

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Apollo Tricoat Tubes Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Apollo Tricoat Tubes Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>Revenue for the Company consists primarily of sale of steel tubes and GP coils recognized in accordance with the accounting policy described in Note (i) to the accompanying financial statements. Refer Note 26 for details of revenue recognized during the year.</p> <p>Revenue recognition involves certain key judgments relating to identification of contracts with customers, identification of distinct performance obligations, determination of transaction price for the contract factoring in the consideration payable to customers (such as discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>Revenue is recognised when (or as) a performance obligation is satisfied i.e., when 'control' of the goods underlying the particular performance obligation is transferred to the customer.</p> <p>The Company and its external stakeholders focus on revenue as a key performance measure, which could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Further, there were considerable auditor efforts involved in testing of revenue transactions recorded during the year due to the large volume involved.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. Tested the design, implementation and operating effectiveness of key internal controls relating to revenue recognition. Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents of the sale. Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized. Performed substantive analytical procedure which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors. Assessed the Company's processes and tested the appropriateness of accruals for discounts as at the year-end as per the related policies. Circularized balance confirmations (including transactions during the year) to a sample of customers and reviewed the reconciling items, if any. Assessed that the disclosures made by the management are in accordance with applicable Indian accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Director's Report, but does not include the financial statements and our auditor's report thereon. The Management Discussion



Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

and Analysis, Report on Corporate Governance and Director's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, VAPS & Company, who have expressed an unmodified opinion on those financial statements vide their audit report dated 30 April 2020.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.



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Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 03 May 2021 as per Annexure B expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Neeraj Sharma

Partner

Membership No.: 502103

UDIN: 21502103AAAAAU8232



Place: New Delhi

Date: 03 May 2021

Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (including right-of-use assets).
- (b) The Company has a regular program of physical verification of its property, plant and equipment (including right-of-use assets) under which property, plant and equipment (including right-of-use assets) are verified in a phased manner over a period of 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment (including right-of-use assets) were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute.



Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Sharma

Partner

Membership No.: 502103

UDIN: 21502103AAAAAU8232



Place: New Delhi

Date: 03 May 2021

Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Apollo Tricoat Tubes Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. These 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to financial statements.



Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 'ICAI'.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Sharma

Partner

Membership No.: 502103

UDIN: 21502103AAAAAU8232



Place: New Delhi

Date: 03 May 2021

APOLLO TRICOAT TUBES LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Notes	Amount in ₹ lakhs	
		As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	32,293.48	28,811.16
(b) Capital work-in-progress		1,238.54	136.17
(c) Intangible assets	3	21.17	33.94
(d) Right of use assets	37	1,346.66	1,363.85
(e) Financial assets			
(i) Other financial assets	4	175.33	175.54
(f) Other non-current assets	5	339.85	1,072.20
Total non-current assets		35,415.03	31,592.86
(2) Current assets			
(a) Inventories	6	6,438.75	7,678.77
(b) Financial assets			
(i) Trade receivables	7	1,162.51	3,794.21
(ii) Cash and cash equivalents	8	979.83	476.14
(iii) Loans	9	4.88	12.89
(iv) Other financial assets	10	39.62	1.00
(c) Other current assets	11	1,601.79	1,951.67
Total current assets		10,227.38	13,914.68
Total assets		45,642.41	45,507.54
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12	608.00	608.00
(b) Other equity	13	29,817.59	19,346.76
Total equity		30,425.59	19,954.76
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	4,898.91	9,820.00
(ii) Lease liabilities	15	-	3.60
(b) Provisions	16	87.63	28.37
(c) Deferred tax liabilities (net)	17	1,212.48	767.11
(d) Other non-current liabilities	18	2,073.01	1,086.93
Total non-current liabilities		8,272.83	12,306.01
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	456.48
(ii) Trade payable	20	-	-
-Total outstanding dues of micro and small enterprises		80.40	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		3,309.11	11,243.12
(iii) Lease liabilities	21	5.71	5.40
(iv) Other financial liabilities	22	1,510.31	1,160.06
(b) Other current liabilities	23	1,842.28	219.84
(c) Provisions	24	26.10	9.98
(d) Current tax liabilities (net)	25	170.08	151.89
Total current liabilities		6,943.99	13,246.77
Total equity and liabilities		45,642.41	45,507.54

See accompanying notes to the financial statements
As per our report of even date attached.

