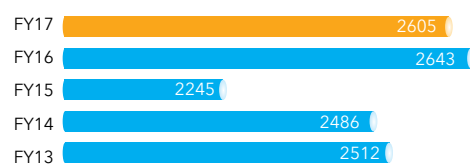
ERW (Electric Resistance Welded) steel pipes and tubes are largely used for various engineering purposes across different industries such as Agriculture, Infrastructure, Green house projects, Energy, Power, Automotive and Construction, etc.

EXHIBIT 7: STEEL EXPORTS AND IMPORTS (Volume in Million Tonnes)



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

EXHIBIT 8: PRODUCTION IN STEEL TUBES AND PIPES (Production In '000 Tonnes)



Source: CMIE

APL APOLLO: AT A GLANCE

APL APOLLO is the leading branded steel tube manufacturer in India and has attained pole position in this category. The Company boasts of a diversified product portfolio of 400 product variants with continuous focus on churning out innovative products to meet the exclusive customer requirements. With effective business strategies in place, the Company has effectively turned daunting challenges of the industry in its favor. These strategies are broadly elaborated below.

Inclusive presence

It is the only Company which has seven production facilities catering pan-India customer demand in all the four regions. Through this strategy, the Company has controlled their logistics and transportation costs which act as the most daunting challenges to maintain profit margins in the industry.

Close-to-demand availability

The Company has successfully created an increased customer base and strong market foothold by ensuring that the products are easily and readily available through a robust 3-tier distribution network. Currently, 92% of the retail requirements in around 300 towns and cities are met through 625 distributors, 27 warehouses and 40,000 retailers located throughout the country. Further expansion of distribution network is also in the pipeline. The remaining 8% of the sales is met directly by the OEM and export.

Unmatched quality

APL APOLLO complies with major quality certifications including ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 which takes care of the interests of all

the stakeholders, protecting environment leading to sustainable business practices and continual improvement in the effectiveness and performance of Integrated Management System by improving process work practices and risk minimisation through objective driven targets. At APL APOLLO, products pass through a series of stringent quality tests to ensure only best is delivered to the customer.

Branding

To create a strong brand presence, the Company has chalked out a comprehensive integrated marketing strategy to create the name APL APOLLO synonymous with the ERW steel pipes. It includes mass-media advertising through the display of 30,000 signage boards at key points across the country, appointment of branding consultant in financial year 2016-17 for driving the Company's branding initiatives, experiential marketing techniques, web-based marketing techniques and community building exercises through the introduction of innovative incentive schemes for dealers and distributors, organising the large scale fabricator meets and regular participation in the domestic and global exhibitions as well as allocating enhanced budget for the execution of integrated marketing and branding exercise in financial year 2017-18.

Product Innovation and Diversity

Introducing diversified products portfolio to cater assorted customer demands has evolved as one of key factors in the continuous growth of the Company. Around 70% of the Company's products cater the niche customer requirements and have limited competition in the market. Many product designs





like Elliptical Tube, Hand Rail and L Section etc. are patented.

To further strengthen its foothold in the market, the Company has focused on the adoption of latest technology and fueling the research and development activities for creating innovative products. Currently, we have seven patented products under our belt, providing us a clear edge amongst competitors with benefits such as high profit margin, garnering higher market share through support in market development. The portfolio of innovative products includes hot dipped galvanized, pre-galvanized, electric resistance welded black tubes and hollow sections across dimensions.

Distribution

Our customer-centric approach is supported through robust three-tier distribution network and solid supply chain management. While 8% of the distribution is catered directly by the company, the remaining 92% is managed through a comprehensive network of 625 plus district-wise distributors, 40,000 plus retailers and state-wise wholesalers. This business strategy clearly provides edge over competitors while placing us in leading position in the market.

Costing

We leverage our combined strength of economies of scale, innovation, technological leadership and resource optimisation to offer a wide-spectrum of products to our customers at competitive price. Our years of experience and deep understanding of the customers have led us to improve our capabilities as well as offer specific solutions at the lowest prices.

Brand Apollo Coastguard

Looking at the high consumption of galvanized steel pipes in the coastal region of India, APL APOLLO launched a

new product, "Apollo Coastguard" to fill the need gap while catering the customer demand. These steel pipes are made of special galvanized steel to provide excellent corrosion resistance against wind, water and road salts ensuring 100% protection against the rust to last for generations. The rich interior coating of Zinc material helps in protecting against the rusting of pipes from inside and continuous 120 GSM hot dip galvanized coating enhances the life of these steel pipes to provide strength and durability.

Business Growth Drivers:

Auto Industry: The Automobile industry in India has gradually moved out of downturn and is witnessing a steady growth. The passenger vehicle sales have witnessed a robust growth and demand of the commercial vehicle segment is back on the cards. Hence, the growing demand for automobile industry would push the demand of ERW steel pipes.

DFT (Direct Forming Technology): The Company has procured and implemented the latest Direct Forming Technology ("DFT") which will revolutionise the manufacturing output through increased margins, profitability, high return on shareholder value, high yield and strong competitive advantage.

OEMs & Exports: The Company has put a lot of efforts towards increasing the market share in procuring business from OEMs & Exports. Our recent partnership with NEXTracker augments OEMs business segment growth and we expect strong contribution from these segments in the years to come. The current areas of focus are USA and Europe.

Central & Easter region: With the ongoing commissioning of Raipur plant which will be operational by September 2017, Company has created pan-India footprint besides

garnering the logistics benefits, Raipur being the centralised location for distribution. We are further geared up to procure the business and reap benefits from the central and eastern regions of India by foraying into West Bengal, Odisha, Jharkhand, Patna, Silliguri and Eastern region.

Infrastructure: The central government has significantly increased its focus on the development of infrastructure in India. It has significantly increased the allocation of key infrastructure-focused sectors like roads, highways and urban development. It is projected that India would need about USD 646 billion worth of investment in the infrastructure sector over the next five years of which 70% would be towards power, roads and urban infrastructure sectors. Infrastructure sector is amongst the primary consumers of steel pipes and structures.

Smart Cities: The Government has focused towards developing 100 smart cities across India. This initiative is leading towards the development of better infrastructure at a faster rate. There is a growing demand for Airports and commercial complexes which also leads to growing demand for steel structures.

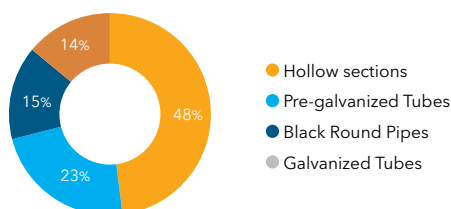
Solar Energy: The government's focus on the usage of renewable energy resources to fuel the economic development while reducing the carbon footprints has led to the ambitious target of generating 100 GW of solar energy by 2022. This is a mammoth opportunity for manufacturing steel companies to cater the huge demand of meeting India's solar power energy requirement.

Agriculture: In the agriculture sector, steel tubes and pipes are used for sprinkling, drill rods, bore-well, water distribution, submersible pump and water conveyance etc. Agriculture is one the key livelihood sector and one of the major contributors for the GDP growth in India.

Product and Segment Performance

APL APOLLO is a market leader in the ERW pipes category with adoption of latest technology, wide-market expansion, wide-ranging product category and product distribution through three-tier supply chain. The product-wise revenue break-up and revenue margin of each category for financial year 2016-17 is represented below.

EXHIBIT 9: PRODUCT-WISE REVENUE BREAK-UP (FY17)



Capacity Expansion Plan

The quest to do better than best is one of the major reasons for company's consistent growth. To further stimulate the growth trajectory, the Company has recalibrated their future plans in line with Vision 2020.

- Working towards capacity expansion from the existing 1.3 to 2 Million MTPA by financial year 2017-18 & 2.5 Million MTPA by financial year 2019-20
- Allocation of Rs. 125 crore of Capex for the commissioning of Greenfield plant in Raipur which will run at its full capacity by September 2017
- Upgrading manufacturing facilities with value added products by;
 - Venturing into precision tubes for automotive applications
 - Upgrading existing production lines
 - Adoption of Inline galvanizing technology
 - Commission of nine line of DFT technology by financial year 2017-18
 - Venturing into stainless steel tubes

These initiatives will supplement to increase the market contribution through value added products by 90% by financial year 2019-20.

Financial Review

Sales increased by 7% to Rs. 4,997 crore in financial year 2016-17 from Rs. 4,656 crore in financial year 2015-16. The growth of Sales was impacted due to demonetization and volatile steel prices. There has been improvement due to the realizations across product categories due to higher steel prices leading to robust revenue growth - as a policy any change in steel prices is directly passed onto the customers by the Company. Total EBITDA in financial year 2016-17 stood at Rs. 328 crore - registering a growth of 12%. PAT marked a significant improvement of 45% to Rs. 146 crore. Net Worth increased from Rs 568 crore to Rs 720 crore.

RISK MANAGEMENT

The Company operates in an extremely price-sensitive and volatile sector which is often subject to different types of risks such as strategic risks, operational risks, financial risks and statutory compliance risks. In order to minimise their impact, the Company has well-structured procedures for monitoring the risk management plan and implementing risk mitigation measures.

Raw material price risks- The finished goods prices are directly linked to the steel prices and change as per the change in raw material price.

Mitigation- Any increase/decrease in price is directly passed on to the customers.

Transportation Cost- The transportation cost has a significant impact on the total product cost ranging between 4-8%.

Mitigation- Through its smart strategic business moves, the Company has developed its pan India presence near distributors, dealers and suppliers hence reducing the cost of transportation and leveraging the enhanced profit margins on its sales.

Technology Innovation Factor- Customer needs is evolving and so does the industry demand. Technology becomes obsolete after a certain time period.

Mitigation- Company is focused on creating diversified product portfolio through enhanced research and development capabilities. It has also been a pioneer in adopting the latest world-class technologies like DFT to produce world-class customised products.

Capacity Utilisation Risk- Due to low consumption and lesser demand, the Company may face the problem of low capacity utilization.

Mitigation- The mitigation will be through strategic business moves by expanding our market share in the Eastern-Indian region and OEM and Exports.

INTERNAL CONTROLS

APL APOLLO has a robust system of internal controls in place which commensurates with the size and nature of business. It forms an integral part of the Company's corporate governance and plays a critical role in managing operational risks. The Company has outsourced the internal audit teams which is responsible for assessing and improving the effectiveness of internal control system through regular audits and suggestions. Both operational and systems audits govern the part of audit conducted by the Company. The report is also presented to the Audit Committee for feedback and further strategy development. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. Extensive and systematic program of risk and transaction based internal audits cover all divisions, plants, branches and different areas of operations.

Based on the inputs received through internal audits, compliance with accounting standards, risk management and different control systems, the major objectives of the Audit Committee of the Board is updated at regular intervals. The committee evaluates the inputs received during the internal audits and also provides suggestions for strengthening the control systems. APL APOLLO has well-defined Management Information System with clear Organisational Structures and authorisation levels for business transactions.

The effective internal control systems are in place to ensure timely and efficient delivery and adherence of policies, safeguard its assets, maintain accuracy and prevent errors and frauds.

The management feedback is discussed during the Audit Committee meetings and communicated further to ensure optimum utilisation of resources and system efficacy.





HUMAN RESOURCE

APL APOLLO considers its employees as an integral part of their family. The goal of the People Team is to ensure that all the employees are engaged, motivated and working towards achieving the Company's strategic objectives. All HR policies and processes are in place which covers complete organisation life-cycle of employees. Further HR master database, leave and time management and pay roll has been IT-enabled to make HR services accurate and faster.

Key HR initiatives also include:

Employee safety- Company has effective safety policy in place and regular safety audits are conducted through experts hired by the Company. Further, safety committees have been formed in the plants for monitoring safety aspects.

Training and Development: Sales Trainings have been organised for entire sales work force in one of the most prestigious colleges of the country, IMT Ghaziabad. Besides,

several training programmes are conducted on safety, skill enhancement and productivity Improvements across all the plants.

Employee engagement: Employee engagement activities conducted at regular intervals in the office always keeps our employees relaxed and refreshed. Having fun at work increases team building, brings togetherness, relieves stress and makes the employees emotionally attached to the work place leading to low attrition rate. We at APL APOLLO have fun at work activities, team- building activities, birthday and anniversary celebrations, festival celebrations etc. which increases the bonding and togetherness between employees at the APL family.

APL APOLLO Premier League: To instill the spirit of Sports and enhance employee engagement, we have initiated an intra-company Cricket competition the "APLAPOLLO Premier League" wherein the regional teams compete against each other for the trophy. This year the winner was Pune team with Delhi team being the first runner up.

CORPORATE SOCIAL RESPONSIBILITY

We, at APL APOLLO, are committed to grow and operate the business in a socially responsible way. Our vision is to grow and expand our business by reducing the environmental impact of our operations and increasing our positive social impact.

OPPORTUNITIES & CHALLENGES

Opportunities

- Focus on different business sectors such as Solar Energy under India's National Solar Mission
- Make In India initiative by the government of India
- Estimated investment on infrastructure projects by nearly a trillion dollars by the government
- Rise in urban development to 600 million by financial year 2030-31 and projected rise in lifestyle spending by both government and citizens
- Development of rural infrastructure under projects like Bharat Nirman, Pradhan Mantri Gram SadakYojna, Rajiv Gandhi AwaasYojna, Make in India etc.
- Low cost of production due to cheap labour and power
- Emerging replacement demand in sectors such as Retail
- Negligible city gas distribution pipeline penetration in the country
- Huge investment reserved by the Government of India under National Steel Policy 2017 to boost up the sector
- Company has been gaining market share from the smaller unorganized players and this trend is expected to accelerate post the implementation of GST

Challenges

- Fluctuation in raw material prices leading to price change in end product
- Slow movement in the government initiated infrastructure projects
- Slowdown in European Markets -The demand drop in European countries due to slow economic revival has led to a decrease in demand for steel pipes

BUSINESS OUTLOOK

Since its inception, APL APOLLO has been successfully moving towards the high growth trajectory through continuous improvement in operational efficiency. A paradigm shift has been observed in the Company's profitability through the strategic moves such as capacity expansion, diversified product portfolio, adoption of latest technology, emphasis on research, quality and innovation as well as excellent customer service. To harness excellent future business opportunities, the Company has integrated its entire business strategy with its Vision 2020. Leading the example of being an evolving and progressive organisation, the Company has taken the recommendations of its customers and employees into consideration while laying out the Vision 2020. The Company intends to achieve the paradigm shift through talent management, excellent customer service, harnessing new business opportunities, fuelling exports and developing patented products through innovation. This strategy is further augmented by communicating and accelerating the concept of paradigm shift with the employees internally for showcasing collective effort to the stakeholder such as customers, shareholders, retailers and distributors.



WE ARE THERE

You will find our reflection in life everywhere. At APL APOLLO, we are not building products. We are constructing a livable planet. We provide robust solutions for improving your lives. We are there to make you safe, secure and comfortable by giving our bit in constructing these lifeless structures by bringing them to life. Come, let us take you on a tour to the world of APL APOLLO.



Building robust vehicles for safe and comfortable transportation, we are there!



Building green houses, we are there!





Building the critical rooftops at airports and stations, we are there!



Building safety equipments to keep you safe, we are there!



Building safe and strong high rise buildings, we are there!



We support our farmers so that they keep contributing in building economy, we are there!



In building infrastructure to make you feel safe and comfortable, we are there!



We support to transfer the warmth of sun in your life by building solar panels, we are there!





We help in establishing robust stadiums structures into promising grounds of games to propel sports culture in the country, we are there!



Helping in safe and quick transmission of gas at these stations, we are there!



Building the cold storage structures for safe and secure storage of foods and goods, we are there!





SUSTAINABILITY INITIATIVES

At APL APOLLO we believe in building a Sustainable World through the efficient energy consumption and optimum utilization of natural resources. We are constantly improving our business operations by adopting various sustainability initiatives. Our future goal is to completely run our business operations through renewable energy resources. Some of the initiatives undertaken by us are discussed below:



- Planned adoption of solar energy to reduce power consumption by targeted amount. In future, power consumption will be through the renewable energy resources only.
- Amongst the competitors, company has the lowest cost of productivity and target is to become best in the business
- Achieved 20% reduction in wastages through operational efficiency
- With water recycling already in practice, Company is focused to reduce overall water consumption and pollutants
- Increasing the greenery cover around all the APL APOLLO plants
- The production efficiency is currently at 94.5% and target is to achieve 95.5%

SOLAR POWER

ENERGY CONSERVATION INITIATIVE

To study the energy consumption, Company has installed meters on each machine in every manufacturing plant to record their energy requirement or electricity consumption. Based on this study, Company will formulate strategies to reduce its energy consumption by either improving the process or replacing the machines.

STEPS UNDERTAKEN

To reduce the electricity consumption, the Company is finding the alternative and cheaper sources of power generation. One such renewable source of energy developed by the Company is Solar Power. The falling cost of solar panels has made them an attractive investment with many pros and negligible cons. Furthermore, solar power offers long term energy price stability as the solar PV system and PPA will fix the cost for decades. The Company's target is to equip all the units and buildings of APL APOLLO with ROOFTOP SOLAR PANELS.

The following steps are undertaken in this direction are mentioned below:

- Company has signed the Power Purchase Agreement (PPA) with a Solar Energy Producer company to buy the electricity generated through solar panels at a lower rate than traditional energy providers.
- Company is gearing up to install its first Solar Panel of 1MW in one of the Plants. This initiative will be replicated in other units in the future.

The usage of solar power is an environment-friendly initiative which will benefit the Company through reduction in energy loss, electricity bills and maintenance costs due to minimum breakdowns.

WIND ENERGY

To leverage the power of wind energy, the Company has entered into the arrangements with a renowned energy company to utilise power generated from windmills for its business operations.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L74899DL1986PLC023443
2. Name of the Company	APL Apollo Tubes Limited
3. Registered address	37, Hargobind Enclave, Vikas Marg, Delhi-110092
4. Website	www.aplapollo.com
5. E-mail id	comsec@aplapollo.com
6. Financial year reported	2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Steel Tubes and Pipes Group- 243 Description- Casting of Metals As per National Industrial Classification - Ministry of Statistics and Programme Implementation
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Black Hollow Section and Round Pipe ii. Galvanized Pipe iii. Pre Galvanized Pipe
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of international locations	None
(b) Number of national locations	In India, APL Apollo Tubes Limited has five main operational manufacturing locations (including of its subsidiaries), at Sikandrabad, Hosur, Bengaluru, Murbad and Raipur.
10. Markets served by the Company - Local/State/National/International	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital	₹ 23.59 crore
2. Total turnover	₹ 3,104.33 crore
3. Total profit after taxes	₹ 39.33 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 1.20 crore, being 2.52 % of average net profits of the Company made during the three immediately preceding financial years.
5. List of activities in which expenditure in 4 above has been incurred:-	During the year under review, the Company has made contribution of ₹ 1.01 crore to Prime Minister's National Relief Fund for Education of Poor Children, ₹ 0.11 crore to World Hope Foundation, ₹ 0.02 crore to U.P. Science Centre, Jhansi, ₹ 0.06 crore to Bharat Lok Shiksha Parishad, and ₹ 0.01 crore to Sikandrabad Industrial Association in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.

SECTION C: OTHER DETAILS

S. No.	Description	Information
1.	Does the Company have any Subsidiary Company/Companies?	Yes, the Company has four wholly owned subsidiaries namely; Shri Lakshmi Metal Udyog Limited, Lloyds Line Pipes Limited, Apollo Metalex Private Limited and Blue Ocean Projects Private Limited
2.	Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No, none of the entity / entities with whom the Company does business participates in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. Name	Shri Ashok Kumar Gupta
2. Designation	Managing Director
3. DIN	01722395

(b) Details of the BR head

1. Name	Shri Deepak Kumar Goyal
2. Designation	Chief Financial Officer
3. Telephone number	0120-4041424
4. e-mail id	deepakgoyal@aplapollo.com

2. Principle-wise (as per NVGs) BR Policy/policies(a)

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for.	Y ¹	Y ^{2,5}	Y ³	Y ³	Y ⁴	Y ^{2,5,6}	Y ¹	Y ⁵	Y ³
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director? Yes, signed by MD	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All policies are available on the APL's intranet and can be accessed by Company employees.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent evaluation of the audit/ working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
1	Code of Conduct, Whistle Blowing Policy, Policy for prevention of Insider Trading, Policy for related Party Transaction and Anti Bribery and Anti Corruption Policy.									
2	Safety Health and Environment Policy									
3	Policy on Mission, Vision, Values									
4	Human Rights Policy									
5	Corporate Social Responsibility Policy									
6	IMS Policy									

3. Governance related to BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:	Corporate Social Responsibility Committee of Board of Directors held one meeting and all Directors were present for the meeting.
2.	Does the Company publish a BR or a sustainability report?	Yes, BR Report
	What is the hyperlink for viewing this report?	www.aplapollo.com
	How frequently it is published?	Annually

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

1.	Does the policy relating to ethics, bribery and corruption cover only the Company?	The policy covers the Company, as well as group companies and subsidiaries.
	Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes
2.	How many stakeholder complaints have been received in the past financial year	Nil
	What percentage was satisfactorily resolved by the management?	Not Applicable

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

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	1. Galvanized Pipes 2. High Strength Hollow Section 3. Door Frames
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): A. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company has strong focus on managing and reducing its energy, water and waste footprint, and is in constant lookout for improvement opportunities. Some interventions taken in this regard includes implementation of ISO 14001 and OHSAS 18001 standardization systems, reducing overall dependence on direct fuel consumption at our operational sites. All these efforts have allowed us to improve upon our resource use efficiency.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	The Company has already adopted several environmentally conscious transportation practices, including route optimization, vehicle optimization and co- loading of shipment. Further, the Company has been seeking vendor commitments to good sustainability practices before registering them on board.
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company is always been committed to provide skill development and employment to local businesses in rural areas recruitment of rural youth for local sales operations. A major portion of the procured goods and services are de-centralized to local offices in states.
5.	Does the company have a mechanism to recycle products and waste?	Yes

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

1	Please indicate the total number of employees.	1006
2	Please indicate the total number of employees hired on temporary/contractual/casual basis.	276
3	Please indicate the Number of permanent women employees.	7
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management?	Presently, the Company does not have any employee association.
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	No. Category	No. of complaints filed during the financial year
	A Child labour/forced labour/involuntary labour	Nil
	B Sexual harassment	Nil
	C Discriminatory employment	Nil
8	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	
	A Permanent Employees	100%
	B Permanent Women Employees	100%
	C Casual/Temporary/Contractual Employees	100%
	D Employees with Disabilities	N.A.

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

1	Has the Company mapped its internal and external stakeholders?	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders	The Company has mapped disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them towards inclusive growth.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	As part of Company's CSR initiatives, the Company is providing funds for education, healthcare and community infrastructure development projects for marginalized communities.

Principle 5: Businesses should respect and promote human rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company's policy covers group companies, subsidiaries and suppliers also.
2.	How many stakeholder complaints have been received in the past financial year	Nil
3.	What percent was satisfactorily resolved by the management?	Not Applicable

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

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The Company's policy covers group companies, subsidiaries and suppliers also.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.	Yes, to improve upon environment and safety practices, the Company complies with ISO Certification i.e ISO 9001, ISO 14001 & OHSAS 18001 under the Integrated Management System, in each and every process of the Company.
3.	Does the Company identify and assess potential environmental risks?	The Company has always been sensitive to the environmental impact of its operations and has proactively adopted environmental sustainable practices whenever such opportunities were/are available. This very endeavour led to the Green Program towards Carbon emission reduction by way of: - Using renewable energy technologies (RET) - Using highly energy efficient machineries. - Reducing use of Diesel Generator (DG) by use of wind energy and solar power reducing diesel consumption. - Optimizing Air Conditioner operations.
4.	Does the Company have any project related to Clean Development Mechanism?	None
5.	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. .	The Company is conscious of its environmental footprint and is taking proactive steps to mitigate impact of its operations. In this regard, Company is undertaking measures for protecting marine ecology in the area of its operations.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, all of the Company's emissions/waste generated during the reporting period was within the regulatory defined limits.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	Nil

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

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	The Company is member of various trade and chambers or association. Some of these associations include: -Confederation of Indian Industry (CII) - Federation of Indian Export Organisations (FIEO)
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas.	No, the Company's Senior Management represents the Company in various industry forums. They understand their responsibility while representing the Company in such associations, and while they engage in constructive dialogues and discussions they refrain from influencing public policy with vested interests.

Principle 8: Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. APL has a well drafted CSR policy in line with Section 135/ Schedule VII of the Companies Act, 2013. On the basis of needs of the community around the projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	External agencies.
3.	Have you done any impact assessment of your initiative?	No
4.	What is your company's direct contribution to community development projects- Amount in Rupees and the details of the projects undertaken.	During the year under review, the Company has made contribution of ₹ 1.01 crore to Prime Minister's National Relief Fund for Education of Poor Children, ₹ 0.11 crore to World Hope Foundation, ₹ 0.02 crore to U.P. Science Centre, Jhansi, ₹ 0.06 crore to Bharat Lok Shiksha Parishad, and ₹ 0.01 crore to Sikandrabad Industrial Association in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

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

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year	Nil
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company adheres to all product labeling and product information requirements as per the local laws.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No
4.	Did your company carry out any consumer survey/consumer satisfaction trends?	Yes

DIRECTORS' REPORT

To the members of

APL Apollo Tubes Limited,

Your directors have pleasure in presenting the Thirty Second Annual Report on the business and operations of your company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31 March, 2017.