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For Walker Chandio & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013

Neeraj Sharma
Partner
Membership No. 502103



For and on behalf of the Board of Directors of
Apollo Tricoat Tubes Ltd.

Rahul Gupta
Managing Director
DIN: 07151792

Nandlal Bansal
Chief Financial Officer

Romi Sehgal
Whole Time Director
DIN: 03320454

Surbhi Arora
Company Secretary

Place : New Delhi
Date : May 03, 2021

Place : Ghaziabad
Date : May 03, 2021

Membership No.
A33370

APOLLO TRICOAT TUBES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in ₹ lakhs

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	26	1,47,281.05	66,325.06
II Other income	27	179.64	113.97
III Total income (I + II)		1,47,460.69	66,439.03
IV Expenses			
(a) Cost of materials consumed	28	1,08,721.47	51,058.78
(b) Purchase of stock-in-trade		12,286.07	4,910.89
(c) Changes in inventories of finished goods, stock-in-trade and rejection and scrap	29	(773.04)	(2,235.70)
(d) Employee benefits expense	30	1,904.62	1,211.73
(e) Finance costs	31	970.28	601.10
(f) Depreciation and amortisation expense	32	1,652.74	1,012.91
(g) Other expenses	33	8,773.45	3,955.51
Total expenses		1,33,535.59	60,515.22
V Profit before tax (III - IV)		13,925.10	5,923.81
VI Tax expense:			
(a) Current tax		3,024.91	977.85
(b) Deferred tax	17	455.65	719.64
(c) Adjustment of tax relating to earlier periods		(56.56)	-
Total tax expense	35	3,424.00	1,697.49
VII Profit for the year (V-VI)		10,501.10	4,226.32
VIII Other comprehensive income			
Items that will not be reclassified to profit and loss			
(a) Remeasurements of post employment benefit obligation		(40.45)	(2.09)
(b) Income tax relating to above item		10.18	0.53
Other comprehensive income for the year		(30.27)	(1.56)
IX Total comprehensive income for the year (VII+VIII)		10,470.83	4,224.76
X Earnings per equity share of face value of ₹ 2 each			
(a) Basic (in ₹)	36	34.54	14.01
(b) Diluted (in ₹)	36	34.54	14.01

See accompanying notes to the financial statements
As per our report of even date attached.

1-47

For Walker Chandio & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013


Neeraj Sharma
Partner
Membership No. 502103




**For and on behalf of the Board of Directors of
Apollo Tricoat Tubes Ltd.**


Rahul Gupta
Managing Director
DIN: 07151792


Nandlal Bansal
Chief Financial Officer

Place : Ghaziabad
Date : May 03, 2021


Romi Sehgal
Whole Time Director
DIN: 03320454


Surbhi Arora
Company Secretary

Membership No.
A33370

Place : New Delhi
Date : May 03, 2021

APOLLO TRICOAT TUBES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(a) Equity share capital

Amount in ₹ lakhs

Particulars	Amount
Balance as at March 31, 2019	554.00
Changes during the year ended March 31, 2020	54.00
Balance as at March 31, 2020	608.00
Changes during the year ended March 31, 2021	-
Balance as at March 31, 2021	608.00

(b) Other equity

Amount in ₹ lakhs

Particulars	Reserves and surplus				Total
	Securities premium	Money received against share warrant	Capital reserve	Retained earnings	
Balance as at April 01, 2019	10,856.00	840.00	-	1,050.00	12,746.00
Profit for the year ended March 31, 2020	-	-	-	4,226.32	4,226.32
Other comprehensive income for the year (net of tax)	-	-	-	(1.56)	(1.56)
Share issued during the year	3,186.00	(810.00)	-	-	2,376.00
Share warrants forfeited during the year	-	(30.00)	30.00	-	-
Opening balance as at April 01, 2020	14,042.00	-	30.00	5,274.76	19,346.76
Profit for the year ended March 31, 2021	-	-	-	10,501.10	10,501.10
Other comprehensive income for the year (net of tax)	-	-	-	(30.27)	(30.27)
Balance as at March 31, 2021	14,042.00	-	30.00	15,745.59	29,817.59