FINANCIAL PERFORMANCE:

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

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Gross sales	4,996.83	4,656.36	3,104.33	3,213.83
Less : Excise duty and cess	451.83	442.77	224.95	218.23
Net sales / Income from operations	4,545.00	4,213.59	2,879.38	2,995.60
Add : Other income	3.78	10.27	2.13	21.62
Total revenue	4,548.78	4,223.86	2,881.51	3,017.22
Operating expenses	4,220.62	3,931.94	2,752.53	2,882.73
EBIDTA	328.16	291.92	128.98	134.49
Less : Finance cost	68.33	69.51	48.01	48.73
Less : Depreciation and amortisation	51.20	34.10	29.70	18.67
Profit before exceptional items and tax	208.63	188.31	51.27	67.09
Less : Exceptional items	-	25.33	-	25.33
Profit before tax (PBT)	208.63	162.98	51.27	41.76
Less : Tax expense	62.74	62.42	11.94	10.93
Profit after tax for the year (PAT)	145.89	100.56	39.33	30.83
Add : Balance in profit and loss account	310.47	257.27	92.15	105.99
Profit available for appropriation	456.36	357.84	131.49	136.82
Transfer to general reserve	-	0.50	-	0.50
Transfer to debenture redemption reserve	12.50	18.75	12.50	18.75
Proposed dividend on equity shares	-	23.44	-	23.44
Tax on dividends	-	4.68	-	1.98
Balance carried over to balance sheet	443.86	310.47	118.98	92.15

The Company's consolidated gross turnover in financial year 2016-2017 increased by 7% from ₹ 4,656 crore to ₹ 4,997 crore mainly because of our customized products across all the users. The EBIDTA has been significantly increased by 12% from ₹ 292 crore to ₹ 328 crore for the year under review. The net profit of the Company has also increased by 45% from ₹ 101 crore to ₹ 146 crore for the year under review.

DIVIDEND

The Board has, subject to the approval of the members at the ensuing Annual General Meeting, recommended dividend of ₹ 12 (120%) per fully paid-up equity share of ₹ 10 each of the Company for the year ended 31 March, 2017 as against ₹ 10 (100%) for the previous year.

TRANSFER TO RESERVES

The Company has not transferred any amount to the general reserve out of amount available for appropriations and an

amount of ₹ 118.98 crore is proposed to be retained in the Statement of Profit and Loss during the financial year 2016-17.

OVERVIEW

The financial year 2016-17 witnessed some major reformatory steps such as the passage of GST bill and the demonetization drive undertaken by the government. These reforms are expected to boost the Indian economy and enable faster growth rates in the coming years. While the global economy remained sluggish during the current financial year, the Indian economy maintained a healthy GDP growth of 7% due to favorable economic government policies, increase in Foreign Direct Investments and commencement of several development initiatives by the government.

The performance of the Company was affected due to external market challenges including demonetization and volatility in steel prices, which adversely impacted the sales volumes. Financial year 2017-18 has begun on a healthy note

as the Company registered strong volumes and remains focused on delivering better results in the coming year.

The Company is a 'One-Stop Shop' for a wide spectrum of steel structural products that caters to an array of sectors such as urban infrastructure, construction, housing, energy, automobile, irrigation, among others. These key sectors of the economy are anticipated to showcase robust growth over the next few years, which in-turn should lead to healthy demand for steel structural products going forward. To leverage upon this opportunity, the Company is in the process of augmenting its capacity from the existing 1.3 to 2 million MTPA in the financial year 2017-18. The Company has been a pioneer in introducing modern technologies in the industry and is the first Company in India to introduce the latest global technology - Direct Forming Technology (DFT) Through this facility, APL Apollo will be targeting the untapped markets across the globe. The Company has undertaken various other steps to further help enhance the 'APL Apollo' brand reach and drive higher growth.

OPERATIONS

During the financial year 2016-17, the Company achieved the highest ever volume number. The Company is focusing on customized qualitative products of wide ranges for end users with the help of latest global technologies and acceptance of these products will keep the growth momentum in its sales in the coming years. The branding approach across markets enables higher visibility and stronger market share gains, further extending the geographical reach to the end-users. The Company is strengthening its presence in Tier II and Tier III cities either via own warehouse cum branches or through dealer-distribution network. The dealer-distribution network increased significantly to more than 600. This along with warehouses will help the Company to meet the increasing demand for our products, across various industrial as well as household applications.

The effective measures to enhance cost efficiency across the verticals, innovative approach in production and distribution of the products will help the Company to control the manufacturing, selling and distribution cost leading thereby to serve its quality products to happy and satisfied customers at competitive price.

PROJECTS AND EXPANSION PLANS

Projects commissioned during financial year 2016-17 and new projects in the upcoming years:

- Ordered nine lines of new DFT technology mills out of which two commissioned and seven will be commissioned between July 2017 and March 2018 that will add over 0.5 MTPA at the existing sites.
- During the year, we started commissioning of Greenfield plant at Raipur, to be fully operational by September 2017.

CONSOLIDATED FINANCIAL STATEMENTS

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

INTERNAL FINANCIAL CONTROL

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

Regular internal audits are conducted covering all offices, factories and key areas of the business. Findings are placed before Audit Committee, which reviews and discusses the actions taken with management. The Audit Committee also reviews the effectiveness of company's internal controls and regularly monitors implementation of audit recommendations.

CREDIT RATING

The Company's borrowings enjoy the following credit ratings:

Nature of Borrowing	CARE	ICRA
Long term bank loans	A+	A+
Short term	A1+	A1
Commercial papers	A1+	A1+(SO)
NCDs	A+	A+

EXTRACT OF THE ANNUAL RETURN

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

SUBSIDIARIES COMPANIES, JOINT VENTURES AND ASSOCIATES

The Company had four wholly-owned subsidiaries as on 31 March, 2017, namely M/s Shri Lakshmi Metal Udyog Limited (SLMUL), M/s Lloyds Line Pipes Limited (LLPL), M/s Apollo Metalex Private Limited (AMPL) and M/s Blue Ocean Projects Private Limited

During the financial year under review, M/s Blue Ocean Projects Private Limited, became your company's subsidiary.

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

The audited financial statements and related information of the subsidiaries, where applicable, will be available for inspection during regular business hours at the company's

corporate office at 36, Kaushambi, Near Anand Vihar Terminal, Uttar Pradesh -201010 and the same are also available at our website i.e. www.aplapollo.com as prescribed in Section 136 of the Companies Act, 2013.

FIXED DEPOSITS

Your company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. Therefore company is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

SHARE CAPITAL

During the year under review the Company has issued 151,319 equity shares of ₹ 10 each at a price of ₹ 452.60 (including premium of ₹ 442.60) aggregating to ₹ 7 crore, pursuant to APL Apollo Employees Stock Option Scheme (ESOS) to eligible employees of the Company and of its subsidiaries. Consequently the paid up equity share capital of the Company increased to ₹ 23.59 crore from ₹ 23.44 crore comprising of 23,589,955 equity shares of ₹ 10 each. The Company has not issued shares with differential voting rights nor sweat equity or bonus shares. The proceeds of the said issue have been used towards augmenting the net worth of the Company.

The details of stock options granted by the Company are disclosed in compliance with Regulation 14 of Securities and Exchange Board of India (Share Based Employee Regulations), 2014 on the website of the Company at www.aplapollo.com.

NON-CONVERTIBLE DEBENTURES

During the period under review, your company issued fully secured, listed, redeemable, non-convertible debentures (the "Debentures") amounting to ₹ 50 crore on a private placement basis. The outstanding balance of debentures as on 31 March, 2017 amounts to ₹ 125 crore. The proceeds of the aforesaid issue were utilized for general corporate purposes.

The Company's NCDs have been assigned the rating of "A+" by ICRA Limited.

COMMERCIAL PAPERS

The commercial paper programme of your company has been rated by M/s ICRA Limited and M/s CARE Limited and is assigned the rating of [ICRA] A1+ (SO) for ₹ 200 crore and [CARE] A1+ for ₹ 200 crore respectively. During the year under review, commercial papers outstanding amount stood at ₹ 65 crore.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Articles of Association

of the Company, Shri Romi Sehgal will retire at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for reappointment.

Appointment

Shri Sharad Mahendra who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29 October, 2016 in terms of Section 161 of the Companies Act, 2013 and in terms of Articles of Association of the Company, holds office until the date of ensuing Annual General Meeting. Your company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of your company, signifying his intention to propose the name of Shri Sharad Mahendra, for appointment as a Director of your company.

Shri Virendra Singh Jain who was appointed as an Additional Director (Independent) of the Company on 28 January, 2017, to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). Your company has received declarations from him that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company re-appointed Shri Sanjay Gupta as Chairman (under whole time director category) of the Company for a period of five years w.e.f. 01 April, 2017, subject to approval of members at the ensuing AGM of the Company.

The Board of Directors of the Company also re-appointed Shri Ashok Kumar Gupta as Managing Director of the Company for a period of three years w.e.f. 01 May, 2017, subject to approval of members at the ensuing AGM of the Company.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(1)(b) of the Listing Regulations.

Key Managerial Personnel

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

PARTICULARS OF REMUNERATION

Disclosure of ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company and other requisite details pursuant to

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

AUDITORS AND AUDITORS' REPORT

A. Statutory Auditors

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

B. Cost Auditors

The audit of Cost Records of the Company is mandatory for the financial year ended 31 March, 2017, is being conducted

by M/s R.J. Goel & Co., Cost Accountants and their report will be filed with the MCA.

C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s Anjali Yadav & Associates, Company Secretaries in practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2016-17. The report given by her for the said financial year in the prescribed format is annexed to this report as **Annexure 'D'**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RELATED PARTY TRANSACTIONS

During the financial year ended 31 March, 2017, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR), 2015.

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

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

Your directors draw attention of the members to Note No. 29.3 to the Financial Statement which sets out related party disclosures.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The applicable disclosures relating to the APL Apollo Tubes Limited - ESOS 2015 as stipulated under the Companies (Share Capital and Debentures) Rules, 2014 as on 31 March, 2017 are given below:

S. No.	Particulars	
1	Options granted	750,000
2	Options vested;	163,583
3	Options exercised	151,319
4	Total number of shares arising as a result of exercise of option	151,319
5	Options lapsed	96,792
6	Exercise price	724,000 options were granted on 28 July, 2015 at the market price ₹ 452.60 and 46,000 options were granted on 28 January, 2017 at market price of ₹ 1028.80

S. No.	Particulars	
7	Variation of terms of options	1. Performance grades were modified 2. New joiners after the date of institution of the Scheme, who meet the eligibility criteria, shall now also be eligible for grant of options under the Scheme. 3. Shares issued pursuant to exercise of options under the scheme would now be in lock in for the period of 6 months
8	Money realized by exercise of options	₹ 68,486,979
9	Total number of options in force	76,792
10	Employee wise details of options granted to:-	
	(i) Key managerial personnel;	
	- Deepak Kumar Goyal, Chief Financial Officer	30,600
	- Adhish Swaroop, Company Secretary	6,000
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

The Company has received a certificate from the auditors of the Company that the ESOS 2015 has been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations and as per the resolution passed by the Members of the Company authorizing issuance of the said options.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at 31 March, 2017 and of the Company's profit for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual financial statements have been prepared on a going concern basis.
- The internal financial controls were laid down to be followed that and such internal financial controls were adequate and were operating effectively.

- Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the year under review, the Company has made contribution of ₹ 1.01 crore to Prime Minister's National Relief Fund for Education of Poor Children, ₹ 0.11 crore to World Hope Foundation, ₹ 0.02 crore to U.P. Science Centre, Jhansi, ₹ 0.06 crore to Bharat Lok Shiksha Parishad, and ₹ 0.01 crore to Sikandrabad Industrial Association in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under provisions of Section 186 of the Companies Act, 2013 during the financial year 2016-17 are furnished in the notes to the financial statements.

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

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

DIVIDEND DISTRIBUTION POLICY

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

CORPORATE GOVERNANCE

Corporate Governance - including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism.

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

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

- a) Particulars of the four Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management.

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

The number of complaints received during the financial year 2016-17, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is available in the Business Responsibility Report which is part of this Annual Report.

OTHER DISCLOSURES AND REPORTING

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

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

APPRECIATION

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

For and on behalf of Board of Directors

Place: Ghaziabad
Date: 20 May, 2017

Sanjay Gupta
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH, 2017

Annexure 'A'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2017

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Black Pipe	24311	54.84
2	Coils	24319	15.44
3	Galvanized Pipe	24311	13.43
4	Pre Galvanized Pipe	24311	11.13

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)
4	Blue Ocean Projects Private Limited	U70109DL2011PTC224580	Subsidiary	100	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April , 2016)				No. of Shares held at the end of the year (As on 31 March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physica	Total	% of Total Sharess	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,500,000	-	1,500,000	6.40	815,000	-	815,000	3.45	(2.95)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8,025,187	-	8,025,187	34.24	8,025,187	-	8,025,187	34.02	(0.22)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	9,525,187	-	9,525,187	40.64	8,840,187		8,840,187	37.47	(3.17)
(2) Foreign									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	9,525,187	-	9,525,187	40.64	8,840,187		8,840,187	37.47	(3.17)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,941,458	-	3,941,458	16.82	3,612,837		3,612,837	15.32	(1.50)
b) Banks / FI	11,135	-	11,135	0.05	4,021		4,021	0.02	(0.03)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	32,516	-	32,516	0.14	98,848		98,848	0.42	0.28
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (International Finance Corporation)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	3,985,109	-	3,985,109	17.01	3,715,706		3,715,706	15.76	(1.25)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	788,075		788,075	3.36	837,219	-	837,219	3.55	0.19

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April, 2016)				No. of Shares held at the end of the year (As on 31 March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	4,758,565	-	4,758,565	20.30	5,426,772	-	5,426,772	23.00	2.70
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	876,438	13,721	890,159	3.80	1,562,581	8,621	1,571,202	6.66	2.86
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	2,045,807	2,8000	2,073,807	8.85	1,838,396	2,8000	1,866,396	7.91	(0.94)
c) Others									
(i) Non Resident Individuals	1,057,603	-	1,057,603	4.51	1,116,534	-	1,116,534	4.73	0.22
(ii) Clearing Members	13,859	-	13,859	0.06	17,584	-	17,584	0.07	0.02
(iii) Trust	3,300	-	3,300	0.01	7,693	-	7,693	0.03	0.02
(iv) HUFs	342,972	-	342,972	1.46	190,662	-	190,662	0.81	(0.66)
Sub-total (B)(2)	9,886,619	41,721	9,928,340	42.35	10,997,441	36,621	11,034,062	46.78	4.42
Total Public Shareholding (B)=(B)(1)+(B)(2)	13,871,728	41,721	13,913,449	59.36	14,713,147	36,621	14,749,768	62.53	3.16
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	23,396,915	41721	23,438,636	100	23,553,334	36621	23,589,955	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's name	Shareholding at the beginning of the year (as on 01 April, 2016)			Shareholding at the end of the year (as on 31 March, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	APL Infrastructure Private Limited	8,025,187	34.24	-	8,025,187	34.02	-	(0.22)
2	Smt. Veera Gupta	-	-	-	7,50,000	3.17	-	3.18
3	Shri Ashok Kumar Gupta	1,500,000	6.40	-	65,000	0.28	-	(6.12)

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

S. No.		Shareholding at the beginning of the year (as on 01 April, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	APL Infrastructure Private Limited				
	At the beginning of the year	802,5187	34.24	8,025,187	34.24
	Increase / Decrease in Promoters Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31 March, 2017			8025187	34.02
2	Shri Ashok Kumar Gupta				
	At the beginning of the year	1,500,000	6.40	1,500,000	6.40
	Decrease in Shareholding during the year	1,435,000	6.12	65,000	0.28
	At the end of the year i.e., 31 March, 2017			65,000	0.28
3	Smt. Veera Gupta				
	At the beginning of the year	-	-	-	-
	Increase in Shareholding during the year	750,000	3.17	750,000	3.17
	At the end of the year i.e., 31 March, 2017			750,000	3.17

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

S. No.	Top Ten Shareholders	Shareholding at the beginning of the year (01 April, 2016)		Cumulative Shareholding at the end of the year (31 March 2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Kitara PIIN 1001	3,000,000	12.80	3,000,000	12.72
2	IDFC Premier Equity Fund	1,586,500	6.77	1,343,699	5.70
3	HDFC Trustee Company Limited - HDFC Prudence	1,166,000	4.97	1,166,000	4.94
4	Kotak Mahindra (International) Limited#	852,000	3.64	-	-
5	DSP Blackrock Micro Cap Fund	1,160,412	4.95	1,067,680	4.53
6	Emblem FII	739,004	3.15	739,004	3.13
7	Sameer MahendraSampat	558,500	2.38	558,500	2.37
8	Narendra Kumar Agarwal jointly with Suresh Kumar Agarwal	535,957	2.29	535,957	2.27
9	Ashish Kacholia	499,587	2.13	549,587	2.33
10	Kitara PIIN 1101*	-	-	852,000	3.61
11	Goldman Sachs India Limited*	-	-	626,434	2.66

Note: The shares of the Company are traded on a daily basis and hence the datewise increase /decrease in shareholding is not indicated.

* Top 10 Shareholders only as on 31 March, 2017.

Top 10 Shareholders only as on 01 April, 2016.

V. Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 01 April, 2016)		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Ashok Kumar Gupta, Managing Director				
	At the beginning of the year	1,500,000	6.40	1,500,000	6.40
	Decrease in Shareholding during the year	1,435,000	6.12	65,000	0.28
	At the end of the year i.e. 31 March, 2017	-	-	65,000	0.28
2	Shri Romi Sehgal, Director				
	At the beginning of the year	650	0.003	650	0.003
	Increase in Shareholding pursuant to ESOS 2015	8,400	0.037	9,050	0.04
	Decrease in shareholding	1,000	0.01	8,050	0.03
	At the end of the year i.e. 31 March, 2017	-	-	8,050	0.03
3	Shri S.T. Gerela, Director#				
	At the beginning of the year	1,200	0.005	1,200	0.005
	Increase in Shareholding during the year	950	0.004	2,150	0.009
	At the end of the year i.e. 31 March, 2017	-	-	2,150	0.009
4	Shri Anil Kumar Bansal, Director				
	At the beginning of the year	1,000	0.004	1,000	0.004
	Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e. 31 March, 2017	-	-	1,000	0.004
5	Shri Deepak Kumar Goyal, Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Increase in Shareholding pursuant to ESOS 2015	7,650	0.032	7,650	0.032
	Decrease in Shareholding during the year	500	0.002	7,150	0.03
	At the end of the year i.e. 31 March, 2017	-		7,150	0.03
6	Shri Adhish Swaroop, Company Secretary				
	At the beginning of the year	-	-	-	-
	Increase in Shareholding pursuant to ESOS 2015	1,500	0.006	1,500	0.006
	Decrease in Shareholding during the year	1,025	0.004	475	0.002
	At the end of the year i.e. 31 March, 2017	-		475	0.002

NOTE: Shri Sanjay Gupta, Shri Vinay Gupta, Shri Abhilash Lal, Shri Virendra Singh Jain, Ms. Neeru Abrol and Shri Sharad Mahendra, Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e., as on 01 April, 2016 and at the end of the year i.e., as on 31 March, 2017 and hence there was no increase/decrease in their shareholding during the financial year 2016-17.

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

* The paid up equity shares increased from 23,438,636 to 23,589,955 during the year consequent upon issue of 1,51,319 equity shares pursuant to ESOS 2015 of the Company.

V. INDEBTEDNESS

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

(₹ in crore)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	436.05	25.00	---	461.05
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	5.05	---	---	5.05
Total (i+ii+iii)	441.10	25.00	---	466.10
Change in Indebtedness during the financial year				
Addition	---	40.00	---	40
Reduction	(136.97)	---	---	(136.97)
Net Change	(136.97)	40.00	---	(96.97)
Indebtedness at the end of the financial year				
i) Principal Amount as on 31 March, 2017	299.24	65.00	---	364.24
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due as on	4.89	---	---	4.89
Total (i+ii+iii)	304.13	65.00	---	369.13

VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in crore)

S. No.	Particulars of Remuneration	Shri Sanjay Gupta (Chairman)	Shri Ashok Kumar Gupta (Managing Director)	Total
1	Gross salary	3.00	-	3.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option/Sweat Equity/Commission	-	-	-
3	Others, please specify	-	-	-
	Total (A)	3.00	-	3.00
	Ceiling as per the Act	₹ 5.23 Crore (being 10% of the net profits of the Company as per Section 198 of the Companies Act, 2013.		

B. Remuneration to other directors:

(₹ in crore)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Shri Abhilash Lal	Shri Anil Kumar Bansal	Shri S. T. Gerela	Ms. Neeru Abrol	
	• Fee for attending Board/ Committee Meetings	0.04	0.03	0.03	0.04	0.14
	• Commission/ Others	-	-	-	-	-
	Total (1)	0.04	0.03	0.03	0.04	0.14
2	Other Non - Executive Directors	Shri Vinay Gupta				
	• Fee for attending Board / Committee Meetings		0.03			0.03
	• Commission/ Others		-			-
	Total (2)		0.03			0.03
	Total(B)= (1+2)					0.17
	Total Managerial Remuneration(A+B)					3.17
	Overall Ceiling as per the Act	₹ 5.70 crore (being 11% of the net profits of the Company as per Section 198 of the Companies Act, 2013.				

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

(₹ in crore)

S. No	Particulars of Remuneration	Key Managerial Personnel		
		Shri Deepak Kumar Goyal (Chief Financial Officer)	Shri Adhish Swaroop (Company Secretary)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961.	0.44	0.13	0.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
2	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
3	Stock Option/ Sweat Equity/ Commission	0.35	0.07	0.42
4	Others, please specify			
	Total	0.79	0.20	0.99

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2017.

Annexure 'B'

Form No. AOC-1

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

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

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

(₹ in crore)

S. No.	Name of Subsidiary	Apollo Metalex Private Limited	Shri Lakshmi Metal Udyog Limited	Lloyds Line Pipes Limited	Blue Ocean Projects Private Limited
1	Share Capital	2.71	5.89	20.00	0.01
2	Reserve and Surplus	97.79	117.35	114.44	10.43
3	Total Assets	246.80	187.26	386.72	11.54
4	Total Liabilities	246.80	187.26	386.72	11.54
5	Investments	-	-	-	-
6	Turnover	814.33	585.57	1,093.27	-
7	Profit Before Taxation	39.25	51.20	64.46	(0.15)
8	Provision of Taxation	11.10	18.83	20.86	-
9	Profit After Taxation	28.15	32.37	43.59	(0.15)
10	Proposed Dividend	-	-	-	-
11	% of Shareholding	100%	100%	100%	100%

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

- (1) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2016-17: The ratio of remuneration of Shri Sanjay Gupta, Chairman, to the median remuneration of the employees is 125:1.
- (2) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17. The percentage increase in remuneration of: Shri Sanjay Gupta, Chairman is 25%, Shri Deepak Kumar Goyal, Chief Financial Officer is 10% and Shri Adhish Swaroop, Company Secretary is 10%.
- (3) In the financial year, there was an increase of 1.25 % in the median remuneration of employees.
- (4) There was 730 permanent employees on the rolls of the Company as on 31 March, 2017.
- (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2016-17 was 15% whereas the increase in the managerial remuneration for the same financial year was 22.43%.
- (6) We affirm that the remuneration paid in financial year 2016-17 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2017**

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

To,

The Members,

APL Apollo Tubes Limited

37 Hargobind Enclave, Vikas Marg,

Delhi-110092

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2017 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 31 March, 2017 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956(as amended) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended):-
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(as amended):-Not applicable to the Company during the audit period
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period.
- vi. I further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
 - (a) Indian Explosives Act, 1884
 - (b) Factories Act, 1948

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

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

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

During the audit period, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

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

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

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

I further report that during the audit period:

- a. The Company has obtained members approval by means of a Postal Ballot resolution passed on 15 December, 2016 for offer and issue of redeemable, non-cumulative debentures of ₹ 125 crore (Rupees One Hundred and Twenty Five Crore Only) under private placement basis.
- b. The Company had acquired entire equity shares of M/s. Blue Ocean Projects Private Limited (CIN: U70109DL2011PTC224580) on 14 January, 2017. Consequent to said acquisition of 100% shares M/s Blue Ocean Projects Private Limited had become wholly owned subsidiary of the Company.
- c. A scheme for amalgamation of Lloyds Line Pipes Limited (a wholly owned subsidiary of the Company) with APL Apollo Tubes Limited was approved by the creditors of the company in the court convened meeting. Further, the said matter is pending before National Company Law Tribunal on the date of signing of this report.