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Reg. No. 001076N/N500013



Neeraj Sharma

Partner

Membership No. 502103



**For and on behalf of the Board of Directors of
Apollo Tricoat Tubes Ltd.**



Rahul Gupta

Managing Director

DIN: 07151792



Nandlal Bansal

Chief Financial Officer

Place : Ghaziabad

Date : May 03, 2021



Romi Sehgal

Whole Time Director

DIN: 03320454



Surbhi Arora

Company Secretary

Membership No. A33370

Place : New Delhi

Date : May 03, 2021

APOLLO TRICOAT TUBES LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

Amount in ₹ lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities		
Net profit before tax	13,925.10	5,923.81
Adjustments for		
Depreciation and amortisation expense	1,652.74	1,012.91
Profit on sale of property, plant and equipment	(0.06)	-
Bad debts written off	1.16	-
Unrealized (gain)/loss on foreign exchange fluctuations	(2.95)	0.90
Finance cost	970.28	601.10
Interest income	-	(17.73)
Unwinding of deferred income	(102.47)	(79.19)
Operating profit before working capital changes	16,443.80	7,441.80
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories	1,240.02	(6,890.03)
Trade receivables	2,630.53	(3,641.05)
Current loans and other financial assets	(30.62)	483.89
Non-current other financial assets	0.21	(90.22)
Other current assets	349.89	(907.17)
Other non-current assets	7.98	1,318.95
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	(7,850.66)	11,121.94
Other current liabilities	1,602.85	(1,597.54)
Other current financial liabilities	-	(100.00)
Provisions	34.92	30.97
Cash generated from operations	14,428.92	7,171.54
Net income tax paid	(2,950.25)	(850.50)
Net cash flow from operating activities (A)	11,478.67	6,321.04
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets*	(5,024.87)	(13,427.59)
Proceeds from sale of property, plant and equipment	59.11	-
Interest received	-	17.73
Net cash flow used in investing activities (B)	(4,965.76)	(13,409.86)
C. Cash flow from financing activities		
Proceeds from/ (repayment) of current borrowings (net)	(456.48)	(2,090.88)
Proceeds from issue of equity share capital	-	2,430.00
Finance charges paid	(952.22)	(563.89)
Payment of lease liabilities	(3.84)	(5.40)
Repayment of long-term borrowings	(11,201.68)	(209.35)
Receipts from long-term borrowings	6,605.00	8,000.00
Net cash flow (used in)/ generated from financing activities (C)	(6,009.22)	7,500.48
Net increase in cash and cash equivalents (A+B+C)	503.69	471.66
Cash and cash equivalents at the beginning of the year	176.14	1.40
Cash and cash equivalents at the end of the year	979.83	476.14
Cash and cash equivalents comprises		
Cash in hand	0.17	1.38
Balance with scheduled banks		
-In current accounts	979.66	474.76
Total cash and cash equivalents	979.83	476.14

*Including adjustments on account of capital work in progress, capital advances and capital creditors


Refer note 44 for reconciliation of liabilities arising from financing activities.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7, "Statement of Cash flows".

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013


Neeraj Sharma
Partner
Membership No. 502103


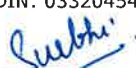


For and on behalf of the Board of Directors of Apollo Tricoat Tubes Ltd.


Rahul Gupta
Managing Director
DIN: 07151792

Nandlal Bansal
Chief Financial Officer

Place : Ghaziabad
Date : May 03, 2021


Romi Sehgal
Whole Time Director
DIN: 03320454

Surbhi Arora
Company Secretary

Membership No. A33370

Place : New Delhi
Date : May 03, 2021

1.(i) Company background

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

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 03, 2021.