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

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

Place: Ghaziabad
Date: 20 May, 2017

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

Annexure 1

To,

The Members,

APL Apollo Tubes Limited

37 Hargobind Enclave, Vikas Marg,

Delhi-110092

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

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

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

For Anjali Yadav & Associates
Practising Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

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

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

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

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

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

As at 31 March, 2017, the Corporate Social Responsibility Committee comprises of 3 members of the Board, 2 of which are Independent Directors. The Chairman of the Committee is an Independent Director. The composition of the CSR Committee is as under:

S. No.	Name of Director	Category
1	Shri Abhilash Lal (Chairman)	Independent Non-Executive
2	Shri Anil Kumar Bansal	Independent Non-Executive
3	Shri Ashok Kumar Gupta	Non-Executive Promoter

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

The average Net Profit of three financial years preceding the reporting financial year (i.e. 2015-16, 2014-15 and 2013-14) calculated in accordance with Section 135 of the Companies Act, 2013 is ₹ 44.96 crore.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 0.90 crore**

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

(a) Total amount to be spent for the financial year: ₹ 0.90 crore

(b) Amount unspent, if any: Nil

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

During the year under review, the Company has made contribution of ₹ 1.01 crore to Prime Minister's National Relief Fund for Education of Poor Children, ₹ 0.11 crore to World Hope Foundation, ₹ 0.02 crore to U.P. Science Centre, Jhansi, ₹ 0.06 crore to Bharat Lok Shiksha Parishad, and ₹ 0.01 crore to Sikandrabad Industrial Association in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.

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

Date: 20 May, 2017

Sd/-
Abhilash Lal
(Chairman of CSR Committee)

Sd/-
Ashok Kumar Gupta
(Managing Director)

Annexure 'F'

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

- (i) the steps taken or impact on conservation of energy:
 - (a) To know the energy utilization, the Company has installed the meters on each machine at every mills, to record the energy requirement, basis of which company has analyzed, through the use of various equipments, the percentage of wastage of electricity by the machines and whether to replace or using them in any other manner.
 - (b) As analysed, electricity is also the biggest cost to a business, finding alternative and cheaper sources of power is a top priority. The falling cost of solar panels has made them a more attractive investment with many pros and negligible cons, and the new ways in which companies pay for their panels has reduced the barriers to entry even further.
 - The Company has signed the Power Purchase Agreement (PPA) with one of the producer by which company can buy the electricity generated by the panels at a lower rate than traditional energy providers.
 - Furthermore, solar power offers long term energy price stability as the solar PV system and PPA will fix the cost for decades.
 - The Company is about to install its first Solar Panel of 1MW in one of its plant and same in other units in upcoming years.
 - Target's goal to equip all Units and buildings of the Company with ROOFTOP SOLAR PANELS.
 - (c) Solar energy has now proved to be very beneficial, not only for the environment but also financially. The technology has been improved considerably, turning into a very efficient source of clean energy:
 - Reduce energy loss
 - Reduce electricity bills by decreasing the Energy Rate.
 - Minimum breakdowns
 - Low maintenance cost
 - Diverse purpose
- (ii) The capital investment on energy conservation equipments: For installing 1MW of Solar Panel Company proposes to invest ₹ 20 crore.

II. TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption: We have placed order for In Line Galvanizing Mill and the same is expected to be commissioned by year end.
- (ii) The benefits derived as a result of above efforts: The Company is researching In Line Galvanizing of Tubes. This technology will reduce zinc wastage, increase production, improve quality of zinc coating, reduce cost and moreover open a new segment of sale.

III. RESEARCH AND DEVELOPMENT

Specific areas in which Research and Development measures were carried out by the Company: Direct Forming Mills installed in Hosur and Raipur plants and same will be installed in other Units.

- a. Reduction of Manpower by Installing Direct Forming Mills
- b. Increase in Productivity as it takes 20-30 minutes to set the mill for next size compared to 4-24 hours in conventional mills.
- c. Reduction in inventory as small rolling Campaigns possible with this technology.

The benefits derived as a result of above efforts: Direct Forming Technology has following advantages:

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

Future plan of action: The Company shall focus on continuous improvement of performance, value creation and cost reduction through innovative research relating to the existing operations and future strategic business requirements.

Due to above we have been able to reduce our manufacturing cost and increase our volumes and also have been able to cater to new segments.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Foreign exchange earnings	219.40	159.92	56.73	63.98
Foreign exchange outgo	10.25	5.35	7.22	2.92

Annexure 'G'

DIVIDEND DISTRIBUTION POLICY

1. Preamble

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

2. Objective

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

3. Factors to be considered while declaring Dividend.

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

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

4. Utilisation of retained earnings.

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

5. Declaration of Dividend

- 5.1 The Board may declare/recommend Interim/Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act, 2013.
- 5.2 Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.
- 5.3 The Board shall endeavour to achieve a Dividend Pay-out Ratio in the range of 15% - 25% (gross of dividend distribution tax) of distributable profits for the year on Consolidated Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower dividend or no dividend in case the business requirement so warrants.

6. Review and Modification

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

7. Disclosure

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance:

Company's Philosophy on Code of 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.

We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

2. Board of Directors:

The Board of Directors presently consists of ten Directors of which four are Executive Directors and six are Non-executive Directors. Out of six Non-executive Directors, five are Independent Directors. Details are as given hereunder:

Name of Director	Category	No. of Board Meetings attended during FY 2016-17	Attendance in last AGM held on 24 September, 2016	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Directorships \$	Other Member-Ships**	Other Chairmanships **
Shri Sanjay Gupta	C & E	4	No	-	5	-	-
Shri Ashok Kumar Gupta	MD & E	4	Yes	65,000	1	2	-
Shri Vinay Gupta	NE	3	No	-	4	6	-
Shri S. T. Gerela	NE & I	4	No	1,250	3	2	-
Shri Abhilash Lal	NE & I	4	Yes	-	2	2	-
Shri Anil Kumar Bansal	NE & I	3	Yes	1,000	4	3	-
Ms. Neeru Abrol	NE & I	4	Yes	-	6	3	1
Shri Virendra Singh Jain	NE & I	-	-	-	1	1	1
Shri Sharad Mahendra#	E	1	-	-	-	-	-
Shri Romi Sehgal^	E	2	No	8,050	-	-	-

C= Chairman, MD= Managing Director, NE= Non-Executive Director, I= Independent Director and E= Executive Director

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

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

Appointed w.e.f 29 October, 2016

^ Appointed w.e.f 13 August, 2016

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

Date and number of Board Meetings held

Four Board Meetings were held during the financial year 2016-17 i.e., on 30 May, 2016, 13 August, 2016, 29 October, 2016 and on 28 January, 2017. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

3. Separate meeting of the Independent Directors

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 28 January, 2017. Shri S.T. Gerela chaired the said meeting and all the Independent Directors of the Company were present in the said meeting.

4. Familiarisation Programme for Independent Directors

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

5. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR Regulations), a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The Directors expressed their satisfaction with the evaluation process.

6. Audit Committee

The role and terms of reference of Committee are in conformity with the provisions Section 177 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors.

The Audit Committee comprises four Non-Executive Directors and out of which three are 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, four meetings of the Audit Committee of the Company were held i.e. on 30 May, 2016, 13 August, 2016, 29 October, 2016 and on 28 January, 2017. The composition of the Audit Committee as on 31 March, 2017 and the meetings attended by its members are as under:

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

7. Nomination and Remuneration Committee (NRC)

During the year, four meeting of the Nomination and Remuneration Committee were held i.e. on 30 May, 2016, 13 August, 2016, 29 October, 2016 and on 28 January, 2017 which were duly attended by all committee members. The composition of the Remuneration Committee as on 31 March, 2017 is as under:

S. No	Name of Director	Status	No. of meetings attended
1	Shri S.T Gerela	Chairman	4
2	Ms. Neeru Abrol	Member	4
3	Shri Vinay Gupta	Member	3

7.1 Nomination and Remuneration Policy

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

The current policy is to have a balance mix of executive and non-executive Independent Directors to maintain the Independence of the Board, and separate its function of governance and management. As at 31 March, 2017, the Board of Directors comprises of ten Directors of which five are non-executive which is one half of the total numbers of Directors. The number of Independent Directors is four, and women director is one.

The Policy of the Company on Directors appointment including criteria for determining qualifications, positive attributes, independence of Directors and other matters as required under Section 178 of Companies Act 2013 is governed by Nomination Policy read with Company's policy on appointment/re-appointment of Independent Directors. The remuneration paid to the Directors is in accordance with the remuneration policy of the Company.

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

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

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

7.2 Remuneration to the Directors

Executive Director:

During the year ended 31 March, 2017 Shri Sanjay Gupta, Chairman was paid a salary of ₹ 3 crore and no other benefits, no payment was made to any other director(s).

Non- Executive Directors:

The Company has paid sitting fees aggregating to ₹ 17 lakh to all Non-Executive Directors for attending the meetings of the Board and/or committees of directors (including sitting fee for a separate meeting of Independent Directors), during the financial year 2016-17.

8. Stakeholders Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, 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 and transmission of shares, issue of duplicate / re-materialised shares and consolidation and splitting of certificates, redressal of complaints from investors etc. Stakeholders' Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including power to reject transfer of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing 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 Annual Report and non-receipt of declared dividends.

During the year, one meeting of the Stakeholders Relationship committee held i.e. on 28 January, 2017 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 31 March, 2017 is as under:

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

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 three investor's complaints were received which were promptly resolved to the satisfaction of the investor concerned.

9. Corporate Social Responsibility (CSR) Committee:

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

During the year one meeting of the CSR Committee was held on 28 January, 2017. The composition and the attendance of directors at the meeting is as under:-

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

10. General Body Meetings

A. Annual General Meeting

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

Financial Year	Venue	Date and Time	Special Resolution Passed
2015-16	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	24 September, 2016 11.00 A.M	To revise remuneration payable to Shri Sanjay Gupta, Chairman of the Company (under whole time director category)
2014-15	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	28 August, 2015 01:00 P.M.	- To authorise Board of Directors under section 180(1)(a) of the Companies Act, 2013 for creation of mortgage / charge of Company's assets. - To authorise Board of Directors under Section 180 (1)(c) of the Companies Act 2013, for borrowing money upto ₹ 1000 crore over and above the aggregate of paid up capital and free reserves of the Company. - For offer and issue of Redeemable Non-cumulative Debentures under Private Placement basis of an aggregate issue size not exceeding ₹ 200 crore.

2013-14	IMA- East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110 092	30 September, 2014 12.45 P.M.	1. To authorise Board of Directors under section 180(1)(a) of the Companies Act, 2013 for creation of mortgage / charge of Company's assets. 2. To authorize Board of Directors under Section 180 (1)(c) of the Companies Act 2013, for borrowing money upto ₹ 500 crore over and above the aggregate of paid up capital and free reserves of the Company.
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In accordance with the law, a poll (electronically and by physical ballot) was conducted on all the resolutions of the Notice; all the members were given an option to vote through electronic means using the CDSL platform.

B. Special Resolution passed through Postal Ballot during financial year 2016-17

Description (Nature of Resolution)	Date of Notice	Date of Dispatch of Postal Ballot Forms to Members	Last date for receiving the Postal Ballot forms including e-voting	Date of passing resolution
Offer and Issue of Redeemable, Non-Cumulative Debentures of an aggregate issue size not exceeding ₹ 125 crore under Private Placement basis	29 October, 2016	15 November, 2016	15 December, 2016	15 December, 2016

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

11. Disclosures

a) Related party Disclosure:

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements), 2015 during the financial year were in the ordinary course of business and on 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. 29.3 to the Financial Statements.

b) Management discussion and analysis report

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

c) Business responsibility report

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

d) 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 Note No. 1 to the Financial Statements.

- e) This corporate governance report of the Company for the financial year ended 31 March, 2017 are in compliance with the requirements of Corporate Governance under the listing regulations, as applicable.
- f) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations: (a) There are no audit qualifications on the financial year 2016-17. (b) The internal auditor reports directly to the Audit Committee of the Board. (c) Appointment of separate post of Chairman and Managing Director.
- g) **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.

h) 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.

i) Vigil Mechanism / Whistle Blower policy:

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

j) Subsidiary Companies:

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

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

k) Disclosures with respect to demat suspense account/ unclaimed suspense account

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2016-17.

12. Reconciliation of Share Capital Audit

The Securities and Exchange Board of India has directed that all the issuer shall submit a report reconciling the total shares held in both the depositories, viz, NSDL and CDSL and in physical form with the total issued / paid-up capital. The said certificate duly certified by a Company Secretary-in-practice is submitted to the NSE and BSE within 30 days from end of each quarter and the certificate is placed before the Board of Directors of the Company.

13. Means of communication:

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

Quarterly and annual financial results are normally published in Economic Times, Jansatta, Hindu Business Lines etc. and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the web-site of the Company "www.aplapollo.com".

ii. Press release:

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

iii. Presentations to analysts:

Four presentations were made to analysts/investors during the financial year 2016-17. The same are available on the Company's website. The presentations broadly covered operational and financial performance of the Company and industry outlook.

14. General Shareholders' Information:

i. Annual general meeting

Date and time: 29 September, 2017 at 11.00 A.M (Friday).

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

Book closure: 23 September, 2017 to 29 September, 2017 (both days inclusive)

ii. Financial calendar (tentative and subject to change)

Period	Board Meetings
Unaudited results for first quarter ended 30 June, 2017*	On or before 14 September, 2017
Unaudited results for second quarter/ half year ended 30 September, 2017*	On or before 14 December, 2017
Unaudited results for third quarter/ nine months ended 31 December, 2017	On or before 14 February, 2018
Audited results for the financial year 2017-18	On or before 30 May, 2018

* The timeline for submitting the financial results for the quarter ending 30 June, 2017 and 30 September, 2017 has been extended by one month, pursuant to provisions of SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05 July, 2016.

Dividend Payment: The dividend of ₹12 per equity share for financial year 2016-17, has been recommended by the Board of Directors, subject to approval from shareholders. The same shall be paid on or after 29 September, 2017 but within the statutory time limit.

iii. Listing of shares:

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

- Bombay Stock Exchange Limited (Scrip Code: 533758)
- National Stock Exchange of India Limited (Symbol: APLAPOLLO)

The listing fees of all the stock exchanges has been paid by the Company for the financial year 2017-18 and financial year 2016-17.

ISIN Code for the Company's Equity Shares: INE702C01019

ISIN Code for the Company's Debentures: INE702C07016 and INE702C07024

iv. Distribution schedule as at 31 March, 2017

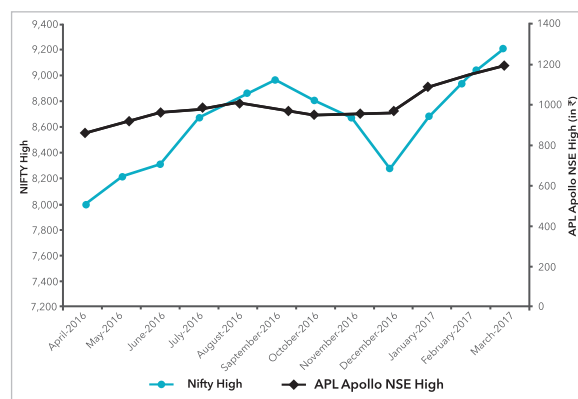
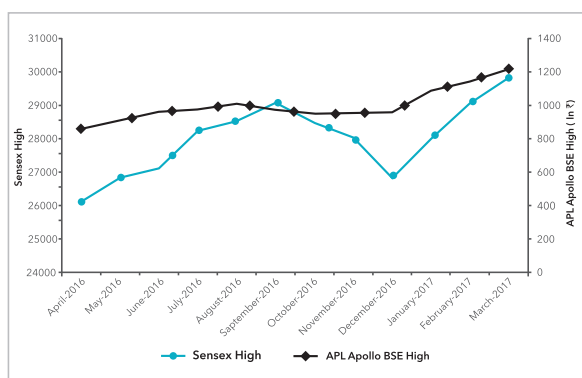
Nos. of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
Upto 2,500	5,919	77.60	387,706	1.64
2,501-5,000	829	10.86	318,457	1.34
5,001-10,000	400	5.24	303,682	1.29
10,001-20,000	181	2.37	270,596	1.15
20,001-30,000	79	1.04	202,431	0.86
30,001-40,000	53	0.70	187,556	0.80
40,001-50,000	33	0.43	150,999	0.64
50,001-1,00,000	58	0.76	425,106	1.80
1,00,001 & Above	76	1.00	21,343,422	90.48
Total	7,628	100	23,589,955	100

V. Shareholding pattern as on 31 March, 2017

Category	No. of shares held	Percentage of shareholding
Indian Promoters	8,840,187	37.47
FII/Foreign Investors/NRIs	6,642,154	28.16
Mutual funds/ Financial Institutions/Banks	3,616,858	15.34
Individuals/Trusts	3,445,291	14.60
Clearing Members/ Hindu Undivided Families	208,246	0.88
Domestic Bodies Corporate	837,219	3.55
Total	2,35,89,955	100

vi. Market Price Data

Month and Year	Stock market price on BSE (In ₹ Per share)			Stock market price on NSE (In ₹ Per share)		
	High	Low	Traded Quantity	High	Low	Traded Quantity
April, 2016	854.75	674.00	124,862	855.00	674.00	828,312
May, 2016	905.00	785.00	168,782	905.00	780.00	674,915
June, 2016	957.90	864.35	90,592	959.90	863.60	318,799
July, 2016	975.50	905.45	352,774	977.00	907.50	548,594
August, 2016	1,008.00	900.00	98,810	1,010.00	901.00	360,005
September, 2016	972.50	814.00	71,567	978.80	811.00	304,495
October, 2016	949.90	850.00	28,220	949.90	845.00	190,513
November, 2016	952.70	830.00	54,272	952.50	821.00	362,176
December, 2016	955.00	832.35	41,411	958.60	826.10	1,136,465
January, 2017	1,088.00	912.00	163,039	1,089.00	887.80	518,954
February, 2017	1,144.00	1,047.00	279,928	1,147.65	1,046.50	612,850
March, 2017	1,219.00	1,014.95	812,296	1,198.00	1,037.07	365,202



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

vii. Share Transfer System

Share transfer and related operations for APL Apollo Tubes Limited are conducted by M/s Abhipra Capital Limited, which is registered with the SEBI as Category I Registrar.

Share transfer is normally affected within stipulated period, provided all the required documents are submitted.

viii. Unclaimed Dividends:

Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956 the dividends which have remained unpaid / unclaimed for a period of Seven years from the date of transfer the unpaid dividend account is mandatorily required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government:

Financial year	Dividend Per Share (₹)	Date of declaration	Due date for transfer to IEPF
2009-2010 (Interim Dividend)	1.00	26 April, 2010	02 June, 2017
2010-2011 (Interim Dividend)	1.00	28 July, 2010	03 September, 2017
2010-2011 (Interim Dividend)	1.00	18 October, 2010	24 November, 2017
2011-2012 (Final Dividend)	2.00	29 September, 2012	05 November, 2019
2012-2013 (Final Dividend)	5.00	30 August, 2013	06 October, 2020
2013-2014 (Final Dividend)	5.00	30 September, 2014	06 November, 2021
2014-2015 (Final Dividend)	6.00	28 August, 2015	04 October, 2022
2015-2016 (Final Dividend)	10.00	24 September, 2016	31 October, 2023

ix. Dematerialization of Shares

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

As on 31 March, 2017, 99.84 % of the Company's total Equity Shares representing 2,35,53,334 shares were held in dematerialized form and 36,621 shares representing 0.16% of paid-up share capital were held in physical form.

x. Outstanding ADRs/ GDRs

There were no outstanding GDRs/ ADRs, as on 31 March, 2017.

xi. Warrants and Other Convertible Instruments:

There were no warrants outstanding for conversion as on 31 March, 2017.

xii) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

During the financial year ended 31 March, 2017, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts, swaps and options for hedging foreign exchange exposures against imports and exports.

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

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

xiv. Registrar and Share Transfer Agent

M/s. Abhipra Capital Limited
GF- Abhipra Complex, Dilkhush Industrial Area
A-387, G.T. Karnal Road Azadpur, Delhi-110033
Phone: 011-42390725 Fax: 011-2721 5530
Mail: rta@abhipra.com

xv. Plant Locations**Unit - 1**

A-19 and A-20, Industrial Area, Sikandrabad,
Distt. Bulandsahar, Uttar Pradesh-203205
Phone: 95-5735-222504, 223157

Unit -2

No. 332-338, Alur Village, Perandapalli,
Hosur, Tamil Nadu-635109.
Phone: 04344-560550

Unit-3

Village Bendri, Near Urla Industrial Area,
Raipur, Chhattisgarh- 492001

xvi. Subsidiaries' Plant Locations**Apollo Metalex Private Limited**

CIN: U27104DL2006PTC146579
A-2 and A-25, Industrial Area, Sikandrabad,
Distt. Bulandshahar, Uttar Pradesh-203205

Shri Lakshmi Metal Udyog Limited

CIN: U85110DL1994PLC224835
No. 9 to 11, KIADB Industrial Area Attibele,
Bengaluru, Karnataka - 562107

Lloyds Line Pipes Limited

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

xvii. Stock Exchanges**BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai, Maharashtra - 400 001
Phone: +91 22 2272 1233; Fax: +91 22 2272 1919
Website: www.bseindia.com

National Stock Exchange of India Limited

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

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

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

SBICAP Trustee Company Ltd.

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

xix. Depositories**National Securities Depository Limited**

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

Central Depository Services (India) Limited

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

15. CEO and CFO Certification:

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

16. Compliance Certificate of the Practicing Company Secretary:

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

17. Code for prevention of insider trading:

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

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

19. Declaration:

It is hereby declared that all the members of the Board and Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of APL Apollo Tubes Limited" during the Financial Year ended 31 March, 2017.

Compliance Certificate on Corporate Governance

To the members of

APL Apollo Tubes Limited

We have examined the compliance of conditions of Corporate Governance by APL Apollo Tubes Limited ("the Company") for the financial year ended 31 March, 2017 as stipulated in Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. 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.
2. We have examined the relevant records of the Company in accordance with Guidance Note on Reports or Certificates for Special Purpose (Revised) 2016 issued by the Institute of Chartered Accountants of India.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ghaziabad
Date: 20 May, 2017

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF APL APOLLO TUBES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of APL APOLLO TUBES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 prescribed under Section 133 of the Act.

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

Auditors' Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statements; (Refer Note no. 28.1(i) of the standalone financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no. 28.1 (ii) (f) of the standalone financial statements);
 - iii. There are no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (Refer Note no. 28.1 (iii) of the standalone financial statements);
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 08 November, 2016 of the Ministry of Finance, during the period from 08 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management (Refer Note no. 32 of the standalone financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

RASHIM TANDON
Partner
(Membership No. 95540)

Place : Ghaziabad
Date : 20 May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of APL APOLLO TUBES LIMITED ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

RASHIM TANDON
Partner
(Membership No. 95540)

Place : Ghaziabad
Date : 20 May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

i. In respect of its fixed assets:

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

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

- ii. As explained to us, the inventories (other than stock lying with third parties and goods in transit) were physically verified during the year by the Management at the reasonable intervals and no material discrepancies have been noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.

- (b) Details of dues of Income tax, Sales Tax and Excise Duty which have not been deposited as on 31 March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (net of payment) (₹ in crore)	Amount paid under protest (₹ in crore)
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	High Court of Allahabad	2007-2008	0.61	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2008-2009	4.79	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2009-2010	2.08	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2010-2011	2.99	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2011-2012	2.55	-
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2013-2014	1.98	-
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2014-2015	0.22	0.02
TamilNadu Value Added Tax, 2006	Value Added Tax	High Court of Chennai	2010-11 and 2011-12	0.81	-
	Value Added Tax	Assistant Commissioner (CT), Hosur	2015-2016	114.38	-
Central Excise Act, 1944	Excise Duty	High Court of Allahabad	1996-1997	0.77	#0.04
	Excise Duty	CESTAT, Allahabad	1999-2000	0.06	0.05
	Excise Duty	CESTAT, Allahabad	2008-2013	5.07	1
	Excise Duty	CESTAT, Allahabad	2011-2012	0.34	#0.04
	Excise Duty	Commissioner Appeals	2011-2015	0.47	0.02
Finance Act, 1994	Service Tax	Commissioner Service Tax	2007-2008	0.05	0.05
Income Tax Act, 1961	Income Tax	Commissioner of Income tax (Appeals)	2012-2013	1.36	0.05

Netted in books of accounts

We have been informed that there are no dues of Service Tax and Custom Duty which have not been deposited as on 31 March, 2017 on account of disputes.

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

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

Place Ghaziabad
Date 20 May, 2017

RASHIM TANDON
Partner
(Membership No. 95540)

BALANCE SHEET

AS AT 31 MARCH, 2017

(₹ in crore)

S.No.	Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's funds			
	(a) Share capital	2	23.59	23.44
	(b) Reserves and surplus	3	369.83	323.79
			393.42	347.23
(2)	Non-current liabilities			
	(a) Long-term borrowings	4	87.02	142.73
	(b) Deferred tax liabilities (net)	5	50.57	46.97
	(c) Long-term provisions	6	3.17	2.18
			140.76	191.88
(3)	Current liabilities			
	(a) Short-term borrowings	7	265.11	282.49
	(b) Trade payables	8		
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		325.95	145.99
	(c) Other current liabilities	9	54.94	71.79
	(d) Short-term provisions	10	1.42	28.77
			647.42	529.04
	Total		1,181.60	1,068.15
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets	11		
	(i) Tangible assets		362.98	328.69
	(ii) Intangible assets		3.68	3.36
	(iii) Capital work-in-progress		99.83	25.52
			466.49	357.57
	(b) Non-current investments	12	124.03	89.89
	(c) Long term loans and advances	13	53.40	68.73
	(d) Other non-current assets	14	0.16	0.05
			177.59	158.67
(2)	Current assets			
	(a) Inventories	15	228.52	262.35
	(b) Trade receivables	16	192.29	263.14
	(c) Cash and cash equivalents	17	0.56	1.03
	(d) Short-term loans and advances	18	114.47	22.67
	(e) Other current assets	19	1.68	2.72
			537.52	551.91
	Total		1,181.60	1,068.15

See accompanying notes forming part of the standalone financial statements 1-33

In terms of our report attached.

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

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

RASHIM TANDON
Partner

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

Place: Ghaziabad
Date: 20 May, 2017

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2017

		(₹ in crore)		
S. No	Particulars	Note No.	Year ended 31 March, 2017	Year ended 31 March, 2016
I	Revenue from operations (Gross)	20	3,104.33	3,213.83
	Less: Excise Duty		224.95	218.23
	Revenue from operations (net)		2,879.38	2,995.60
II	Other Income	21	2.13	21.62
III	Total revenue (I + II)		2,881.51	3,017.22
IV	Expenses			
	(a) Cost of materials consumed	22	1,573.04	1,470.92
	(b) Purchase of stock-in-trade (traded goods)	23	942.49	1,206.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	20.47	(12.14)
	(d) Employee benefits expense	25	34.38	35.33
	(e) Finance costs	26	48.01	48.73
	(f) Depreciation and amortisation expense	29.7	29.70	18.67
	(g) Other expenses	27	182.15	181.87
	Total expenses		2,830.24	2,950.13
V	Profit before exceptional items and tax (III-IV)		51.27	67.09
VI	Exceptional items (see note 28.9)		-	25.33
VII	Profit before tax (V - VI)		51.27	41.76
VIII	Tax expense:			
	(a) Current tax		13.10	8.50
	(b) Mat credit related to earlier years		(4.83)	-
	(c) Income tax of earlier year		0.07	-
	(d) Deferred tax charge	5	3.60	2.43
	Net tax expense		11.94	10.93
IX	Profit after tax (VII-VIII)		39.33	30.83
X	Earnings per equity share of ₹ 10 each:			
	(a) Basic	29.4	16.72	13.15
	(b) Diluted		16.35	12.76
See accompanying notes forming part of the standalone financial statements		1-33		

In terms of our report attached.

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

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

RASHIM TANDON
Partner

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

Place: Ghaziabad
Date: 20 May, 2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2017

(₹ in crore)

S.No	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
A.	Cash flow from operating activities		
	Profit before tax	51.27	41.76
	Adjustments for:		
	Depreciation and amortisation expense	29.70	18.67
	Loss/(Profit) on sale of assets	0.65	(0.28)
	Finance costs	48.01	48.73
	Interest income	(0.70)	(1.59)
	Dividend income	-	(13.56)
	Provision for doubtful debts	2.57	-
	Net loss on sale of investments	-	0.50
	Liabilities / provisions no longer required written back	-	(0.74)
	Brand image expenses written off	-	17.57
	Claim receivable for entry tax written off	-	7.72
	Amortisation of premium on forward contract	0.68	1.88
	Fixed assets written off	-	0.11
	Other loans and advances written off	0.10	1.96
	Net unrealised exchange (gain)	(0.25)	(0.03)
		80.76	80.94
	Operating profit before working capital changes	132.03	122.70
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	33.83	(79.00)
	Trade receivables	68.32	(147.21)
	Short-term loans and advances	(94.41)	2.37
	Long-term loans and advances	16.16	17.35
	Other current assets	0.89	8.16
	Other non-current assets	(0.02)	-
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	180.30	108.64
	Other current liabilities	(5.44)	8.67
	Short-term provisions	(0.43)	0.11
	Long-term provisions	1.00	0.98
		200.20	(79.93)
	Cash generated from operations	332.23	42.77
	Net income tax (paid)	(10.54)	(6.73)
	Net cash flow from operating activities (A)	321.69	36.04
B.	Cash flow from investing activities		
	Capital expenditure on fixed assets, including capital advances	(129.39)	(81.35)
	Proceeds from sale of fixed assets	5.90	14.85
	Bank balances not considered as Cash and cash equivalents	0.15	8.02
	Purchase of long-term investments	(34.54)	(4.02)
	Proceeds from sale of long-term investments	-	2.20
	Interest received	0.77	1.68
	Dividend received from subsidiaries	-	13.56
	Net cash flow (used in) investing activities (B)	(157.09)	(45.06)

S.No Particulars	(₹ in crore)	
	Year ended 31 March, 2017	Year ended 31 March, 2016
C. Cash flow from financing activities		
Proceeds for share capital including share premium	6.86	-
Proceeds/(repayment) from long-term borrowings (net)	(79.43)	59.13
Proceeds from other short-term borrowings (net)	(16.04)	12.38
Finance costs	(48.17)	(48.73)
Dividends paid	(23.44)	(14.06)
Tax on dividend	(4.69)	(0.10)
Net cash flow (used in) / from financing activities (C)	(164.91)	8.62
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(0.32)	(0.41)
Cash and cash equivalents at the beginning of the year	0.70	1.10
Cash and cash equivalents at the end of the year	0.38	0.70
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (see note 17)	0.56	1.03
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In other deposit accounts		
- original maturity more than 3 months	0.02	0.14
(ii) In earmarked accounts		
- Unpaid dividend accounts	0.16	0.19
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in note 17	0.38	0.70

In terms of our report attached.

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

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

RASHIM TANDON
Partner

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

Place: Ghaziabad
Date: 20 May, 2017

Notes

FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1: Significant accounting policies

A. General Information

APL Apollo Tubes Limited, the Company was incorporated on 24 February 1986. The Company is engaged in the business of production of ERW steel tubes. The Company has two manufacturing units, one at Sikandrabad, Uttar Pradesh and another at Hosur, Tamilnadu.

B. Significant accounting policies

(i) Basis of preparation of standalone financial statements

The standalone 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"). The standalone financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the previous year.

(ii) Use of estimates

The preparation of the standalone financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of income and expenses during the year. The Management believes that the estimates used in preparation of standalone financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each balance sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known/materialise.

(iii) Inventories

Finished goods are valued at the lower of cost (First in First Out -FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes 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.

Raw Material is valued at cost (First in First Out -FIFO basis).

(iv) 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.

(v) Cash flow statement

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

(vi) Depreciation and amortisation

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

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

The estimated useful life of various fixed assets is as under:-

Assets	Useful Lives
Buildings	10 to 60 years
Roads	10 years
Plant and machinery used in manufacturing of pipe	10 to 20 years
Other plant and machinery	2 to 10 years
Vehicles	8 years
Furniture and fixtures	10 years
Office equipment	2 to 5 years
Computer	3 years
Leasehold land	Amortized over the period of the lease
Intangible assets are amortised over their estimated useful life on straight line method as follows:	
Computer software	3 to 6 years

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

Notes

FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(vii) Revenue recognition

Sale of goods:

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

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

(viii) Other income

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

(ix) Fixed assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

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

(x) Foreign exchange transactions

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary

assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts:

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

(xi) Investments/ Investment property

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 include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

(xii) Employee benefits

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

Defined contribution plans:

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

Defined benefit plans:

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Notes

FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

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

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of period in which the employee renders the related service are recognised as a liability at the present value of the defined obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

(xiii) Employee share based payment

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefit Scheme) Regulations, 2014. The Scheme provides for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Regulations; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

(xiv) Borrowing 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.

(xv) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

(xvi) Earnings per share

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

(xvii) 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

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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 are reviewed at each balance sheet date for their realisability.

(xviii) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of the assets exceed the estimated recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on as appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(xix) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event 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 are not discounted to its present value and are determined based on 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.

(xx) Contingent liabilities

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

(xxi) 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.

Note : 2 Share capital

S. No. Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of Shares	Amount (₹ in crore)	Number of Shares	Amount (₹ in crore)
1 Authorised capital				
Equity shares of ₹ 10 each with voting rights	25,000,000	25.00	25,000,000	25.00
	25,000,000	25.00	25,000,000	25.00
2 Issued capital				
Equity shares of ₹ 10 each with voting rights	23,589,955	23.59	23,438,636	23.44
	23,589,955	23.59	23,438,636	23.44
3 Subscribed and fully paid up capital				
Equity shares of ₹ 10 each with voting rights	23,589,955	23.59	23,438,636	23.44
	23,589,955	23.59	23,438,636	23.44

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

Particulars	Number of Shares		Amount (₹ in crore)	
	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
Equity shares with voting rights				
Outstanding at the beginning of the year	23,438,636	23,438,636	23.44	23.44
Add: Issued during the year	151,319	-	0.15	-
Outstanding at the end of the year	23,589,955	23,438,636	23.59	23.44

(ii) **Rights, Preferences and restrictions attached to equity shares**

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

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

Class of Shares/Name of Shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
APL Infrastructure Private Limited	8,025,187	34.02	8,025,187	34.24
Kitara PIIN	3,000,000	12.72	3,000,000	12.80
IDFC Premier Equity Fund	1,343,699	5.70	1,586,500	6.77
Ashok K. Gupta	65,000	0.28	1,500,000	6.40

Note : 3 Reserve and surplus

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Security premium		
	Opening balance	187.37	187.37
	Add: Additions	6.71	-
	Closing balance	194.08	187.37
2	Debenture redemption reserve		
	Opening balance	18.75	-
	Add: Transferred from surplus in statement of profit and loss	12.50	18.75
	Closing balance	31.25	18.75
3	General reserve		
	Opening balance	25.52	25.02
	Add: Transferred from surplus in statement of profit and loss	-	0.50
	Closing balance	25.52	25.52
4	Surplus in Statement of profit and loss		
	Opening balance	92.15	105.99
	Add: Profit for the period	39.33	30.83
	Less: Dividend proposed to be distributed to equity shareholders (see note (i) and (ii))	-	23.44
	Less: Tax on proposed dividend	-	1.98
	Less: Transfer to general reserve	-	0.50
	Less: Transfer to debenture redemption reserve	12.50	18.75
	Closing balance	118.98	92.15
	Total	369.83	323.79

(i) The Board of Directors recommended a Final Dividend of ₹ 12 per share (on equity share of par value of ₹ 10 each)

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at their Board Meeting held on 20 May 2017. The final payment is subject to approval of the shareholders ensuing Annual General Meeting.

- (ii) The Board of Directors recommended a Final Dividend of ₹ 10 per share (on equity share of par value of ₹ 10 each) at their Board meeting held on 30 May 2016 which was approved by the shareholders in Annual General Meeting held on 24 September 2016.

Note : 4 Long term borrowings

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Debentures:		
	(i) Secured (see note (i) below)	75.00	75.00
2	Term Loan:		
	- From bank		
	(i) Secured (see note (ii) below)	12.00	67.61
3	Vehicle Loan:		
	- From others		
	(i) Secured by way of hypothecation of vehicles	0.02	0.12
	Total	87.02	142.73
	(i) Details of debentures issued by the Company		
	11.50% Secured, listed, Non-Convertible redeemable debentures of ₹ 10 lacs each (see note (a) below)	75.00	75.00

- (a) The debenture are secured by hypothecation of non current assets and movable assets of the Company (both present and future). Further these have been secured by hypothecation of immovable property situated at A-19 and A-20, Industrial Area, Sikanderabad, UP and 332-338, Alur Village, Perandapalli, Hosur (Tamil Nadu). During the current year the charge has been changed to first pari passu charge on both movable and immovable fixed assets, present and future, movable and immovable, situated at A 19 and A 20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and second pari passu charge on current assets, present and future, of the Company.

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

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

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
By First Pari Passu charge on fixed assets of the Company (both present and future) and charge on all current assets (both present and future) of the Company. The loan is further guaranteed by personal guarantee of Mr. Sanjay Gupta (Director). Applicable rate of interest is in the range of 10.50%-10.15%. During the current financial year, the loan has been fully repaid by the Company.	-	-	40.40	9.60
By First Pari Passu charge on E-11, Land-2, Estate Home, Jaypee Greens, Greater Noida. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. Applicable rate of interest is in the range of 9.85%-9.50%. During the current financial year, the loan has been fully repaid by the Company.	-	-	3.21	0.11

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Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
By first pari passu charge on entire fixed assets, movable and immovable, present and future, of the Company situated at A 19 and A 20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and land at village Bendri, Raipur, Chattisgarh and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. During the year, the personal guarantee of Mr. Sameer Gupta has been discharged. The loan outstanding as at balance sheet is repayable in 8 quarterly installments commencing from June 2017 and ending in March 2019 will be of ₹ 3 crore each. Applicable rate of interest is 10.25%.	12.00	12.00	24.00	12.00
By First Pari Passu charge on fixed assets of the company (existing and proposed) and charge on all current assets of the company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. Applicable rate of interest is 10.25%. During the current financial year, the loan has been fully repaid by the Company	-	-	-	14.00

Note : 5 Deferred tax liabilities (Net)

(₹ in crore)

S. No	Particulars	Opening as at 01 April, 2016	Debited/ (Credited) during the year*	Closing as at 31 March, 2017
1	Tax effect of items constituting deferred tax liabilities			
	(i) On difference between book balance and tax balance of fixed assets	47.75	4.84	52.59
		47.75	4.84	52.59
2	Tax effect of items constituting deferred tax assets			
	(i) Provision for compensated absences, gratuity and other employee benefits	0.78	(0.35)	1.13
	(ii) Provision for doubtful debts	-	(0.89)	0.89
		0.78	(1.24)	2.02
	Total	46.97	3.60	50.57

*Including prior period charge for ₹ Nil (year ended 31 March 2016, ₹ 0.83 crore)

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Note : 6 Long-term provisions

(₹ in crore)

S. No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Provisions for employee benefits:		
	Provision for compensated absences (see note 29.1)	0.49	-
	Provision for gratuity (see note 29.1)	2.68	2.18
	Total	3.17	2.18

Note : 7 Short-term borrowings

(₹ in crore)

S. No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Loan repayable on demand		
	- From bank (Secured)		
	(i) Secured		
	(a) Cash credit (see note (i) below)	52.85	82.95
2.	Others		
	- From bank		
	(i) Secured		
	(a) Buyer's credit		
	- working capital (see note (i) below)	35.27	174.54
	- Capital item loan (see note (ii) below)	36.99	-
	(c) Non Convertible debentures (see note (iii) below)	50.00	-
	(d) Term Loan (see note (iv) below)	25.00	-
	(ii) Unsecured		
	(a) Commercial paper	50.00	-
	- From other parties		
	(iii) Unsecured		
	(a) Commercial paper	15.00	25.00
	Total	265.11	282.49

Nature of security:

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

For buyer credit facilities from one bank, these are further secured by hypothecation of imported inventories. These credit facilities are further collaterally secured by personal guarantee of Mr. Sameer Gupta, Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors). However for working capital facilities of certain banks, these are only secured by personal guarantee of Mr. Sanjay Gupta. Also in case of working capital limit from one banks, these are only secured by corporate guarantee of V.S. Exim Private Limited, a Company under significant influence of the directors.

During the current year charge has been changed to first pari passu charge on current assets of the Company and second Pari Passu charge on fixed assets (movable and immovable both) situated at A-19 and A-20 Industrial Area, Sikandarabad, U.P and 332-338, Alur-Village, Perandapalli - Hosur. These credit facilities are further collaterally secured by personal guarantee of Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors). The corporate guarantee of V.S. Exim Private Limited has been released during the year and personal guarantee of Mr. Sameer Gupta has been released during the year except one bank.

- (ii) Buyer's credit includes ₹ 36.99 crore taken for capital goods which has been approved as a sublimit under the term loan facility taken during the financial year. The tenor of buyer's credit is six months which can be roll forward upto the tenor of three years.

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

(iii) Details of debentures issued by the Company: (₹ in crore)

Particular	As at 31 March, 2017	As at 31 March, 2016
8.20% Secured, listed, Non-Convertible redeemable debentures of ₹ 10 Lacs each (see note (a) below)	50.00	-

(a) As per term sheet debentures will be secured by hypothecation of on both movable and immovable assets of the Company (both present and future) situated at A-19 and A-20, Industrial Area, Sikandrabad, UP, 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu) and land at village Bendri, Raipur (Chattisgarh). The Company is in process of creating of charge on asset for debentures.

The debentures have the following Call/Put Options:

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

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

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

- (iv) The term facility has been secured by first pari passu charge on fixed assets, movable and immovable, present and future, of the Company situated at A-19 and A-20, Industrial Area, Sikandrabad, UP, 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu) and land at village Bendri, Raipur (Chattisgarh) and second charge on current assets of the Company. The loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta. The loan is repayable in one single installment on 08 September 2018. Applicable rate of interest is 8.20%.

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

Note : 8 Trade payable

S. No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Total outstanding dues of micro enterprises and small enterprises (see note 28.2)	-	-
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	325.95	145.99
	Total	325.95	145.99

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Note : 9 Other current liabilities

(₹ in crore)

S. No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Current maturities of long-term debt (see note 4 (2) (ii))	12.11	35.83
2	Interest accrued but not due on borrowings	4.89	5.05
3	Unclaimed dividends	0.19	0.19
4	Other payables		
	(i) Statutory remittances	10.90	9.94
	(ii) Security deposit	1.30	0.05
	(iii) Payable on purchase of fixed assets	9.71	0.97
	(iv) Advance from customers	4.25	11.84
	(v) Forward premium payable (net of deferred premium of ₹ 4,053,618 (previous year ₹ 25,597,161))	5.30	3.79
	(vi) Excise duty on finished goods	6.29	4.13
	Total	54.94	71.79

Note : 10 Short-term provisions

(₹ in crore)

S. No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Provision for employee benefits:		
	(i) Provision for compensated absences (see note 29.1)	0.03	0.42
	(ii) Provision for gratuity (see note 29.1)	0.05	0.09
2	Provision others:		
	(i) Provision for tax (net of advance tax ₹ 9.77 crore year ended 31 March, 2016 ₹ 32.14 crore)	1.34	0.13
	(ii) Provision for proposed equity dividend	-	23.44
	(iii) Provision for tax on proposed equity dividend	-	4.69
	Total	1.42	28.77

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Note 11 : Fixed assets (At cost)

Particular	Gross block			Accumulated depreciation			Net block			
	As at 01 April, 2016	Addition during the year (see note (ii) and (iii))	Sales/transfer during the year (see note (i))	As at 31 March, 2017	Upto 31 March, 2016	For the year	Adjusted during the year	Upto 31 March, 2017	As at 31 March, 2017	As at 31 March, 2016
A. Tangible assets										
Assets taken on lease:										
Leasehold land	11.62 (5.43)	6.35 (6.19)	-	17.97 (11.62)	0.15	0.22 (0.15)	-	0.37 (0.15)	17.60 (11.47)	11.47 (5.43)
Owned assets:										
Freehold land	7.10 (22.70)	9.47 (4.03)	4.03 (19.63)	12.54 (7.10)	-	-	-	-	12.54 (7.10)	7.10 (22.70)
Building	79.66 (61.78)	5.51 (23.97)	0.97 (6.09)	84.20 (79.66)	8.31 (6.28)	3.26 (2.91)	0.93 (0.88)	10.64 (8.31)	73.56 (71.35)	71.35 (55.50)
Plant and machinery	281.11 (240.76)	44.02 (41.13)	10.05 (0.78)	315.08 (281.11)	49.42 (36.19)	23.30 (13.69)	7.72 (0.46)	65.00 (49.42)	250.08 (231.69)	231.69 (204.57)
Office equipment	2.48 (2.15)	0.50 (0.34)	1.37 (0.01)	1.61 (2.48)	1.16 (0.35)	0.85 (0.80)	1.37 (-0.01)	0.63 (1.16)	0.98 (1.32)	1.32 (1.80)
Vehicle	4.12 (4.17)	1.84 (0.67)	0.58 (0.72)	5.38 (4.12)	1.82 (2.00)	0.57 (0.46)	0.44 (0.64)	1.95 (1.82)	3.43 (2.30)	2.30 (2.17)
Furniture and fixture	3.85 (3.01)	1.43 (0.85)	0.00 (-0.01)	5.28 (3.85)	0.87 (0.54)	0.43 (0.33)	0.00 (0.00)	1.30 (0.87)	3.98 (2.98)	2.98 (2.47)
Computer	1.02 (0.95)	0.62 (0.53)	0.42 (0.46)	1.22 (1.02)	0.54 (0.62)	0.28 (0.01)	0.41 (0.09)	0.41 (0.54)	0.81 (0.48)	0.48 (0.33)
Zinc (46.142 M.T.)	- (0.21)	- (0.21)	- (0.21)	- (0.00)	- (0.35)	- (0.80)	- (-0.01)	- (1.16)	- (1.32)	- (1.80)
Total-tangible assets (A)	390.96 (341.16)	69.74 (77.71)	17.42 (27.89)	443.28 (390.96)	62.27 (45.98)	28.91 (18.35)	10.87 (2.06)	80.30 (62.27)	362.98 (328.69)	328.69 (295.18)
B. Intangible assets										
Computer software	3.76 (0.08)	0.97 (3.62)	0.13 (-0.06)	4.60 (3.76)	0.40 (0.07)	0.64 (0.32)	0.12 (-0.01)	0.92 (0.40)	3.68 (3.36)	3.36 (0.01)
Total-Intangible assets (B)	3.76 (0.08)	0.97 (3.62)	0.13 (0.06)	4.60 (3.76)	0.40 (0.07)	0.64 (0.32)	0.12 (-0.01)	0.92 (0.40)	3.68 (3.36)	3.36 (0.01)
Grand Total (A + B)	394.72 (341.24)	70.71 (81.33)	17.55 (27.83)	447.88 (394.72)	62.67 (46.05)	29.55 (18.67)	11.00 (2.05)	81.22 (62.67)	366.66 (332.05)	332.05 (295.19)

(i) During the pervious year, freehold land amounting to ₹ 10.85 crore has been transferred to investment in property.

(ii) During the pervious year, investment in property-Guest house of ₹ 10.38 crore has been capitalised and transferred to building.

(iii) During the year, building amounting to ₹ 0.68 crore has been capitalised from investment property.

(iv) Figures in brackets pertain to previous year ended 31 March 2016/15.

(v) During the year, the Company has taken land on long-term lease at Sikandarabad. The Original lease agreement is in possession of lessor i.e. Uttar Pradesh State Industrial Development Corporation Limited

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Note : 12 Non-current investment

(₹ in crore)

S. No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Investment (At cost)		
	A. Trade		
	(i) Investment in equity instruments:		
	-In subsidiary companies (Unquoted)		
	(a) 2,711,100 Equity shares of Apollo Metalex Private Limited of ₹ 10 each fully paid up	7.21	7.21
	(b) 5,895,000 Equity shares of Shri Lakshmi Metal Udyog Limited of ₹10 each fully paid up	36.30	36.30
	(c) 20,000,000 Equity shares of Lloyds Line Pipes Limited of ₹ 10 each fully paid up	33.25	33.25
	(d) 142,400 Equity shares of Blue Ocean Projects Private Limited of ₹ 10 each fully paid up	34.53	-
	-In other companies (Unquoted)		
	(a) 435,400 Equity shares of Clover Energy Private Limited of ₹ 10 each fully paid up	0.44	-
	B. Other investments		
	(i) Investments in properties (net)		
	(a) Investment in property - Shops (see note 11(ii))		
	Opening balance of Investment in property	13.13	0.91
	Add: Addition/Transfer during the year (Net) (see note 11(ii))	-	12.22
	Less: Capitalisation during the year (see note 11(iii))	0.68	-
	Gross Block	12.45	13.13
	Less: Accumulated Depreciation	0.15	-
	Closing balance of Investment in property	12.30	13.13
	Total	124.03	89.89
	Aggregate amount of unquoted investments	111.73	76.76

Note : 13 Long term loans and advances (Unsecured, considered good)

(₹ in crore)

S. No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Capital advances	21.37	26.44
2	Security deposit (see note 29.3)	19.24	2.46
3	Loans to subsidiary (see note 29.3) (also see note (i) below)	-	33.00
4	Loans and advances to employees	0.24	0.32
5	MAT credit entitlement	9.55	3.65
6	Balances with government authorities		
	(i) VAT credit receivable	1.82	1.21
7	Payment under protest		
	(i) Excise	1.11	1.19
	(ii) Service tax	0.05	0.23
	(iii) VAT	0.02	0.23
	Total	53.40	68.73

Note(i): Disclosure as per regulation 34(3) of the listing agreements with the stock exchange is given below:

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		(₹ in crore)
Name of the party	Amount outstanding 31 March, 2017	Maximum balance outstanding during the year
Lloyds Line Pipes Limited	-	33.00
	(33.00)	(33.00)

Note: Figures in brackets pertains to previous year ended 31 March, 2016.

Note : 14 Other non-current assets

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Claim receivable	0.16	0.05
	Total	0.16	0.05

Note : 15 Inventories

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Raw material (including stock-in-transit)	104.72	117.21
2	Finished goods (including stock-in-transit)	116.29	136.00
3	Stores and spares	5.90	6.77
4	Rejection and scrap (including stock-in-transit)	1.61	2.37
	Total	228.52	262.35
	Details of stock-in-transit		
	Raw material	0.08	5.00
	Finished goods	7.38	5.51
	Rejection and Scrap	0.19	-

Note : 16 Trade receivables (Unsecured)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	(i) Considered good	-	2.97
	(ii) Considered doubtful	2.45	-
	Less: Provision for doubtful debts	(2.45)	-
		-	2.97
2	Other trade receivables		
	(i) Considered good	192.29	260.17
	(ii) Considered doubtful	0.12	-
	Less: Provision for doubtful debts	(0.12)	-
	Total	192.29	263.14

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Note : 17 Cash and cash equivalent

		(₹ in crore)	
S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Cash and cash equivalent (as per AS 3 cash flow statements)		
	(i) Cash balance	0.06	0.06
	(ii) Balances with banks		
	in current accounts	0.21	0.64
	(iii) Gold coins in hand	0.11	-
		0.38	0.70
2	Other bank balances		
	(i) In earmarked accounts		
	(a) unpaid dividend account	0.16	0.19
	(b) In margin money with maturity less than 12 months at inception	0.02	0.14
		0.18	0.33
	Total	0.56	1.03

Note : 18 Short terms loans and advances (Unsecured, considered good)

		(₹ in crore)	
S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Loans and advance to employee	0.59	0.60
2	Prepaid expenses	1.10	1.04
3	Balances with government authorities:		
	(i) Cenvat credit receivable	4.53	4.00
	(ii) VAT credit receivable	0.64	0.63
	(iii) Service tax credit receivable	2.85	1.64
	(iv) Custom duty	-	0.92
4	Payment under protest		
	(i) Excise duty	0.79	3.96
	(ii) Safeguard duty	3.90	3.90
	(iii) Income Tax	0.05	-
5	Others		
	(i) Advance to suppliers	100.02	3.48
	(ii) Mat credit entitlement	-	2.50
	Total	114.47	22.67

Note : 19 Other current assets

		(₹ in crore)	
S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Claim receivables		
	(i) Export incentives	1.30	1.04
	(ii) Licenses in hand	0.11	0.30
	(iii) Other claim receivables	0.27	1.31
2	Accrued interest on fixed deposits and securities	-	0.07
	Total	1.68	2.72

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Note : 20 Revenue from operations

(₹ in crore)

S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Sale of products (see note (i) below)	3,040.48	3,150.70
2	Other operating revenue (see note (ii) below)	63.85	63.13
	Revenue from operations (Gross)	3,104.33	3,213.83
	Less: Excise duty	224.95	218.23
	Total	2,879.38	2,995.60
(i) Sale of products comprises:			
Manufactured goods			
	Black pipe	1,435.10	1,373.54
	Galvanized pipes	394.15	410.83
	Pre-galvanized pipe	256.11	135.71
	Total (A)	2,085.36	1,920.08
Traded goods			
	Black pipe	232.26	199.62
	Galvanized pipes	14.13	13.22
	Pre-galvanized pipe	82.40	33.77
	Coils	469.51	966.96
	Others	156.82	17.05
	Total (B)	955.12	1,230.62
	Grand Total (A+B)	3,040.48	3,150.70
(ii) Other operating revenue comprises			
	Sale of scrap	59.11	57.69
	Export incentives	1.43	2.22
	Commission	2.34	2.27
	Job work	0.98	0.95
	Total	63.85	63.13

Note : 21 Other income

(₹ in crore)

S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Interest income (see note (i) below)	0.70	1.59
2	Dividend income from:		
(i)	non-current trade investments	-	13.56
3	Net gain on sale of long term investment	-	0.05
4	Net gain on foreign currency transactions	0.03	-
5	Other non-operating income (see note (ii) below)	1.40	6.42
	Total	2.13	21.62
(i) Interest income comprises:			
	(a) Interest from deposits from banks	0.07	0.81
	(b) Other interest	0.63	0.78
	Total	0.70	1.59
(ii) Other non-operating income comprises:			
	(a) Storage and warehousing services	0.63	4.87
	(b) Liabilities/provisions not required written back	-	0.74
	(c) Profit on sale of fixed assets (net)	-	0.28
	(d) Profit on purchase of licenses	0.28	0.52
	(e) Miscellaneous income (see note 29.6)	0.49	0.01
	Total	1.40	6.42

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Note : 22 Cost of materials consumed

(₹ in crore)

S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Raw Material		
	Opening Stock	117.21	51.25
	Add: Purchases (see note 29.6)	1,560.55	1,536.88
	Less: Closing Stock	104.72	117.21
	Total	1,573.04	1,470.92
	Materials consumed comprise :		
	HR coil	1,362.36	1,242.31
	CR coil	63.63	91.07
	GP coil	80.61	79.39
	Zinc	64.79	51.16
	Other items	1.65	6.99
	Total	1,573.04	1,470.92

Note : 23 Purchase of stock-in-trade

(₹ in crore)

S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Black pipe	232.24	201.00
	Galvanized pipes	13.58	12.76
	Pre-galvanized pipe	80.31	32.83
	Coils (including HR, CR and GP coil)	462.53	940.78
	Other items	153.83	19.38
	Total	942.49	1,206.75

Note : 24 Change in inventories

(₹ in crore)

S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Inventories at the end of the year:		
	Finished goods	116.29	136.00
	Scrap	1.61	2.37
		117.90	138.37
2	Inventories at the beginning of the year:		
	Finished goods	136.00	123.85
	Scrap	2.37	2.38
		138.37	126.23
	Total	20.47	(12.14)

Note : 25 Employee benefits expense

(₹ in crore)

S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Salaries and wages (see note 29.6)	35.25	31.95
2	Contribution to provident and other funds	1.75	1.53
3	Gratuity expense	0.76	1.21
4	Staff welfare expenses	0.50	0.64
	Less: Allocation of common expenses (see note 29.3 and 30)	(3.88)	-
	Total	34.38	35.33

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Note :26 Finance costs

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Interest expense (Net of capitalisation): (see note 29.2)		
	(i) working capital facilities	27.75	28.20
	(ii) term loan	7.85	11.83
	(iii) debentures	8.67	4.37
2	Other borrowing cost	3.74	4.33
	Total	48.01	48.73

Note : 27 Other expenses

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Consumption of stores and spare parts	19.90	16.93
2	Increase/ (decrease) of excise duty on inventory	2.16	(0.63)
3	Furnace oil	3.83	3.32
4	Power and fuel	20.52	21.86
5	Job work charges	3.44	1.20
6	Security services	0.89	0.76
7	Rent including lease rentals	4.62	3.83
8	Repair and maintenance:		
	(i) Building	0.52	0.28
	(ii) Plant and machinery (see note 29.6)	1.70	1.30
	(iii) Others	0.13	0.18
9	Factory expense	0.89	0.74
10	Vehicle running expenses (see note 29.6)	0.47	0.44
11	Insurance	0.30	0.29
12	Rates and taxes	2.30	1.44
13	Amortisation of premium on forward contract	7.03	1.88
14	Forward contract cancellation loss	0.21	1.52
15	Loss on foreign currency transactions (net)	-	3.46
16	Travelling and conveyance (see note 29.6)	3.69	2.56
17	Legal and professional charges (see note below)	3.04	2.22
18	Donations and contributions	-	0.01
19	Loss on sale of investment property	-	0.55
20	Loss on sale of fixed assets (net)	0.65	-
21	Freight outward (see note 29.6)	62.95	54.77
22	Sales commission	4.53	6.63
23	Sales discount	27.00	46.17
24	Advertisement and sales promotion (see note 29.6)	10.60	5.82
25	Provision for doubtful debts	2.57	-
26	Other receivables and advances written off	0.10	1.96
27	Corporate Social Responsibility (see note 31)	1.20	-
28	Fixed assets written off	-	0.11
30	Miscellaneous expenses	2.54	2.27
	Less: Allocation of common expenses (see note 29.3 and 30)	(5.63)	-
	Total	182.15	181.87
Note: Legal & professional charges include auditor's remuneration (net of service tax) as follows			
(a) To statutory auditors			
	For audit (including quarterly reviews)	0.58	0.40
	For taxation matters	0.05	-
	For other services	0.03	0.17
	Reimbursement of expenses	0.07	0.02
		0.73	0.59
(ii) To cost auditors for cost audit			
		0.01	0.01
	Total	0.74	0.60

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Note : 28 Additional information to the standalone financial statements

28.1 Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
(i)	Contingent liabilities		
	(1) Disputed claims/levies in respect of sales tax:		
	- Statutory forms (see note (a) below)	114.37	-
	- Reversal of input tax credit	12.20	10.22
	- Classification of goods	3.63	3.63
	- Provisional Assessment	0.25	0.80
		130.45	14.65
	(2) Disputed claims/levies in respect of excise duty:		
	- Availability of input credit	6.95	6.45
	- Classification of goods	0.91	0.91
	- Excise demand on excess / shortages	0.03	0.25
		7.89	7.61
	(3) Disputed claims/levies in respect of service tax:		
	- Availability of input credit	0.05	0.18
	(4) Disputed claims/levies in respect of Income Tax (see note (b) below)	1.41	-
		139.80	22.44
(a)	During the financial year, the Company has received a demand of ₹ 114.37 crore under Central Sales Tax Act, 1956 on account of non submission of various statutory forms under the mentioned Act. Subsequent to year end, the Company has deposited the all required forms and said demand has been withdrawn by the sales tax authority.		
(b)	During the financial year, the Company has received a demand of ₹ 1.41 crore under Income Tax Act, 1961 due to disallowed certain expenses. The Company has filed the appeal before the CIT (Commissioner of Income Tax) Appeal against the order. Subsequent to year end, the CIT-Appeal has partially reduced the above demand. The Company is in process of filing the appeal against the balance demand.		
	No Provision has been considered necessary since the Company expects favourable decision in appeals.		
(5)	During the year, the Company has discounted the sales bill from the banks for ₹ 0.92 crore (Previous year ₹ 0.26 crore).		
(ii)	Commitments		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	(1) Tangible assets (₹)	33.58 crore	75.51 crore
(b)	The Company has obtained advance licenses under the Duty Exemption Scheme for importing input materials without payment of customs duty against submission of bonds.		
	The export obligation is to be fulfilled within a period of 18 months from the date of issuance of license. Under this scheme the Company has to achieve both the quantity and FOB value of exports specified in the license. Accordingly the Company is required to export goods of FOB Value of at least ₹ 9.50 crore (Previous year ₹ 84.29 crore) against which the Company has saved a duty of ₹ 1.29 crore (previous year ₹ 40.14 crore).		
(c)	The Company has obtained EPCG (Export Promotion Capital Goods Scheme) for importing the capital goods without payment of basic custom duty against submission of bonds.		
	The export obligation is to be fulfilled within a period of 6 years from the date of issuance of license. Under this scheme the Company has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Company is required to export of FOB value of at least ₹ 69.04 crore (Previous year Nil) against which the Company has saved a duty of ₹ 11.51 crore (Previous year Nil)		
(d)	The Company has entered in Power Supply Agreement with the Vendor. As per agreement, the company is regard to draw on 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years		

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- (e) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Lloyds Line Pipes Limited and Shri Lakshmi Metal Udyog Limited for loans and credit facilities taken by them from banks and financial institutions.
- (f) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

28.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has no amounts payable to Micro and Small Enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

28.3 Details on derivative instruments and unhedged foreign currency exposures

- (i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2017

Forward contract outstanding	Buy/Sell	As at 31 March, 2017	As at 31 March, 2016
In USD	Buy	20,590,844	30,329,393
Equivalent amount in ₹ in crore	Buy	133.51	201.18
In EURO	Buy	2,133,402	30,329,393
Equivalent amount in ₹ in crore	Buy	14.77	201.18

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

Currency	As at 31 March, 2017	As at 31 March, 2016
Receivables:		
USD	485,780	318,105
Equivalent in ₹ in crore	3.15	2.11
EURO	30,825	197,216
Equivalent in ₹ in crore	0.21	1.48
Payables:		
USD	189,095	-
Equivalent in ₹ in crore	1.23	-
EURO	99,050	-
Equivalent in ₹ in crore	0.69	-
Advance paid to vendors:		
USD	1,506,135	1,369,425
Equivalent in ₹ in crore	9.77	9.08
EURO	115,000	1,674,746
Equivalent in ₹ in crore	0.80	12.58
Advance Received from Customers:		
USD	59,104	14,248
Equivalent in ₹ in crore	0.38	0.09
EURO	70,189	46,460
Equivalent in ₹ in crore	0.49	0.35

- (iii) Currency swap to hedge against fluctuations in change of exchange rate. Number of contract 1 Contract (year ended 31 March 2016, 2 contract)

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28.4 Value of imports calculated on CIF basis:

		(₹ in crore)	
S.No	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Raw materials	14.08	246.47
	Traded goods	508.17	650.42
	Spare parts	0.43	0.21
	Capital goods	44.65	4.15
		567.33	901.25

28.5 Expenditure in foreign currency:

		(₹ in crore)	
S. No	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Traveling	0.35	0.55
	Interest	5.31	2.20
	Business promotion	1.31	-
	Commission	0.25	0.17
		7.22	2.92

28.6 Details of consumption of imported and indigenous items

Table 1: Details of consumption of imported and indigenous items					(₹ in crore)
S.No	Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
		Amount	% of total value	Amount	% of total value
		(₹ in crore)		(₹ in crore)	
	Imported				
	Raw material	42.86	2.72%	246.47	16.76%
	Spare parts	0.43	2.16%	0.21	1.24%
		43.29		246.68	
	Indigenous				
	Raw material	1,530.18	97.28%	1,224.45	83.24%
	Spare parts	19.47	97.84%	16.71	98.76%
		1,549.65		1,241.16	

28.7 Earnings in foreign exchange

		(₹ in crore)	
S.No	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Export of goods calculated on FOB basis	56.73	63.98

28.8 Employee Stock Option Scheme

- a) The ESOS scheme titled "Employee Stock Option Scheme 2015" (ESOS 2015) was approved by the shareholders through postal ballot on 27 July, 2015 and 22 December, 2015. 7,50,000 options are covered under the Scheme for 750,000 Equity shares.

During the previous year 2015-16, the Nomination and Remuneration Committee in its meeting held on 28 July, 2015 has granted 724,000 options respectively under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 452.60 per share.

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- b) During the financial year 2016-17, the Nomination and Remuneration Committee in its meeting held on 28 January, 2017 has granted 45,000 options under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1028.80 per share.

- c) Employee stock options details as on the balance sheet date are as follows:

Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	724,000	452.60	-	-
Granted during the year (see note (b) above)	46,000	1,028.80	724,000	452.60
Vested during the year	163,583	452.60	-	-
Exercised during the year	151,319	452.60	-	-
Lapsed during the year	96,792	-	-	-
Options outstanding at the end of the year	521,889	502.28	724,000	452.60
Options available for grant	76,792	-	-	-
The weighted average share price at the date of exercise for stock options exercised during the year	-	923.77	-	-
Range of exercise price for options outstanding at the end of the year	-	502.28	-	452.60

Weighted average remaining contractual life for options outstanding as at 31 March, 2017/2016 : 1.42 Years/1.80 Years

- d) The impact on earnings per share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Amount	Amount
Profit (as reported) (₹ in crore)	39.33	30.83
Add / (Less): stock based employee compensation (intrinsic value)	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	(4.07)	(3.72)
Net Profit (proforma) (₹ in crore)	35.26	27.11
Basic earnings per share (as reported) (in ₹)	16.72	13.15
Basic earnings per share (proforma) (in ₹)	14.99	11.57
Diluted earnings per share (as reported) (in ₹)	16.35	12.76
Diluted earnings per share (proforma) (in ₹)	14.66	11.22

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- e) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumption for valuation of 724,000 options		
Assumptions	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Risk free interest rate	7.86-7.94%	7.86-7.94%
Expected life	3.5-5	3.5-5
Expected annual volatility of shares	41.76	41.76
Expected dividend yield	1.44%	1.44%
Assumption for valuation of 45,000 options		
Assumptions	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Risk free interest rate	6.47-6.56%	-
Expected life	3.5-6.5	-
Expected annual volatility of shares	40.92	-
Expected dividend yield	0.97%	-

- 28.9** During the previous year ended 31 March, 2016, the brand image expenses and entry tax receivables carried forward from previous year aggregating to ₹ 17.57 crore and ₹ 7.72 crore respectively have been fully written off and disclosed as exceptional items

28.10 Amounts remitted in foreign currency during the year on account of dividend

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Amount of dividend remitted in foreign currency (₹ in crore)	3.00	1.80
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of shares held by them on which dividend was due	3,000,000	3,000,000
Year to which the dividend relates	2015-16	2014-15

Note 29 : Disclosures under Accounting Standards

29.1 Employee benefit obligations

(a) Defined contribution plans:

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1.38 crore (Year ended 31 March, 2016 ₹ 1.19 crore) for Provident Fund contributions, and ₹ 0.37 crore (Year ended 31 March, 2016 ₹ 0.35 crore) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount

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equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹ 0.10 crore (Previous Year ₹ 0.10 crore). Vesting occurs upon completion of 5 years of service.

i. Gratuity (included as part of (state line item) in note 25 Employee benefits expense)		(₹ in crore)			
Particulars	As at 31 March, 2017	As at 31 March, 2016			
(i) Movement in net liability:					
Present value of DBO at beginning of the year	2.27	1.28			
Current service cost	0.56	0.49			
Interest cost	0.16	0.10			
Actuarial (gains) / losses	0.04	0.62			
Benefits paid	(0.29)	(0.22)			
Present value of DBO at the end of the year	2.74	2.27			
Present value of unfunded obligation	2.74	2.27			
Amounts in the balance sheet					
(a) Liabilities	(2.74)	2.27			
(b) Assets	-	-			
(c) Net asset / (liability) recognised in the balance sheet	(2.74)	2.27			
Current liability	0.06	0.09			
Non-current liability	2.68	2.18			
(ii) Expenses recognised in statement of profit and loss is as follows:		(₹ in crore)			
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016			
Components of employer's expense					
Current service cost	0.56	0.49			
Interest cost	0.16	0.10			
Actuarial losses	0.04	0.62			
Total expense recognised in the Statement of Profit and Loss	0.76	1.21			
Actual contribution and benefit payments for the year					
Actual benefit payments	0.29	0.22			
Actual contributions	-	-			
(iii) Principal Actuarial assumptions for Gratuity and Compensated Absences		(₹ in crore)			
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016			
Discount rate	7.40%	7.98%			
Salary escalation	8.00%	8.00%			
Retirement age	60 Years	60 Years			
Mortality tables	IALM (2006-08)	IALM (2006-08)			
Estimate of amount of contribution in the immediate next year	Nil	Nil			
The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.					
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.					
(iv) Experience adjustments		(₹ in crore)			
Particulars	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Present value of DBO	2.74	2.27	1.28	0.96	0.63
Fair value of plan assets	-	-	-	-	-

Notes

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Funded status [Surplus / (Deficit)]	-	-	-	-	-
Experience gain / (loss) adjustments on plan liabilities	0.33	0.03	(0.19)	(0.09)	(0.07)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

29.2 Details of borrowing costs capitalised

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work-in-progress	0.50	0.49
	0.50	0.49

29.3 Related party transactions

Details of related parties:	
Description of relationship	Names of related parties
(i) Subsidiaries	Apollo Metalex Private Limited Lloyds Line Pipes Limited Shri Lakshmi Metal Udyog Limited Blue Ocean Projects Private Limited
(ii) Key Management Personnel (KMP)	Mr. Sanjay Gupta (Chairman) Mr. Ashok Kumar Gupta (Managing Director) Mr. Vinay Gupta (Director)
(iii) Relatives of KMP	Mrs. Saroj Rani Gupta (Mother of Director) Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta) Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta) Mrs. Meenakshi Gupta (Wife of Mr. Sameer Gupta) Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)
(iv) Enterprises over which any person described in (i) to (iii) above is able to exercise significant influence	APL Infrastructure Private Limited Apollo Pipes Limited V.S. Exim Private Limited (merged with APL Infrastructure Private Limited) Assawa Associates Private Limited (merged with APL Infrastructure Private Limited)

Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:

(₹ in crore)					
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Purchase of goods					
Apollo Metalex Private Limited	140.90	-	-	-	140.90
	(96.72)	-	-	-	(96.72)
Lloyds Line Pipes Limited	160.44	-	-	-	160.44

Notes

FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in crore)					
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
	(111.31)	-	-	-	(111.31)
Shri Lakshmi Metal Udyog Limited	139.41	-	-	-	139.41
	(130.83)	-	-	-	(130.83)
Apollo Pipes Limited	-	-	-	1.82	1.82
	-	-	-	(0.15)	(0.15)
	440.75	-	-	1.82	442.56
	(338.88)	-	-	(0.15)	(339.03)
Purchase of scrap					
Apollo Metalex Private Limited	6.99	-	-	-	6.99
	(3.46)	-	-	-	(3.46)
Lloyds Line Pipes Limited	15.86	-	-	-	15.86
	(6.97)	-	-	-	(6.97)
Shri Lakshmi Metal Udyog Limited	4.84	-	-	-	4.84
	(5.20)	-	-	-	(5.20)
	27.69	-	-	-	27.69
	(15.63)	-	-	-	(15.63)
Sale of goods					
Apollo Metalex Private Limited	75.44	-	-	-	75.44
	(120.45)	-	-	-	(120.45)
Lloyds Line Pipes Limited	21.35	-	-	-	21.35
	(190.64)	-	-	-	(190.64)
Shri Lakshmi Metal Udyog Limited	3.10	-	-	-	3.10
	(41.81)	-	-	-	(41.81)
APL Infrastructure Private Limited	-	-	-	-	-
	-	-	-	(0.06)	(0.06)
Apollo Pipes Limited	-	-	-	0.89	0.89
	-	-	-	(0.25)	(0.25)
	99.89	-	-	0.89	100.78
	(352.90)	-	-	(0.31)	(353.22)
Sale of scrap					
Apollo Metalex Private Limited	0.72	-	-	-	0.72
	(1.36)	-	-	-	(1.36)
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(0.01)	-	-	-	(0.01)
	0.72	-	-	-	0.72
	(1.37)	-	-	-	(1.37)
Purchase of fixed assets					
Apollo Metalex Private Limited	-	-	-	-	-
	(1.21)	-	-	-	(1.21)

Notes

FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in crore)					
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Lloyds Line Pipes Limited	7.18	-	-	-	7.18
	(0.08)	-	-	-	(0.08)
Shri Laskhmi Metal Udyog Limited	10.91	-	-	-	10.91
	-	-	-	-	0.00
	18.09	-	-	-	18.09
	(1.29)	-	-	-	(1.29)
Sale of fixed assets (traded)					
Apollo Metalex Private Limited	1.22	-	-	-	1.22
	(0.03)	-	-	-	(0.03)
Shri Lakshmi Metal Udyog Limited	1.31	-	-	-	1.31
	-	-	-	-	-
Lloyds Line Pipes Limited	1.48	-	-	-	1.48
	(0.25)	-	-	-	(0.25)
	4.01	-	-	-	4.01
	(0.28)	-	-	-	(0.28)
Purchase of stores and consumables					
Apollo Metalex Private Limited	1.02	-	-	-	1.02
	(0.03)	-	-	-	-
Lloyds Line Pipes Limited	0.04	-	-	-	0.04
	(0.01)	-	-	-	(0.01)
Apollo Pipes Limited	-	-	-	1.21	1.21
	-	-	-	(1.44)	(1.44)
	1.06	-	-	1.21	2.27
	(0.04)	-	-	(1.44)	(1.45)
Rent paid					
APL Infrastructure Private Limited	-	-	-	0.76	0.76
	-	-	-	(0.54)	(0.54)
Mrs. Saroj Rani Gupta	-	-	0.48	-	0.48
	-	-	(0.36)	-	(0.36)
Mrs. Neera Gupta	-	-	0.28	-	0.28
	-	-	(0.30)	-	(0.30)
Mrs. Vandana Gupta	-	-	0.28	-	0.28
	-	-	(0.30)	-	(0.30)
Mrs. Meenakshi Gupta	-	-	0.28	-	0.28
	-	-	(0.30)	-	(0.30)
	-	-	1.32	0.76	2.08
	-	-	(1.26)	(0.54)	(1.80)

Notes

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(₹ in crore)					
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Rent received					
Apollo Metalex Private Limited	0.01	-	-	-	0.01
	-	-	-	-	-
	0.01	-	-	-	0.01
	-	-	-	-	-
Commission received					
Apollo Metalex Private Limited	0.92	-	-	-	0.92
	(0.63)	-	-	-	(0.63)
Lloyds Line Pipes Limited	1.03	-	-	-	1.03
	(0.90)	-	-	-	(0.90)
Shri Lakshmi Metal Udyog Limited	0.39	-	-	-	0.39
	(0.73)	-	-	-	(0.73)
	2.34	-	-	-	2.34
	(2.26)	-	-	-	(2.25)
Commission paid					
Lloyds Line Pipes Limited	0.79	-	-	-	0.79
	(0.96)	-	-	-	(0.96)
	0.79	-	-	-	0.79
	(0.96)	-	-	-	(0.96)
Job work receipts					
Apollo Metalex Private Limited	0.98	-	-	-	0.98
	(0.95)	-	-	-	(0.95)
	0.98	-	-	-	0.98
	(0.95)	-	-	-	(0.95)
Job work expenses					
Apollo Metalex Private Limited	1.81	-	-	-	1.81
	(0.26)	-	-	-	(0.26)
	1.81	-	-	-	1.81
	(0.26)	-	-	-	(0.26)
Handling charges					
APL Infrastructure Private Limited	-	-	-	0.58	0.58
	-	-	-	(0.97)	(0.97)
	-	-	-	0.58	0.58
	-	-	-	(0.97)	(0.97)
Freight expenses					
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(0.02)	-	-	-	(0.02)
	-	-	-	-	-

Notes

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(₹ in crore)					
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
	(0.02)	-	-	-	(0.02)
Rebate and discount received					
Apollo Metalex Private Limited	0.51	-	-	-	0.51
	(0.05)	-	-	-	(0.05)
Lloyds Line Pipes Limited	0.78	-	-	-	0.78
	-	-	-	-	-
	1.29	-	-	-	1.29
	(0.05)	-	-	-	(0.05)
Sale of licenses					
Lloyds Line Pipes Limited	-	-	-	-	-
	(1.31)	-	-	-	(1.31)
Apollo Pipes Limited	-	-	-	0.74	0.74
	-	-	-	-	-
Shri Lakshmi Metal Udyog Limited	0.30	-	-	-	0.30
	-	-	-	-	-
	0.30	-	-	0.74	1.04
	(1.31)	-	-	-	(1.31)
Payments made on behalf of					
Lloyds Line Pipes Limited	-	-	-	-	-
	(90.00)	-	-	-	(90.00)
	-	-	-	-	-
	(90.00)	-	-	-	(90.00)
Dividend received					
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(13.56)	-	-	-	(13.56)
	-	-	-	-	-
	(13.56)	-	-	-	(13.56)
Loading and unloading charges					
Apollo Metalex Private Limited	0.58	-	-	-	0.58
	-	-	-	-	-
Lloyds Line Pipes Limited	0.50	-	-	-	0.50
	-	-	-	-	-
	1.08	-	-	-	1.08
	-	-	-	-	-
Allocation of common expenses					
(a) Employee benefit expenses:					
Apollo Metalex Private Limited	1.18	-	-	-	1.18
	-	-	-	-	-

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(₹ in crore)					
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Lloyds Line Pipes Limited	1.76	-	-	-	1.76
	-	-	-	-	-
Shri Lakshmi Metal Udyog Limited	0.94	-	-	-	0.94
	-	-	-	-	-
	3.88	-	-	-	3.88
	-	-	-	-	-
(b) Operating expenses:					
Apollo Metalex Private Limited	1.45	-	-	-	1.45
	-	-	-	-	-
Lloyds Line Pipes Limited	2.58	-	-	-	2.58
	-	-	-	-	-
Shri Lakshmi Metal Udyog Limited	1.60	-	-	-	1.60
	-	-	-	-	-
	5.63	-	-	-	5.63
	-	-	-	-	-
Salary					
Mr. Sanjay Gupta *	-	3.00	-	-	3.00
	-	(2.40)	-	-	(2.40)
Mr. Ashok Kumar Gupta *	-	-	-	-	-
	-	(0.16)	-	-	(0.16)
Mr. Rahul Gupta *	-	-	0.30	-	0.30
	-	-	(0.12)	-	(0.12)
	-	3.00	0.30	-	3.30
	-	(2.56)	(0.12)	-	(2.68)
Director's sitting fees					
Mr. Vinay Gupta	-	0.03	-	-	0.03
	-	(0.04)	-	-	(0.04)
Mr. Sameer Gupta	-	-	-	-	-
	-	(0.02)	-	-	(0.02)
	-	0.03	-	-	0.03
	-	(0.06)	-	-	(0.06)
Advance given for purchase of property					
Balances outstanding at the end of the year					
Mrs. Neera Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
Mrs. Vandana Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
Mrs. Meenakshi Gupta	-	-	3.00	-	3.00

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					(₹ in crore)
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
	-	-	-	-	-
APL Infrastructure Private Limited	-	-	-	14.00	14.00
	-	-	-	-	-
Assawa Associates Private Limited	-	-	-	9.00	9.00
	-	-	-	-	-
			9.00	23.00	32.00
Refund of advance given for purchase of property					
Mrs. Neera Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
Mrs. Vandana Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
Mrs. Meenakshi Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
APL Infrastructure Private Limited	-	-	-	14.00	14.00
	-	-	-	-	-
Assawa Associates Private Limited	-	-	-	9.00	9.00
	-	-	-	-	-
			9.00	23.00	32.00
Trade receivables					
Apollo Metalex Private Limited	-	-	-	-	-
	(32.13)	-	-	-	(32.13)
Lloyds Line Pipes Limited	5.29	-	-	-	5.29
	(99.20)	-	-	-	(99.20)
Apollo Pipes Limited	-	-	-	0.28	0.28
	-	-	-	-	-
	5.29	-	-	0.28	5.57
	(131.33)	-	-	-	(131.33)
Security given					
Mrs. Neera Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
Mrs. Vandana Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
Mrs. Meenakshi Gupta	-	-	3.00	-	3.00
	-	-	-	-	-
APL Infrastructure Private Limited	-	-	-	5.00	5.00
	-	-	-	-	-
	-	-	9.00	5.00	14.00
	-	-	-	-	-

Notes

FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in crore)					
Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Loans given					
Lloyds Line Pipes Limited	-	-	-	-	-
	(33.00)	-	-	-	(33.00)
	-	-	-	-	-
	(33.00)	-	-	-	(33.00)
Trade payables					
Apollo Metalex Private Limited	23.16	-	-	-	23.16
	-	-	-	-	-
Shri Lakshmi Metal Udyog Limited	71.58	-	-	-	71.58
	(40.99)	-	-	-	(40.99)
APL Infrastructure Private Limited	-	-	-	-	-
	-	-	-	(0.08)	(0.08)
Apollo Pipes Limited	-	-	-	-	-
	-	-	-	(0.40)	(0.40)
V.S. Exim Private Limited	-	-	-	-	-
	-	-	-	(0.06)	(0.06)
Mr. Sanjay Gupta	-	-	-	-	-
	-	-	-	(0.20)	(0.20)
Mr. Rahul Gupta	-	-	0.01	-	0.01
	-	-	(-0.01)	-	(-0.01)
	94.74	-	0.01	-	94.75
	(40.99)	-	(-0.01)	(0.74)	(41.74)

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

- V. S. Exim Private Limited, a company under significant influence of directors, has also given corporate guarantee for credit facilities taken by the Company from banks. (See note 7 (i)) for credit facilities from bank outstanding as at 31 March 2017 is ₹ Nil (year ended 31 March, 2016 ₹ 82.95 crore). The corporate guarantee of V.S. Exim Private Limited has been released during the year.
- The term loan and other credit facilities of the Company are also secured by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta. During the year, the personal guarantee of Mr. Sameer Gupta has been discharged except from one bank. (see note 4 (ii) and 7 (i)).

29.4 Earning per share:

S. No	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
(a)	Profit for the year after tax (₹ in crore)	39.33	30.83
		39.33	30.83

Notes

FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b)	Weighted average no. of ordinary shares for basic EPS	23,527,243	23,438,636
(c)	Weighted average no. of ordinary shares for diluted EPS	24,049,132	24,162,636
(d)	Nominal value per ordinary share	10.00	10.00
(e)	Basic earnings per ordinary share	16.72	13.15
(f)	Diluted earnings per ordinary share	16.35	12.76

29.5 The Company has only one segment i.e, manufacturing of ERW steel tubes, therefore no further disclosure is required under Accounting Standard-17.

29.6 Prior period items include:

	(₹ in crore)	
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Prior period expenses:		
Employee benefits expense	-	1.32
Entry tax expenses - Cost of material consumed	-	0.19
Repair and maintenance - Plant and machinery	-	0.02
Travelling and conveyance	-	0.01
Vehicle running expenses	-	0.01
Factory maintenance	-	-
Miscellaneous expenses	-	0.14
Freight outward	-	0.95
Advertisement and sales promotion	2.28	-
	2.28	2.64
Prior period Income:		
Interest income from deposit from banks	-	0.34
Miscellaneous income	0.48	-
	0.48	0.34
Net	1.80	2.30

29.7 Depreciation expense during the year

	(₹ in crore)	
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Depreciation on tangible assets (refer note 11)	28.91	18.35
Amortisation of intangible assets (refer note 11)	0.64	0.32
Depreciation on Investment Property (refer note 12)	0.15	-
	29.70	18.67

30 Allocation of common expenses

During the year, the Company has charged common expenses incurred by it to its group companies (except Blue Ocean Project Private Limited) on cost i.e. on cost to cost basis. The allocation of common expenses has been carried out on the basis of turnover of the respective companies, as per audited financial statements of immediate preceding financial year.

31 Corporate social responsibility

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

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(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Gross amount required to be spent by the company during the year ended 31 March, 2017/ 31 March, 2016	0.90	0.98
Amount spent during the year on purposes other than construction/ acquisition of any asset	1.20	NIL

32 Disclosure on specified bank notes (SBNs):

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November, 2016 to 30 December, 2016 the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs* (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08 November, 2016	554,500	473,781	1,028,281
(+) permitted receipts	-	1,484,000	1,484,000
(-) Permitted payments	-	1,666,889	1,666,889
(-) Amount deposited in Banks	554,500	-	554,500
Closing cash in hand as on 30 December, 2016	-	290,892	290,892

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 08 November, 2016.

33 Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/disclosure.

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF APL APOLLO TUBES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of APL APOLLO TUBES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in of the Other Matters paragraph below, is 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 and based on the consideration of reports of other auditors on separate financial statement referred to in other matters paragraph below, 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, of the consolidated state of affairs of the Group as at 31 March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 11.54 crore as at 31 March, 2017, total revenues of ₹ Nil and net cash inflows/ (outflows) amounting to ₹ 0.53 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the this subsidiary is solely based on the report of other auditor.

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 matter with respect to our reliance on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 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 report of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the 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 prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors of the Holding Companies and the reports of the statutory auditors of subsidiary companies as on 31 March, 2017 and taken on record by the Board of Directors of the Holding Company and the subsidiary companies, none of the directors of the Holding Company and the subsidiary companies, are disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and the subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and the subsidiary company's incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigation on its financial position in its consolidated financial statements; (Refer Note no. 28.1(i) of the consolidated financial statements)
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. (Refer Note no. 28.1(ii)(f) of the consolidated financial statements)
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies (Refer Note no. 28.1(iii) of the consolidated financial statements)

- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 08 November, 2016 of the Ministry of Finance, during the period from 08 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Group entities as applicable; and as produced by the Management of respective Group entities. (Refer Note no. 31 of the consolidated financial statements)

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Place : Ghaziabad
Date : 20 May, 2017

RASHIM TANDON

Partner

(Membership No. 95540)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of consolidated financial statements of APL APOLLO TUBES LIMITED ("the Company") as of and for the year 31 March, 2017, we have audited the internal financial controls over financial reporting of APL APOLLO TUBES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to "the Group") incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the Holding company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding company and its subsidiaries incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components

of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Place : Ghaziabad
Date : 20 May, 2017

RASHIM TANDON
Partner
(Membership No. 95540)

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2017

(₹ in crore)

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	23.59	23.44
(b) Reserves and surplus	3	696.71	544.11
		720.30	567.55
(2) Non-current liabilities			
(a) Long-term borrowings	4	104.92	187.59
(b) Deferred tax liabilities (net)	5	90.50	85.90
(c) Other Long Term Liabilities	6	1.04	1.04
(d) Long-term provisions	7	7.21	5.07
		203.67	279.60
(3) Current liabilities			
(a) Short-term borrowings	8	465.79	410.91
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		370.36	254.28
(c) Other current liabilities	10	81.54	104.11
(d) Short-term provisions	11	8.36	43.97
		926.05	813.27
Total		1,850.02	1,660.42
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		663.90	619.94
(ii) Intangible assets		3.68	3.34
(iii) Capital work-in-progress		122.43	31.99
		790.01	655.27
(b) Goodwill on Consolidation	29.8	66.96	42.90
(c) Non-current investments	13	12.74	13.13
(d) Long term loans and advances	14	77.83	59.30
(e) Other non-current assets	15	1.66	0.07
		92.23	72.50
(2) Current assets			
(a) Inventories	16	469.61	594.37
(b) Trade receivables	17	295.18	220.14
(c) Cash and cash equivalents	18	1.68	1.35
(d) Short-term loans and advances	19	130.06	69.18
(e) Other current assets	20	4.29	4.71
		900.82	889.75
Total		1,850.02	1,660.42

See accompanying notes forming part of the consolidated financial statements

1-33

In terms of our report attached.

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

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

RASHIM TANDON
Partner

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

Place: Ghaziabad
Date: 20 May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2017

(₹ in crore)			
Particulars	Note No.	Year ended 31 March, 2017	Year ended 31 March, 2016
I Revenue from operations (Gross)	21	4,996.83	4,656.36
Less: Excise Duty		451.83	442.77
Revenue from operations (net)		4,545.00	4,213.59
II Other Income	22	3.78	10.27
III Total revenue (I +II)		4,548.78	4,223.86
IV Expenses			
(a) Cost of materials consumed	23	3,158.03	2,811.38
(b) Purchase of stock-in-trade (traded goods)		630.14	764.32
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	12.30	(21.12)
(d) Employee benefits expense	25	72.06	62.87
(e) Finance costs	26	68.33	69.51
(f) Depreciation and amortisation expense	29.7	51.20	34.10
(g) Other expenses	27	348.09	314.49
Total expenses		4,340.15	4,035.55
V Profit before exceptional items and tax (III-IV)		208.63	188.31
VI Exceptional items (see note 28.9)		-	25.33
VII Profit before tax (V - VI)		208.63	162.98
VIII Tax expense:			
(a) Current tax		65.60	49.70
(b) Mat credit related to earlier years		(8.72)	0.00
(c) Income tax of earlier year		1.26	1.28
(d) Deferred tax charge	5	4.60	11.44
Net tax expense		62.74	62.42
IX Profit after tax (VII-VIII)		145.89	100.56
X Earnings per equity share of ₹ 10 each:	29.4		
(a) Basic		62.01	42.91
(b) Diluted		60.66	41.62
See accompanying notes forming part of the consolidated financial statements		1-33	

In terms of our report attached.

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

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

RASHIM TANDON
Partner

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

Place: Ghaziabad
Date: 20 May, 2017

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2017

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
A. Cash flow from operating activities		
Profit before tax	208.63	162.99
Adjustments for:		
Depreciation and amortisation expense	51.20	34.10
(Profit)/loss on sale of assets	-	(0.28)
Finance costs	68.33	69.51
Interest income	(0.81)	(2.63)
Net loss on sale of investments	0.97	0.50
Provision for doubtful debts	2.75	-
Liabilities / provisions no longer required written back	-	(0.77)
Other loans and advances written off	0.87	2.39
Amortisation of premium on forward contract	1.41	2.90
Fixed Assets written off	-	0.41
Security deposit written back	-	(0.57)
Brand image expenses written off (see note 28.9)	-	11.49
Entry tax written off	-	7.72
Net unrealised exchange loss	0.66	0.22
Operating profit before working capital changes	334.01	287.98
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	124.75	(274.81)
Trade receivables	(77.78)	(44.61)
Short-term loans and advances	(61.76)	(8.53)
Long-term loans and advances	(21.97)	18.03
Other current assets	0.29	14.19
Other non-current assets	(0.25)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	116.87	49.68
Other current liabilities	(12.20)	10.20
Short-term provisions	(0.59)	0.25
Other non-current liabilities	-	(0.02)
Long-term provisions	2.14	2.15
Cash generated from operations	403.41	54.51
Net income tax (paid)	(65.03)	(43.23)
Net cash flow from operating activities (A)	338.38	11.30
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(36.42)	(125.64)
Proceeds from sale of fixed assets	(128.71)	14.85
Purchase of subsidiary	(23.93)	0.00
Bank balances not considered as Cash and cash equivalents		
- Matured	0.15	16.97
Purchase of long-term investments		
- Others	0.39	(4.02)
Proceeds from sale of long-term investments		
- Others	-	2.20
Interest received		
- Others	0.96	2.96
Net cash flow (used in) investing activities (B)	(187.56)	(92.68)

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
C. Cash flow from financing activities		
Proceeds from share capital including security premium	6.85	-
Proceeds/(repayment) from long-term borrowings	(109.26)	46.97
Proceeds from other short-term borrowings	47.60	120.29
Finance costs	(68.80)	(69.51)
Dividends paid	(23.44)	(14.06)
Tax on dividend	(4.69)	(2.81)
Net cash flow from / (used in) financing activities (C)	(151.74)	80.88
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(0.92)	(0.50)
Cash and cash equivalents at the beginning of the year	1.02	1.52
Cash and bank balances on acquisition of subsidiaries during the year	1.40	-
Cash and cash equivalents at the end of the year	1.50	1.02
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (see note 18)	1.68	1.35
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In other deposit accounts		
- original maturity more than 3 months	0.02	0.14
(ii) In earmarked accounts		
- Unpaid dividend accounts	0.16	0.19
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in note 18	1.50	1.02

In terms of our report attached.

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

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

RASHIM TANDON
Partner

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary

Place: Ghaziabad
Date: 20 May, 2017

Place: Ghaziabad
Date: 20 May, 2017

Notes

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Significant accounting policies

A. General Information

APL Apollo Tubes Limited ('the Company' or 'the Holding Company') was incorporated on 24 February 1986. The Company is engaged in the business of production of ERW steel tubes. The Company has six manufacturing units, three at Sikandrabad, Uttar Pradesh and one in Hosur, Tamilnadu, one in Bengaluru, Karnataka and one in Murbad, Maharashtra. The Company has four wholly owned subsidiaries in India (the Company and its subsidiaries constitute "the Group").

B. Significant accounting policies

(i) Basis of preparation

The consolidated 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"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

(ii) Principles of consolidation

The consolidated financial statements relate to APL Apollo Tubes Limited, the holding company and its subsidiary companies (hereinafter collectively referred as "the Group"). The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2017.
- b. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.
- c. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of

investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' is determined separately for each subsidiary company and such amounts are not set off between different entities.

- d. Goodwill arising on consolidation is not amortised but tested for impairment.
- e. Following wholly owned indian subsidiaries have been considered in the preparation of consolidated financial statements:
 - Apollo Metalex Private Limited
 - Shri Lakshmi Metal Udyog Limited
 - Lloyds Line Pipes Limited
 - Blue Ocean Projects Private Limited (w.e.f. 14 January, 2017, See note 29.8 & 29.9)

(iii) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of income and expenses during the year. The Management believes that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each balance sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known/materialise.

(iv) Inventories

Inventories (excluding Raw Material) are valued at the lower of cost (First in First Out -FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes 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.

Raw Material is valued at cost (First in First Out -FIFO basis).

(v) 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.

Notes

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(vi) Cash flow statement

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

(vii) Depreciation and amortisation

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

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

The estimated useful life of various fixed assets is as under:-

Assets	Useful Lives
Buildings	10 to 60 years
Roads	10 years
Plant and machinery used in manufacturing of pipe	10 to 20 years
Other plant and machinery	2 to 10 years
Vehicles	8 years
Furniture and fixtures	10 years
Office equipment	2 to 5 years
Computer	3 years
Leasehold land	Amortized over the period of the lease
Intangible assets are amortised over their estimated useful life on straight line method as follows:	
Computer software	3 to 6 years

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

(viii) Revenue recognition

Sale of goods:

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with delivery of

goods to customers. Sales include excise duty but exclude sales tax and value added tax.

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

(ix) Other income

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

(x) Fixed assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

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

(xi) Foreign exchange transactions

Initial recognition:

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts:

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts

Notes

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

(xii) Investments / Investment property

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 include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

(xiii) Employee benefits

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

Defined contribution plans:

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

Defined benefit plans:

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive

and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

(xiv) Employee share based payment

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefit Scheme) Regulations, 2014. The Scheme provides for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Regulations; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

(xv) Borrowing 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.

(xvi) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

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(xvii) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. 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 bonus shares, as appropriate.

(xviii) 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 Group 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 Group.

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 are reviewed at each balance sheet date for their realisability.

(xix) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of the assets exceed the estimated recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on as appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(xx) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event 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 are not discounted to its present value and are determined based on 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.

(xxi) Contingent liabilities

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

(xxii) Operating cycle

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

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Note : 2 Share capital

S. No.	Particulars	As at 31 March, 2017		As at 31 March, 2016	
		Number of Shares	Amount (₹ in crore)	Number of Shares	Amount (₹ in crore)
1	Authorised capital				
	Equity shares of ₹ 10 each with voting rights	25,000,000	25.00	25,000,000	25.00
		25,000,000	25.00	25,000,000	25.00
2	Issued capital				
	Equity shares of ₹ 10 each with voting rights	23,589,955	23.59	23,438,636	23.44
		23,589,955	23.59	23,438,636	23.44
3	Subscribed and fully paid up capital				
	Equity shares of ₹ 10 each with voting rights	23,589,955	23.59	23,438,636	23.44
		23,589,955	23.59	23,438,636	23.44

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

Class of shares/name of Shareholders	Number of Shares		Amount (₹ in crore)	
	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
Equity shares with voting rights				
Outstanding at the beginning of the year	23,438,636	23,438,636	23.44	23.44
Add: Issued during the year	151,319	-	0.15	-
Outstanding at the end of the year	23,589,955	23,438,636	23.59	23.44

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

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

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

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

Note : 3 Reserve and surplus

S.No	Particulars	(₹ in crore)	
		As at 31 March, 2017	As at 31 March, 2016
1	Security premium		
	Opening balance	187.37	187.37
	Add: Additions	6.71	-
	Closing balance	194.08	187.37

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		(₹ in crore)	
S.No	Particulars	As at 31 March, 2017	As at 31 March, 2016
2	Debenture redemption reserve		
	Opening balance	18.75	-
	Add: Transferred from surplus in statement of profit and loss	12.50	18.75
	Closing balance	31.25	18.75
3	General reserve		
	Opening balance	27.52	27.02
	Add: Transferred from surplus in statement of profit and loss	-	0.50
	Closing balance	27.52	27.52
4	Surplus in Statement of profit and loss		
	Opening balance	310.47	257.27
	Add: Profit for the period	145.89	100.57
	Less: Dividend proposed to be distributed to equity shareholders (see note (i) and (ii))	-	23.44
	Less: Tax on proposed dividend	-	4.68
	Less: Transfer to general reserve	-	0.50
	Less: Transfer to debenture redemption reserve	12.50	18.75
	Closing balance	443.86	310.47
	Total	696.71	544.11

(i) The Board of Directors recommended a Final Dividend of ₹ 12 per share (on equity share of par value of ₹10 each) at their Board Meeting held on 20 May 2017. The final payment is subject to approval of the shareholders ensuing Annual General Meeting.

(ii) The Board of Directors recommended a Final Dividend of ₹10 per share (on equity share of par value of ₹ 10 each) at their Board meeting held on 30 May 2016 which was approved by the shareholders in Annual General Meeting held on 24 September 2016.

Note : 4 Long term borrowings

		(₹ in crore)	
S.No	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Debentures:		
	(i) Secured (see note (i) below)	75.00	75.00
2	Term Loan:		
	- From bank		
	(i) Secured (see note (ii) below)	29.78	101.47
	- From Others		
	(i) Secured (see note (iii) below)	-	10.76
3	Vehicle Loan:		
	- From others		
	(i) Secured by way of hypothecation of vehicles	0.14	0.36
	Total	104.92	187.59

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(₹ in crore)

(i) Details of debentures issued by the Company		
11.50% Secured, listed, Non-Convertible redeemable debentures of ₹10 lacs each (see note (a) below)	75.00	75.00

- (a) The debenture are secured by hypothecation of non current assets and movable assets of the Company (both present and future). Further these have been secured by hypothecation of immovable property situated at A-19 and A-20, Industrial Area, Sikanderabad, UP and 332-338, Alur Village, Perandapalli, Hosur (Tamil Nadu). During the current year the charge has been changed to first pari passu charge on both movable and immovable fixed assets, present and future, movable and immovable, situated at A 19 and A 20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and second pari passu charge on current assets, present and future, of the Company.

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

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

(₹ in crore)

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
In case of the Holding Company :	-	-	40.40	9.60
By First Pari Passu charge on fixed assets of the Company (both present and future) and charge on all current assets (both present and future) of the Company. The loan is further guaranteed by personal guarantee of Mr. Sanjay Gupta (Director). Applicable rate of interest is in the range of 10.50%-10.15%. During the current financial year, the loan has been fully repaid by the Company.	-	-	3.21	0.11
By First Pari Passu charge on E-11, Land-2, Estate Home, Jaypee Greens, Greater Noida. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. Applicable rate of interest is in the range of 9.85%-9.50%. During the current financial year, the loan has been fully repaid by the Company.	-	-	-	-
By first pari passu charge on entire fixed assets, movable and immovable, present and future, of the Company situated at A 19 and A 20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu and land at village Bendri, Raipur, Chattisgarh and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta . During the year, the personal gurantee of Mr. Sameer Gupta has been discharged. The loan outstanding as at balance sheet is repayable in 8 quarterly installments commencing from June 2017 and ending in March 2019 will be of ₹ 3 crore each. Applicable rate of interest is 10.25%.	12.00	12.00	24.00	12.00

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Particulars	(₹ in crore)			
	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
By First Pari Passu charge on fixed assets of the company (existing and proposed) and charge on all current assets of the company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta. Applicable rate of interest is 10.25%. During the current financial year, the loan has been fully repaid by the Company	-	-	-	14.00
In case of Apollo Metalex Private Limited :				
By First Pari Passu charge on the current assets of the company(present and future) and factory land and building at A-2, Industrial Area, Sikanderabad,UP. During the year the charge has been revised to First Pari Passu charge on movable and immovable assets of the company (present and future) situated at A-2 and A-25, Industrial Area, Sikandrabad, UP and second charge on current assets of the Company. The Loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta , Mr. Sameer Gupta and Mr. Vinay Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. The Loan outstanding as at balance sheet is repayable in 4 quarterly installments commencing from June 2017 and ending in March 2018 of ₹ 0.56 crore each. Applicable rate of interest is in the range of 11.70%-11.40%.	-	2.25	2.25	2.25
By First Pari Passu Charge on all plant and machinery (including sheds) of the company and Factory Land and building at A-2, Industrail Area, Sikandarabad, UP and First Pari Pasu charge on all current assets of the company and Second pari pasu charge on immovable and movable fixed assets located at A-25, Sikanderabad,UP.During the year charge has been revised to First Pari Passu charge on movable and immovable assets of the company (present and future) situated at A-2 and A-25, Industrial Area, Sikandrabad, UP and second charge on current assets of the Company. The Loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. The Loan outstanding as at balance sheet is repayable in 12 quarterly installments commencing from June 2017 and ending in March 2020 of ₹ 0.35 crore each. Applicable rate of interest is in the range of 10.90%-10.50%.	2.80	1.40	4.20	1.40

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(₹ in crore)				
Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
By First Pari Passu Charge on V-2, Land-2, One Villa, Jaypee Greens, Greater Noida. The Loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta. Applicable rate of interest is 9.85%. During the year, the loan has been fully repaid by the Company.	-	-	2.83	0.10
In case of Lloyd Line Pipes Limited :				
By First Pari Passu charge on fixed assets, movable and immovable, present and future, of the Company situated at Murbad, Thane and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of director of the Company, i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. The loan outstanding as at balance sheet is repayable in 7 quarterly installments commencing from June 2017 and ending in Dec 2018 out of which 4 installments will be of ₹ 1 crore each and last 3 installments will be of ₹ 1.60 crore each. Applicable rate of interest is 10.25%.	4.79	4.00	8.79	4.00
By First Pari Passu charge on fixed assets, movable and immovable, present and future, of the Company situated at Murbad, Thane and second pari passu charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of director of the Company, i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. The loan outstanding as at balance sheet is repayable in 8 quarterly installments commencing from June 2017 and ending in March 2019 out of which 4 installments will be of ₹ 0.80 crore each and last 4 installments will be of ₹ 1.50 crore each. Applicable rate of interest is 10.25%.	5.99	3.20	9.19	2.40
In case of Shri Lakshmi Metal Udyog Limited :				
By First Pari Passu charge on fixed assets and current assets of the Company (present and future) further secured by exclusive charge on company's land and building situated at KIADB, Industrial area, Plot No-9 to 11, Balagaranahalli Village, Attibele, Bangalore. The loan is further guaranteed by personal guarantee of Directors of the Company i.e Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta and corporate guarantee of APL Apollo Tubes Limited, the holding company. The loan outstanding as at balance sheet is repayable in 11 quarterly installments commencing from May 2017 and ending in November 2019 of ₹ 0.60 crore each. Applicable rate of interest is in the range of 10.80%-10.75%.	4.20	2.40	6.60	2.40

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Particulars	(₹ in crore)			
	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
iii. Term Loan from financial institution is secured as follows:				
In case of Apollo Metalex Private Limited :				
By First Pari Passu Charge on Industrial Land & Building including entire fixed assets at A-25, Sikandrabad, UP. The Loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. Applicable rate of interest is in the range of 11.50%-10.25%. During the year, the loan has been fully repaid by the Company.	-	-	10.76	3.59

Note : 5 Deferred tax liabilities (Net)

		(₹ in crore)		
S.No	Particulars	Opening	Debited/	Closing
		as at 01 April, 2016	(Credited) during the year*	as at 31 March, 2017
1	Tax effect of items constituting deferred tax liabilities			
	(i) On difference between book balance and tax balance of fixed assets	87.73	6.26	93.99
		87.73	6.26	93.99
2	Tax effect of items constituting deferred tax assets			
	(i) Provision for compensated absences, gratuity and other employee benefits	1.83	(0.77)	2.60
	(ii) Provision for doubtful debts	-	(0.89)	0.89
		1.83	(1.66)	3.49
	Total	85.90	4.60	90.50

* Including prior period change for ₹ Nil (year ended 31 March,2016 ₹ 0.64 crore)

Note : 6 Other long term liabilities

		(₹ in crore)	
		As at 31 March, 2017	As at 31 March, 2016
1	Others		
	(ii) Deferred payment liabilities for sales tax (see note (i) below)	1.04	1.04
	Total	1.04	1.04

Note : The Company has a deferred tax liability for sale tax for the period from 01 May, 2011 to 30 September, 2011 which is repayable in five equal installments after expiry of 10 years from the last date of furnishing the return for the above period i.e. 21 October, 2021.

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Note : 7 Long-term provisions

		(₹ in crore)	
S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Provisions for employee benefits:		
	Provision for compensated absences (see note 29.1)	1.31	0.50
	Provision for gratuity (see note 29.1)	5.90	4.57
	Total	7.21	5.07

Note : 8 Short-term borrowings

		(₹ in crore)	
S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Loan repayable on demand		
	- From banks (Secured)		
	(i) Secured		
	(a) Cash credit (see note (i) below)	122.61	144.14
2	Others		
	- From banks (Secured)		
	(a) Buyer's credit		
	- working capital (see note (i) below)	90.09	216.77
	- Capital item loan (see note (ii) below)	36.99	-
	(b) Non Convertible debentures (see note (iii) below)	50.00	-
	(c) Term Loan (see note (iv) below)	25.00	-
	- From banks (Unsecured)		
	(a) Commercial paper	125.00	-
	- From banks (Unsecured)		
	(a) Commercial paper	15.00	50.00
	(b) Others	1.10	-
	Total	465.79	410.91

Nature of security:

- (i) Working capital facilities from banks are secured by first pari passu charge on current assets, movable fixed assets, present and future, of the Company and further secured by equitable mortgage on the Company's land and building situated at A-19 and A-20 Industrial Area, Sikandarabad, U.P., at 332-338, Alur-Village, Perandapalli - Hosur, at KIADB, Industrial area, Plot No-9 to 11 Balagaranahalli Village, Attibele, Bangalore, at A-2, Industrial Area, Sikandarabad, UP, and at Company's land and building situated at Murbad, Thane, Maharashtra on first pari passu basis and second pari passu charge on fixed assets of the Company located at A-25, Industrial Area, Sikandarabad, UP. 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 passu charge basis (these working capital limit do not have any charge on immovable fixed assets of the company and collaterals). For working capital limit for one bank has only second pari passu charge on moveable and immovable fixed assets of the Company.

For buyer credit facilities from certain banks, these are further secured by hypothecation of imported inventories. These credit facilities are further collaterally secured by personal guarantee of Mr Sameer Gupta, Mr. Vinay Gupta and Mr Sanjay Gupta (Promoter Directors). However for working capital facilities of certain banks, these are only secured by personal guarantee of Mr. Sanjay Gupta. Also in case of working capital limit from one bank, these are further secured by corporate guarantee of V.S. Exim Private Limited, a Company under significant influence of the directors.

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During the current financial year, charge has been changed to first parti passu charge on current assets of the Group and further secured by second parri passu charge on movable and immovable fixed assets, present and future, equitable mortgage on the Company's land and building situated at A-19 and A-20 Industrial Area, Sikandarabad, U.P., at 332-338, Alur-Village, Perandapalli - Hosur, at A-2, Industrial Area, Sikandarabad, UP and M-1, Additional MIDC Area, Kudavali, Murbad, Thane, Maharashtra, A-25, Industrial Area, Sikanrabad, UP. Further secured by exclusive charge on company's land and building situated at KIADB, Industrial area, Plot No-9 to 11 Balagaranahalli Village, Attibele, Bangalore. These credit facilities are further collaterally secured by personal guarantee of Mr. Vinay Gupta and Mr. Sanjay Gupta (Promoter Directors). The corporate guarantee of V.S. Exim Private Limited has been released during the year and personal guarantee of Mr. Sameer Gupta has been released during the year except one bank in the Company. During the year personal guarantee of Mr. Sameer Gupta has been released in one of the subsidiaries.

- (ii) Buyer's credit includes ₹ 36.99 crore taken for capital goods which has been approved as a sublimit under the term loan facility taken during the financial year. The tenor of buyer's credit is six months which can be roll forward upto the tenor of three years.

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

- (iii) Details of debentures issued by the Company: (₹ in crore)

Particular	As at 31 March, 2017	As at 31 March, 2016
8.20% Secured, listed, Non-Convertible redeemable debentures of ₹ 10 Lacs each (see note (a) below)	50.00	-

(a) As per term sheet debentures will be secured by hypothecation of on both movable and immovable assets of the Company (both present and future) situated at A-19 and A-20, Industrial Area, Sikandarabad, UP, 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu) and land at village Bendri, Raipur (Chattisgarh). The Company is in process of creating of charge on asset for debentures.

The debentures have the following Call/Put Options:

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

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

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

- (iv) The term facility has been secured by first pari passu charge on fixed assets, movable and immovable, present and future, of the Company situated at A-19 and A-20, Industrial Area, Sikandarabad, UP, 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu) and land at village Bendri, Raipur (Chattisgarh) and second charge on current assets of the Company. The loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta and Mr. Vinay Gupta. The loan is repayable in one single installment on 08 September 2018. Applicable rate of interest is 8.20%.

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

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Note : 9 Trade payable

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Total outstanding dues of micro enterprises and small enterprises (see note 28.2)	-	-
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	370.36	254.28
	Total	370.36	254.28

Note : 10 Other current liabilities

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Current maturities of long-term debt (see note 4 (i) (ii) & (iii))	25.47	52.05
2	Interest accrued but not due on borrowings	5.46	5.93
3	Unclaimed dividends	0.19	0.19
4	Other payables		
	(i) Statutory remittances	12.36	13.96
	(ii) Security deposit	1.30	0.05
	(iii) Payable on purchase of fixed assets	11.89	3.86
	(iv) Advance from customers	7.01	14.58
	(v) Forward premium payable (net of deferred premium of ₹ 1.88 crore (previous year ₹ 4.07 crore))	7.82	5.37
	(vi) Excise duty on finished goods	10.04	8.12
	Total	81.54	104.11

Note : 11 Short-term provisions

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Provision for employee benefits:		
	(i) Provision for compensated absences (see note 29.1)	0.08	0.63
	(ii) Provision for gratuity (see note 29.1)	0.12	0.15
2	Provision others:		
	(i) Provision for tax (net of advance tax ₹ 88.55 crore, year ended 31 March, 2016 ₹ 72.22 crore)	8.16	15.06
	(ii) Provision for proposed equity dividend	-	23.44
	(iii) Provision for tax on proposed equity dividend	-	4.69
	Total	8.36	43.97

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Note 12 : Fixed assets (At cost)

Particulars	Gross block				Accumulated depreciation				Net block			
	As at 01 April, 2016	Addition during the year (see note (ii) and (iii))	Acquisitions through business combinations	Sales/transfer during the year (see note (i))	As at 31 March, 2017	Upto 31 March, 2016	For the year	Adjusted during the year	Acquisitions through business combinations	Upto 31 March, 2017	As at 31 March, 2017	As at 31 March, 2016
(₹ in crore)												
A. Tangible assets												
Assets taken on lease:												
Leasehold land	21.94 (15.93)	6.35 (6.19)	9.46	-	37.76 (21.94)	0.65	0.39	-	0.12	1.16 (0.65)	36.60 (21.29)	21.29 (15.93)
Owned assets:												
Freehold land	15.00 (30.60)	9.47 (4.03)	-	4.03 (19.63)	20.44 (15.00)	-	-	-	-	-	20.44 (15.00)	15.00 (30.60)
Building	153.63 (123.05)	12.10 (36.70)	-	2.18 (6.12)	163.55 (153.63)	16.00 (11.57)	5.97 (5.31)	2.14 (0.88)	-	19.83 (16.00)	143.72 (137.63)	137.63 (111.48)
Plant and machinery	520.50 (464.22)	59.44 (61.00)	-	14.56 (4.72)	565.38 (520.50)	82.99 (59.77)	41.53 (25.89)	11.67 (2.67)	-	112.85 (82.99)	452.53 (437.51)	437.51 (404.45)
Office equipment	3.08 (2.70)	0.66 (0.38)	-	1.69 (0.00)	2.05 (3.08)	1.55 (0.58)	0.96 (0.95)	1.69 (0.02)	-	0.82 (1.55)	1.23 (1.53)	1.53 (2.12)
Vehicle	5.43 (5.73)	1.97 (0.73)	-	0.60 (1.03)	6.80 (5.43)	2.24 (2.44)	0.75 (0.63)	0.45 (0.83)	-	2.54 (2.24)	4.26 (3.19)	3.18 (3.29)
Furniture and fixture	4.37 (3.48)	1.49 (0.89)	-	0.04 (0.00)	5.82 (4.37)	1.13 (0.84)	0.49 (0.29)	0.04 (0.00)	-	1.58 (1.13)	4.24 (3.24)	3.24 (2.64)
Computer	1.38 (1.35)	0.65 (0.56)	-	0.69 (0.53)	1.34 (1.38)	0.83 (0.93)	0.32 (0.06)	0.69 (0.16)	-	0.46 (0.83)	0.88 (0.55)	0.55 (0.42)
Zinc (46.142 M.T.)	- (0.21)	- (0.21)	-	- (0.21)	- (0.21)	- (0.21)	- (0.21)	- (0.21)	- (0.21)	- (0.21)	- (0.21)	- (0.21)
Total-tangible assets (A)	725.33 (647.27)	92.14 (110.48)	9.46	23.79 (32.42)	803.14 (725.33)	105.39 (76.13)	50.41 (33.78)	16.68 (4.52)	0.12	139.24 (105.39)	663.90 (619.94)	619.94 (571.14)
B. Intangible assets												
Total-Intangible assets (B)	3.75 (0.14)	1.00 (3.62)	-	0.13 (0.01)	4.61 (3.75)	0.41 (0.10)	0.64 (0.32)	0.13 (0.01)	-	0.93 (0.41)	3.68 (3.34)	3.34 (0.04)
Grand Total (A + B)	729.08 (647.41)	93.14 (114.10)	9.46	23.93 (32.41)	807.75 (729.08)	105.80 (76.23)	51.05 (34.10)	16.81 (4.53)	0.12	140.16 (105.80)	667.58 (623.28)	623.28 (571.18)

(i) During the previous year, freehold land amounting to ₹ 10.85 crore has been transferred to investment in property.

(ii) During the previous year, investment in property-Guest house of ₹ 18.11 crore has been capitalised and transferred to building.

(iii) During the year, building amounting to ₹ 0.68 crore has been capitalised from investment property.

(iv) Figures in brackets pertain to previous year ended 31 March 2016/15.

(v) During the year, the Company has taken land on long-term lease at Sikandarabad. The Original lease agreement is in possession of lessor i.e Uttar Pradesh State Industrial Development Corporation Limited

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Note : 13 Non-current investment

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Investment (At cost)		
	A. Trade		
	(i) Investment in equity instruments:		
	-In other companies (Unquoted)		
	(a) 4,35,400 Equity shares of Clover Energy Private Limited of ₹ 10/- each fully paid up	0.44	-
	B. Other investment		
	(i) Investments in properties (net)		
	(a) Investment in property - Shops (see note 12(i))		
	Opening balance of Investment in property	13.13	0.91
	Add: Addition/Transfer during the year (Net) (see note 12(ii))	-	12.22
	Less: Capitalisation during the year (see note 12(iii))	0.68	-
	Gross Block	12.45	13.13
	Less: Accumulated Depreciation	0.15	-
	Closing balance of Investment in property	12.30	13.13
	Total	12.74	13.13
	Aggregate amount of unquoted investments	0.44	-

Note : 14 Long term loans and advances (Unsecured, considered good)

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Capital advances	41.65	45.10
2	Security deposit (see note 29.3)	22.29	5.36
3	Loans and advances to employees (see note 29.3)	0.43	0.32
4	MAT credit entitlement	9.55	3.65
5	Balances with government authorities		
	(i) VAT credit receivable	2.40	2.36
6	Payment under protest		
	(i) VAT	0.15	0.89
	(ii) Excise	1.31	1.40
	(iii) Service tax	0.05	0.22
	Total	77.83	59.30

Note : 15 Other non-current assets

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Claim receivable	0.33	0.07
2	Prepaid rent	1.33	-
	Total	1.66	0.07

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Note : 16 Inventories (Including stock in-transit)

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Raw material	254.95	364.69
2	Finished goods	198.09	208.81
3	Stores and spares	13.76	16.48
4	Rejection and scrap	2.81	4.39
	Total	469.61	594.37
	Details of stock-in-transit		
	Raw material	17.72	27.19
	Finished goods	15.78	13.73
	Rejection and scrap	0.37	-
	Stores and spares	0.15	-

Note : 17 Trade receivables (Unsecured)

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	(i) Considered good	0.80	2.98
	(ii) Considered doubtful	2.63	-
	Less: Provision for doubtful debts	(2.63)	-
		0.80	2.98
2	Other trade receivables		
	(i) Considered good	294.38	217.16
	(ii) Considered doubtful	0.12	-
	Less: Provision for doubtful debts	(0.12)	-
		294.38	217.16
	Total	295.18	220.14

Note : 18 Cash and cash equivalent

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Cash and cash equivalent (as per AS 3 cash flow statements)		
	(i) Cash balance	0.17	0.21
	(ii) Balances with banks		
	(a) in current accounts	1.22	0.81
	(iii) Gold coins in hand	0.11	-
		1.50	1.02
2	Other bank balances		
	(i) In earmarked accounts		
	(a) unpaid dividend account	0.16	0.19
	(b) In margin money with maturity less than 12 months at inception	0.02	0.14
		0.18	0.33
	Total	1.68	1.35

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Note : 19 Short terms loans and advances (Unsecured, Considered goods)

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Loans and advance to		
	-Director	-	0.40
	-Employees (see note 29.3)	0.77	0.99
2	Security Deposit	-	0.01
3	Prepaid expenses	3.41	1.56
4	Balances with government authorities:		
	(i) Cenvat credit receivable	13.67	22.64
	(ii) VAT credit receivable	13.63	9.78
	(iii) Service tax credit receivable	6.79	2.88
	(iv) Custom duty	-	0.92
5	Payment under protest		
	(i) Excise duty	1.99	6.67
	(ii) Safeguard duty	3.90	3.90
	(iii) Income Tax	0.05	-
6	Others		
	(i) Advance to suppliers	85.85	11.36
	(ii) Mat credit entitlement	-	8.07
	Total	130.06	69.18

Note : 20 Other current assets

(₹ in crore)

S. No.	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	Claim receivables		
	(i) Export incentives	3.08	2.31
	(ii) License in hand	0.79	0.71
	(iii) Other claim receivables	0.30	1.42
2	Accrued interest on deposits and securities	0.12	0.27
	Total	4.29	4.71

Note : 21 Revenue from operations

(₹ in crore)

S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Sale of products (see note (i) below)	4,876.56	4,545.90
2	Other operating revenue (see note (ii) below)	120.27	110.46
	Revenue from operations (Gross)	4,996.83	4,656.36
	Less: Excise duty	451.83	442.77
	Total	4,545.00	4,213.59
(i)	Sales of products comprises		
	Manufactured goods	4,229.64	3,746.12
	Traded goods	646.92	799.78
		4,876.56	4,545.90

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(ii) Other operating revenue comprises		
Sale of scrap	115.07	105.49
Export incentives	5.20	4.58
Job work	-	0.39
Total	120.27	110.46

Note : 22 Other income

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Interest income (see note (i) below)	0.81	2.63
2	Net gain on sale of long term investment	-	0.05
3	Net gain on foreign currency transactions	1.16	-
4	Other non-operating income (see note (ii) below)	1.81	7.59
	Total	3.78	10.27
(i) Interest income comprises:			
	(a) Interest from deposits from banks	0.09	1.09
	(b) Other interest	0.72	1.54
	Total	0.81	2.63
(ii) Other non-operating income comprises:			
	(a) Storage and warehousing services	0.62	4.87
	(b) Liabilities/provisions not required written back	0.26	0.77
	(c) Profit on sale of fixed assets (net)	0.13	0.28
	(d) Security deposit written back	-	0.57
	(e) Profit on purchase of licences	0.29	0.93
	(f) Miscellaneous income (see note 29.6)	0.51	0.17
	Total	1.81	7.59

Note : 23 Cost of materials consumed

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Raw Material		
	Opening Stock	364.69	115.89
	Add: Purchases (see note 29.6)	3048.29	3060.18
	Less: Closing Stock	254.95	364.69
	Total	3158.03	2811.38

Note : 24 Change in inventories

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Inventories at the end of the year:		
	Finished goods	198.09	208.81
	Scrap	2.81	4.39
		200.90	213.20
2	Inventories at the beginning of the year:		
	Finished goods	208.81	185.94
	Scrap	4.39	6.14
		213.20	192.08
	Total	12.30	(21.12)

Note : 25 Employee benefits expense

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Salaries and wages (see note 29.6)	65.44	56.11
2	Contribution to provident and other funds	3.24	2.74
3	Gratuity expense	1.74	2.41
4	Staff welfare expenses	1.64	1.61
	Total	72.06	62.87

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Note :26 Finance costs

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Interest expense (Net of capitalisation) (see note 29.2)		
	(i) working capital facilities	40.43	38.59
	(ii) term loan	14.18	19.46
	(iii) vehicle loan	0.02	0.04
	(iv) debentures	8.67	4.37
2	Other borrowing cost	5.03	7.05
	Total	68.33	69.51

Note : 27 Other expenses

		(₹ in crore)	
S. No.	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Consumption of stores and spare parts	45.78	40.15
2	Increase/ (decrease) of excise duty on inventory	1.92	(3.84)
3	Furnace oil	10.40	8.68
4	Power and fuel	48.45	44.07
5	Job work charges	1.92	1.18
6	Security services	1.47	1.19
7	Rent including lease rentals	5.01	4.07
8	Repair and maintenance:		
	(i) Building	1.10	0.46
	(ii) Plant and machinery (see note 29.6)	3.53	2.70
	(iii) Others	0.43	0.52
9	Factory expense	1.42	1.16
10	Vehicle running expenses (see note 29.6)	0.82	0.77
11	Insurance	0.46	0.50
12	Rates and taxes	5.74	2.17
13	Amortisation of premium on forward contract	11.28	2.90
14	Forward contract cancellation loss	0.21	1.71
15	Net gain on foreign currency transactions	0.30	5.07
16	Travelling and conveyance (see note 29.6)	4.15	3.13
17	Legal and professional charges (see note below)	4.23	2.95
18	Donations and contributions	3.91	0.02
19	Loss on sale of investment property (net)	-	0.55
20	Loss on sale of fixed assets (net)	0.97	-
21	Freight outward (see note 29.6)	125.24	108.71
22	Sales commission	5.52	7.19
23	Sales discount	39.05	59.84
24	Sales promotion (see note 29.6)	16.77	12.97
25	Provision for doubtful debts	2.75	-
26	Other receivables and advances written off	0.87	2.39
27	Fixed assets written off	-	0.41
28	Corporate Social Responsibility (see note 31)	1.20	-
29	Miscellaneous expenses (see note 29.6)	3.19	2.87
	Total	348.09	314.49

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Note:

Legal & professional charges include auditor's remuneration (net of service tax) as follows		
(i) Payments to the auditors comprise (net of service tax):		
(a) To statutory auditors		
For audit (including quarterly reviews)	0.93	0.75
For taxation matters	0.05	-
For other services	0.06	0.17
Reimbursement of expenses	0.07	0.02
	1.11	0.94
(ii) To cost auditors for cost audit	0.03	0.02
Total	1.14	0.96

Note : 28 Additional information to the consolidated financial statements

28.1 Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(i) Contingent liabilities		
(1) Disputed claims/levies in respect of sales tax:		
- Statutory forms (see note (a) below)	114.39	0.01
- Reversal of input tax credit	14.68	11.35
- Classification of goods	3.99	3.99
- Provisional Assessment	0.69	3.03
	133.75	18.38
(2) Disputed claims/levies in respect of excise duty:		
- Availability of input credit	20.74	20.24
- Demand on clearance of goods without payment of duty to govt. projects	4.72	4.72
- Excise demand on excess / shortages	0.91	0.91
- Classification of goods	0.03	0.25
- Demand on clearance of goods	0.03	0.03
	26.43	26.15
(3) Disputed claims/levies in respect of service tax:		
- Availability of input credit	0.99	0.18
(4) Disputed claims/levies in respect of Income Tax (see note (b) below)	1.41	-
	162.58	44.71
(a) During the financial year, the Company has received a demand of ₹ 114.38 crore under Central Sales Tax Act, 1956 on account of non submission of various statutory forms under the mentioned Act. Subsequent to year end, the Company has deposited the all required forms and said demand has been withdrawn by the sales tax authority.		
(b) During the financial year, the Company has received a demand of ₹ 1.41 crore under Income Tax Act, 1961 due to disallowed certain expenses. The Company has filed the appeal before the CIT (Commissioner of Income Tax) Appeal against the order. Subsequent to year end, the CIT-Appeal has partially reduced the above demand. The Company is in process of filling the appeal against the balance demand.		
(5) During the year, the Company has discounted the sales bill from the banks for ₹ 2.79 crore (Previous year ₹ 0.26 crore).		

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No Provision has been considered necessary since the Company expects favourable decision in appeals.		
(ii)	Commitments	
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	
	(1) Tangible assets (₹)	63.31 crore 145.35 crore
(b)	The Group has obtained advance licenses under the Duty Exemption Scheme for importing input materials without payment of customs duty against submission of bonds.	
	The export obligation is to be fulfilled within a period of 18 months from the date of issuance of license. Under this scheme the Group has to achieve both the quantity and FOB value of exports specified in the license. Accordingly the Group is required to export goods of FOB Value of atleast ₹ 71.76 crore (Previous year ₹ 150.00 crore) against which the Group has saved a duty of ₹ 13.84 crore (previous year ₹64.97 crore).	
(c)	The Company has obtained EPCG (Export Promotion Capital Goods Scheme) for importing the capital goods without payment of basic custom duty against submission of bonds.	
	The export obligation is to be fulfilled within a period of 6 years from the date of issuance of license. Under this scheme the Group has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Group is required to export of FOB value of at least ₹ 85.24 crore (Previous year ₹ Nil) against which the Group has saved a duty of ₹ 14.21 crore (Previous year ₹ Nil).	
(d)	The Company has entered in Power Supply Agreement with a Vendor. As per agreement, the Company is required to draw an 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years.	
(e)	The Company has given corporate guarantees on behalf of its three subsidiaries for loans and credit facilities taken by them from banks and financial institutions.	
(f)	The Group has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Group does not have any other long term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.	
(iii)	There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.	
	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies.	

28.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has no amounts payable to Micro and Small Enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

28.3 Details on derivative instruments and unhedged foreign currency exposures

(a)	Outstanding forward exchange contracts entered into by the Group as on 31 March, 2017		
	Forward contract outstanding	Buy/Sell	As at 31 March, 2017 As at 31 March, 2016
	In USD	Buy	35,633,936 5,584,092
	Equivalent amount in ₹ (in crore)	Buy	232.27 369.56
	In EURO	Buy	2,133,402 -
	Equivalent amount in ₹ (in crore)	Buy	14.77 -
(b)	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:		

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Currency	As at 31 March, 2017	As at 31 March, 2016
Receivables:		
USD	2,422,253	1,342,561
Equivalent in ₹ (in crore)	15.71	8.91
EURO	163,278	197,216
Equivalent in ₹ (in crore)	1.13	1.48
Payables:		
USD	245,095	3,696
Equivalent in ₹ (in crore)	1.59	0.02
EURO	205,450	-
Equivalent in ₹ (in crore)	1.42	-
Advance paid to vendors:		
USD	2,906,135	2,263,425
Equivalent in ₹ (in crore)	18.84	15.01
EURO	1,511,200	2,952,146
Equivalent in ₹ (in crore)	10.46	22.17
Advance Received from Customers:		
USD	177,622	80,282
Equivalent in ₹ (in crore)	1.15	0.53
EURO	133,195	46,460
Equivalent in ₹ (in crore)	0.93	0.35

(c) Currency swap to hedge against fluctuations in change of exchange rate. Number of contract 3 (year ended 31 March 2016 contract 4)

28.4 Value of imports calculated on CIF basis:

	(₹ in crore)	
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Raw materials	223.87	619.70
Spare parts	0.44	0.67
Capital goods-traded	70.32	24.50
Traded goods	375.85	650.42
	670.48	1,295.29

28.5 Expenditure in foreign currency:

	(₹ in crore)	
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Travelling	0.44	0.68
Interest	7.14	4.00
Business promotion	1.70	-
Commission	0.97	0.67
	10.25	5.35

28.6 Details of consumption of imported and indigenous items

Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
	Amount (₹ in crore)	% of total value	Amount (₹ in crore)	% of total value
Imported				
Raw materials	136.79	4.33%	508.04	18.04%
Spare parts	0.44	0.96%	0.63	1.75%
	137.23		508.67	

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Indigenous				
Raw materials	3,021.24	95.67%	2,303.34	81.96%
Spare parts	45.34	99.04%	39.52	98.25%
	3,066.58		2,342.86	

28.7 Earnings in foreign exchange

		(₹ in crore)	
		Year ended 31 March, 2017	Year ended 31 March, 2016
Particulars			
Export of goods calculated on FOB basis		219.40	159.92

28.8 Employee Stock Option Scheme

- a) The ESOS scheme titled "Employee Stock Option Scheme 2015" (ESOS 2015) was approved by the shareholders through postal ballot on 27 July, 2015 and 22 December, 2015. 7,50,000 options are covered under the Scheme for 750,000 Equity shares.

During the previous year 2015-16, the Nomination and Remuneration Committee in its meeting held on 28 July, 2015 has granted 724,000 options respectively under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 452.60 per share.

- b) During the financial year 2016-17, the Nomination and Remuneration Committee in its meeting held on 28 January, 2017 has granted 45,000 options under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1028.80 per share.

- c) Employee stock options details as on the balance sheet date are as follows:

Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	724,000	452.60	-	-
Granted during the year (see note (b) above)	46,000	1,028.80	724,000	452.60
Vested during the year	163,583	452.60	-	-
Exercised during the year	151,319	452.60	-	-
Lapsed during the year	96,792	-	-	-
Options outstanding at the end of the year	521,889	502.28	724,000	452.60
Options available for grant	76,792	-	-	-
The weighted average share price at the date of exercise for stock options exercised during the year	-	923.77	-	-
Range of exercise price for options outstanding at the end of the year	-	502.28	-	452.60

Weighted average remaining contractual life for options outstanding as at 31 March, 2017/2016 : 1.42 Years/1.80 Years

- d) The impact on earnings per share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Notes

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Amount	Amount
Profit (as reported) (₹ in crore)	145.89	100.56
Add / (Less): stock based employee compensation (intrinsic value)	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	(4.07)	(3.72)
Net Profit (proforma) (₹ in crore)	141.82	96.84
Basic earnings per share (as reported) (in ₹)	62.01	42.91
Basic earnings per share (proforma) (in ₹)	60.28	41.32
Diluted earnings per share (as reported) (in ₹)	60.66	41.62
Diluted earnings per share (proforma) (in ₹)	58.97	40.08

- e) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumption for valuation of 724,000 options

Assumptions	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Risk free interest rate	7.86-7.94%	7.86-7.94%
Expected life	3.5-5	3.5-5
Expected annual volatility of shares	41.76	41.76
Expected dividend yield	1.44%	1.44%

Assumption for valuation of 45,000 options

Assumptions	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Risk free interest rate	6.47-6.56%	-
Expected life	3.5-6.5	-
Expected annual volatility of shares	40.92	-
Expected dividend yield	0.97%	-

- 28.9 During the previous year ended 31 March, 2016, the brand image expenses and entry tax receivables carried forward from previous years aggregating to ₹ 17.57 crore and ₹ 7.72 crore respectively have been fully written off and disclosed as exceptional items.

28.10 Amounts remitted in foreign currency during the year on account of dividend

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Amount of dividend remitted in foreign currency (₹ in crore)	3.00	1.80
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of shares held by them on which dividend was due	3,000,000	3,000,000
Year to which the dividend relates	2015-16	2014-15

Note 29 : Disclosures under Accounting Standards

29.1 Employee benefit obligations

(a) Defined contribution plans:

The Group makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which

Notes

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 2.55 crore (Year ended 31 March, 2016 ₹ 2.11 crore) for Provident Fund contributions, and ₹ 0.72 crore (Year ended 31 March, 2016 ₹ 0.63 crore) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(b) Defined benefit plans

The Group offers the following employee benefit schemes to its employees:

The Group has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹ 0.10 crore (Previous Year ₹ 0.10 crore). Vesting occurs upon completion of 5 years of service.

i. Gratuity (included as part of (state line item) in note 25 Employee benefits expense)		(₹ in crore)	
Particulars	As at 31 March, 2017	As at 31 March, 2016	
(i) Movement in net liability:			
Present value of DBO at beginning of the year	4.72	2.57	
Current service cost	1.00	0.86	
Interest cost	0.34	0.20	
Actuarial (gains) / losses	0.44	1.40	
Benefits paid	(0.44)	(0.31)	
Present value of DBO at the end of the year	6.02	4.72	
Present value of unfunded obligation	6.02	4.72	
Amounts in the balance sheet			
(a) Liabilities	(6.02)	(4.72)	
(b) Assets	-	-	
(c) Net asset / (liability) recognised in the balance sheet	(6.02)	(4.72)	
Current liability	0.12	0.15	
Non-current liability	5.90	4.57	
		(₹ in crore)	
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016	
(ii) Expenses recognised in statement of profit and loss is as follows:			
Components of employer's expense			
Current service cost	1.00	0.86	
Interest cost	0.34	0.20	
Actuarial losses	0.40	1.40	
Total expense recognised in the Statement of Profit and Loss	1.74	2.46	
Actual contribution and benefit payments for the year			
Actual benefit payments	0.44	0.31	
Actual contributions	-	-	
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016	
(iii) Principal Actuarial assumptions for Gratuity and Compensated Absences			
Discount rate	7.40%	7.99%	
Salary escalation	8.00%	8.00%	
Retirement age	60 Years	60 Years	
Mortality tables	IALM (2006-08)	IALM (2006-08)	
Estimate of amount of contribution in the immediate next year	Nil	Nil	

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The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(iv) Experience adjustments					(₹ in crore)
Particulars	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Present value of DBO	6.02	4.72	2.32	2.02	1.88
Fair value of plan assets	-	-	-	-	-
Experience gain / (loss) adjustments on plan liabilities	0.18	(0.05)	(0.35)	(0.17)	(0.38)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

29.2 Details of borrowing costs capitalised			(₹ in crore)
Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016	
Borrowing costs capitalised during the year			
- as fixed assets / intangible assets / capital work-in-progress	0.50	0.49	
	0.50	0.49	

29.3 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
(i) Key Management Personnel (KMP)	Mr. Sanjay Gupta (Chairman)
	Mr. Ashok Kumar Gupta (Managing Director)
	Mr. Vinay Gupta (Director)
	Mr. Sameer Gupta (Director)
	Mr. Sharad Mahendra (Whole Time Director)
	Mr. Romi Sehgal (Director)
(ii) Relatives of KMP	Mrs. Saroj Rani Gupta (Mother of Director)
	Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta)
	Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)
	Mrs. Meenakshi Gupta (Wife of Mr. Sameer Gupta)
	Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)
(iii) Enterprises over which any person described in (i) to (iii) above is able to exercise significant influence	APL Infrastructure Private Limited
	Apollo Pipes Limited
	V.S. Exim Private Limited (merged with APL Infrastructure Private Limited)
	Assawa Associates Private Limited (merged with APL Infrastructure Private Limited)

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Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:

Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
				(₹ in crore)
Purchase of goods				
Apollo Metalex Private Limited	-	-	3.34	3.34
	-	-	(1.17)	(1.17)
	-	-	3.34	3.34
	-	-	(1.17)	(1.17)
Sale of goods				
APL Infrastructure Private Limited	-	-	-	-
	-	-	(0.06)	(0.06)
Apollo Pipes Limited	-	-	0.89	0.89
	-	-	(0.25)	(0.25)
	-	-	0.89	0.89
	-	-	(0.31)	(0.31)
Purchase of fixed assets				
Apollo Pipes Limited	-	-	0.04	0.04
	-	-	-	-
	-	-	0.04	0.04
Purchase of stores and consumables				
Apollo Pipes Limited	-	-	1.21	1.21
	-	-	(1.68)	(1.68)
	-	-	1.21	1.21
	-	-	(1.68)	(1.68)
Rent paid				
APL Infrastructure Private Limited	-	-	0.76	0.76
	-	-	(0.54)	(0.54)
Assawa Associates Private Limited	-	-	0.14	0.14
	-	-	(0.09)	(0.09)
Mrs. Saroj Rani Gupta	-	0.72	-	0.72
	-	(0.51)	-	(0.51)
Mrs. Neera Gupta	-	0.28	-	0.28
	-	(0.30)	-	(0.30)
Mrs. Vandana Gupta	-	0.28	-	0.28
	-	(0.30)	-	(0.30)
Mrs. Meenakshi Gupta	-	0.28	-	0.28
	-	(0.30)	-	(0.30)
	-	1.56	0.90	2.46
	-	(1.42)	(0.63)	(2.05)

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Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
(₹ in crore)				
Handling charges				
APL Infrastructure Private Limited	-	-	0.58	0.58
	-	-	(0.97)	(0.97)
	-	-	0.58	0.58
	-	-	(0.97)	(0.97)
Sale of licenses				
Apollo Pipes Limited	-	-	1.53	1.53
	-	-	-	-
	-	-	1.53	1.53
	-	-	-	-
Salary				
Mr. Sanjay Gupta	3.00	-	-	3.00
	(2.40)	-	-	(2.40)
Mr. Ashok Kumar Gupta	-	-	-	-
	(0.16)	-	-	(0.16)
Mr. Rahul Gupta	-	0.30	-	0.30
	-	(0.12)	-	(0.12)
Mr. Vinay Gupta	-	1.56	-	1.56
	-	(0.84)	-	(0.84)
Mr. Sharad Mahendra	-	0.97	-	0.97
	-	-	-	-
Mr. Romi Sehgal	-	0.28	-	0.28
	-	-	-	-
	3.00	3.11	-	6.11
	(2.56)	(0.96)	-	(3.52)
Director's sitting fees				
Mr. Vinay Gupta	0.03	-	-	0.03
	(0.04)	-	-	(0.04)
Mr. Sameer Gupta	-	-	-	-
	(0.02)	-	-	(0.02)
	0.03	-	-	0.03
	(0.06)	-	-	(0.06)
Professional Charges				
Mr. Rahul Gupta	-	-	-	-
	-	(0.06)	-	(0.06)
	-	-	-	-
	-	(0.06)	-	(0.06)
Job work expenses				
Apollo Pipes Limited	-	-	0.03	0.03

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Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
				(₹ in crore)
	-	-	-	-
	-	-	0.03	0.03
	-	-	-	-
Advance given for purchase of property				
Mrs. Neera Gupta	-	3.00	-	3.00
	-	-	-	-
Mrs. Vandana Gupta	-	3.00	-	3.00
	-	-	-	-
Mrs. Meenakshi Gupta	-	3.00	-	3.00
	-	-	-	-
APL Infrastructure Private Limited	-	-	14.00	14.00
	-	-	-	-
Assawa Associates Private Limited	-	-	9.00	9.00
	-	-	-	-
	-	9.00	23.00	32.00
Refund of advance given for purchase of property				
Mrs. Neera Gupta	-	3.00	-	3.00
	-	-	-	-
Mrs. Vandana Gupta	-	3.00	-	3.00
	-	-	-	-
Mrs. Meenakshi Gupta	-	3.00	-	3.00
	-	-	-	-
APL Infrastructure Private Limited	-	-	14.00	14.00
	-	-	-	-
Assawa Associates Private Limited	-	-	9.00	9.00
	-	-	-	-
	-	9.00	23.00	32.00
Security given				
Mrs. Neera Gupta	-	3.00	-	3.00
	-	-	-	-
Mrs. Vandana Gupta	-	3.00	-	3.00
	-	-	-	-
Mrs. Meenakshi Gupta	-	3.00	-	3.00
	-	-	-	-
APL Infrastructure Private Limited	-	-	5.00	5.00
	-	-	-	-
	-	9.00	5.00	14.00
Trade receivables				
Apollo Pipes Limited	-	-	0.27	0.27

Notes

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Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
				(₹ in crore)
	-	-	-	-
	-	-	0.27	0.27
	-	-	-	-
Loan and advance receivables				
Mr. Sharad Mahendra	0.25	-	-	0.25
	-	-	-	-
	0.25	-	-	0.25
	-	-	-	-
Trade payables				
APL Infrastructure Private Limited	-	-	-	-
	-	-	(0.08)	(0.08)
Apollo Pipes Limited	-	-	-	-
	-	-	(0.76)	(0.76)
V.S. Exim Private Limited	-	-	-	-
	-	-	(0.06)	(0.06)
Mr. Sanjay Gupta	-	-	-	-
	-	-	(0.20)	(0.20)
Mr. Rahul Gupta	-	0.01	-	0.01
	-	(-0.01)	-	(-0.01)
	-	0.01	-	0.01
	-	(-0.01)	(1.11)	(1.09)
Advances				
APL Infrastructure Private Limited	-	-	0.03	0.03
	-	-	-	-
Apollo Pipes Limited	-	-	0.07	0.07
	-	-	-	-
	-	-	0.10	0.10
	-	-	-	-

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

- V. S. Exim Private Limited, a company under significant influence of directors, has also given corporate guarantee for credit facilities taken by the Company from banks. (See note 8 (i)) for credit facilities from bank outstanding as at 31 March 2017 is ₹ Nil (year ended 31 March, 2016 ₹ 82.95 crore). The corporate guarantee of V.S. Exim Private Limited has been released during the year.
- The term loan and other credit facilities of the Company are also secured by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta. During the year, the personal guarantee of Mr. Sameer Gupta has been discharged except from one bank. (see note 4 (ii) and 8 (i)).

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29.4 Earning per share:

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
(a) Profit for the year after tax (₹ in crore)	145.89	100.57
	145.89	100.57
(b) Weighted average no. of ordinary shares for basic EPS	23,527,243	23,438,636
Weighted average no. of Ordinary Shares for Diluted EPS	24,049,132	24,162,636
(c) Nominal value per ordinary share	10.00	10.00
(d) Basic earnings per ordinary share	62.01	42.91
(e) Diluted earnings per ordinary share	60.66	41.62

29.5 The Group has only one segment i.e, manufacturing of ERW steel tubes, therefore no further disclosure is required under Accounting Standard-17.

29.6 Prior period items include:

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Prior period expenses:		
Employee benefits expenses	-	1.32
Entry tax expenses - Cost of material consumed	-	0.19
Repair and Maintenance - Plant and machinery	-	0.02
Traveling and conveyance	-	0.01
Vehicle running expenses	-	0.01
Miscellaneous expenses	-	0.14
Freight outward	-	1.39
Business Promotion	3.00	-
	3.00	3.08
Prior period Income:		
Interest income from deposit from banks	-	0.34
Export Incentive	0.48	-
	0.48	0.34

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FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Net	2.52	2.74
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29.7 Depreciation expense during the year

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Depreciation on tangible assets (refer note 11)	50.41	33.78
Amortisation of intangible assets (refer note 11)	0.64	0.32
Depreciation on Investment Property (refer note 12)	0.15	-
Total	51.20	34.10

29.8 Goodwill on Consolidated

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Opening Balance	42.90	42.90
Add: On acquisition of Blue Ocean Projects Private Limited during the year	24.06	-
Total	66.96	42.90

29.9 The effect of acquisition of subsidiaries

The effect of acquisition of Blue Ocean Projects Private Limited on the financial position and results as included in the consolidated financial statements is given below:

(₹ in crore)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Liabilities as at 14 January, 2017	-	-
Non-current liabilities	-	-
Current liabilities	12.23	-
Assets as at 14 January, 2017	-	-
Non-current assets	10.68	-
Current assets	1.42	-
Revenue for the period ended	-	-
Expenses for the period ended	0.03	-
Profit / (Loss) before tax for the period ended	(0.03)	-
Profit / (Loss) after tax for the period ended	(0.03)	-

30 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated Profit or Loss	Amount (₹ in crore)
Parent				
APL Apollo Tubes Limited	61.23	441.07	(200.67)	(292.75)
Subsidiaries				
Indian				
1 Apollo Metalex Private Limited	10.68	76.94	64.42	93.98
2 Shri Lakshmi Metal Udyog Limited	7.04	50.70	122.71	179.02
3 Lloyds Line Pipes Limited	19.59	141.14	113.56	165.67
4 Blue Ocean Projects Private Limited	1.45	10.45	(0.02)	(0.03)

Notes

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Total	100.00	720.30	100.00	145.89
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31 Corporate Social Responsibility

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

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	(₹ in crore)	(₹ in crore)
Gross amount required to be spent by the Group during the year ended 31 March, 2017/31 March, 2016	2.57	2.09
Amount spent during the year on purposes other than construction/ acquisition of any asset	1.20	-

32 Details of Specified Bank Notes (SBN) held and transacted during the period 08 November, 2016 to 30 December, 2016 are as below:

Particulars	SBNs* (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08 November, 2016	753,500	889,465	1,642,965
(+) permitted receipts	-	2,458,000	2,458,000
(-) Permitted payments	-	2,679,916	2,679,916
(-) Amount deposited in Banks	753,500	-	753,500
Closing cash in hand as on 30 December, 2016	-	667,549	667,549

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 08 November, 2016.

33 Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/disclosure.

For and on behalf of the Board of Directors

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

Place: Ghaziabad
Date: 20 May, 2017

DEEPAK GOYAL
Chief Financial Officer

ADHISH SWAROOP
Company Secretary



**Small shifts in your thinking, and
small changes in your energy,
can lead to massive alterations of
your end result.**

– Kevin Michel



Disclaimer:

In this annual report we have disclosed forward-looking information to enable investor to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make content forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, failure events or otherwise.

WAREHOUSES- CUM-BRANCHES

Ahemdabad

BO. Block No. 240, Navpuara Taluka, Ahmedabad, Gujarat - 425418

Anantapur

21/1B, Uma Estates, Besides Nalanda Educational Institutes, Gooty Road, Ananthapur, Andhra Pradesh - 515001

Attibele

16, F-1, 2nd Main Road, Kiadb Industrial Area, Attibele, Bengaluru, Karnataka - 562107

Bengaluru

77-Re Sy No.77/1, Sy No.76, Hommadevanahalli, Village, B.G. Road, Bengaluru South, Karnataka - 562107

Chandigarh

SCO- 246, Pocket no 1, Manimajra, Chandigarh, Haryana - 160101

Cochin

B O : 33/2361-B1(A) Chalikavattom Near Idbi Bank, Vyttila Bye-Pass Ernakulam, Kochi, Kerala - 682001

Dehradun

Mohobewala, Subhash Nagar, B/h B.M. Hyundai Showroom, Dehradun, Uttarakhand - 248001

Faridabad

12-13, Sahpur Road, Ballabhgarh, Haryana - 121004

Ghaziabad

Plot No.-5, Gate No.-3, Prakash Industrial Estate, Ghaziabad, Uttar Pradesh - 201010

Goa

Mushir Wada, Colvale, Bardez Goa (N), Goa - 403108

Himachal Pradesh

Trilokpur Road, Kala Amb, Sirmour, Himachal Pradesh - 173030

Hyderabad

154, Doolapally, Qutubullapur, Mandal, Rangareddy, Hyderabad, Telangana - 500074

Indore

13-A, Udyog Nagar, Behind old lakhani factory, Nemawar road, Palda, Indore, Madhya Pradesh - 452001

Jaipur

Sikar Road, Rajawas, Near Bus Stand, Jaipur, Rajasthan - 302001

Jammu

Near Railway Bridge, Permandal Morh, Birpur Road, Jammu, Jammu & Kashmir - 180010

Kanpur

128/69, 'D' Block, Kidwai Nagar, Kanpur, Uttar Pradesh - 208001

Karnal

Opp. Bansal Rice Mill, New Grain Market, GT Road, Karnal, Haryana - 132001

Loha Mandi

14/1 SS GT Road, Industrial area, Ghaziabad, Uttar Pradesh - 201009

Ludhiana (Punjab)

41, Vil: Khakat, G.T. Road, Sahnewal, Ludhiana, Punjab - 141120

Mandi Gobindgarh

Plot No-6, Sector-18, GT Road, Near Vimal Kanta, Punjab - 147301

Mumbai

Kwc-1694 To 1698 Road No.21 & 22, Steel Market, Kalamboli, Navi Mumbai, Maharashtra - 400709

Nagpur

895, Plot No.15 & 24 Near Avatar Dhaba, Amravati Road, Wardhman, Nagpur, Maharashtra - 440008

New Delhi

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

Panchkula

Plot No. -21, Industrial Area, Phase-II, Panchkula, Haryana - 134113

Pune

Handewadi Road, Vill: Devachi & Uruli, Pune, Maharashtra - 412308

Rudrapur

Khasra No. 37/3 Rampura, Bhurarani road, Rudrapur, Uttarakhand - 263153

Vijayawada

R.S. 48/1, 48/3, 26/1 Bhavanipuram byepass, besides Reliance Super Market, Vijayawada, Andhra Pradesh - 520012



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Website: www.aplapollo.com