(ii) Significant Accounting Policies

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

(a) Statement of compliance

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

(b) Basis of preparation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(c) Use of estimates and critical accounting judgements

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

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

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

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

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

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



Income Taxes

Deferred tax assets and liabilities are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.

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

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

Fair value measurement of financial instruments

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

(d) Operating cycle

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

(e) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

(ii) Transactions and balances

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

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

(f) Revenue recognition

The revenue is recognised once the entity satisfied that the performance obligation and control are transferred to the customers.

(i) Sale of goods

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

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

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

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

(ii) Interest income

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

(iii) Services rendered

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.



(g) Income tax

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

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

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

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

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(h) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

(i) Leases

As a lessee

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

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

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

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



The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(j) Impairment of assets

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

Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

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

(k) Cash and cash equivalents and Cash Flow Statement

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

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

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

(l) Inventories

Raw materials and stores, traded and finished goods

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

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

Rejection and scrap

Rejection and scrap are valued at net realisable value.

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

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

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

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

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

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

The Company has a policy of capitalizing insurance spares having value more than or equal to ₹ 1 lakh.

Capital work-in-progress

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

Depreciation methods, estimated useful lives and residual value

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

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

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

- (a) Buildings- 10 to 60 years
- (b) Roads- 10 years
- (c) Plant and machinery used in manufacturing of pipe 10-20 years
- (d) Other plant and machinery- 2 to 10 years
- (e) Vehicles- 8 years
- (f) Furniture and fixtures- 10 years
- (g) Office equipment 2.5 years
- (h) Computer and server- 3 to 6 years

(n) Intangible assets

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.

(o) Earnings per share

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

(p) Provisions

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

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

(q) Contingent liabilities

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

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



(r) Employee benefits

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

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

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

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

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

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

(s) Borrowings

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

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

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

(t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.



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

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

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

A. Investments and other financial assets

(i) Classification

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

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

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

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

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

(a) Debt instruments

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

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

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

(b) Equity instruments

The equity instruments can be classified as:

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

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

(ii) Measurement

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

Debt instruments

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

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

Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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



Investment in equity shares

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

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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the Company determines whether there has been a significant increase in credit risk.

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

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

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

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

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

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when:

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

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

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

B. Financial Liabilities

(i) Classification

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

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

(ii) Measurement

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

Financial liabilities measured at fair value through profit or loss:

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

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



Financial liabilities measured at Amortized Cost :

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

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

(iii) De-recognition of financial liability

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

(t) Offsetting financial instruments

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

(u) Segment information

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

(v) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of schedule III of the Act unless otherwise stated.

(w) Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work in progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

-Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



Note 2 : Property, plant and equipment

Particulars	Freehold land	Buildings	Furniture and fixtures	Plant and machinery	Office equipment	Vehicles	Total
Year ended March 31, 2020							
Gross carrying amount							
Opening gross carrying amount	2,025.14	806.40	32.21	6,595.68	33.50	27.11	9,520.04
Additions for the year	-	4,232.03	47.95	15,952.78	95.30	31.30	20,359.36
Transfer (regrouping of assets)	(595.68)	-	-	-	-	-	(595.68)
Additional (regrouping of assets)	-	595.68	-	-	-	-	595.68
Reclassification on account of adoption of Ind AS 116	-	-	-	-	-	(11.58)	(11.58)
Closing gross carrying amount	1,429.46	5,634.11	80.16	22,548.46	128.80	46.83	29,867.82
Accumulated depreciation							
Opening accumulated depreciation	-	27.35	5.13	37.16	2.42	1.19	73.25
Depreciation charge for the year	-	112.73	5.18	845.04	17.10	3.80	983.85
Reclassification on account of adoption of Ind AS 116	-	-	-	-	-	(0.44)	(0.44)
Closing accumulated depreciation	-	140.08	10.31	882.20	19.52	4.55	1,056.66
Net carrying amount as on March 31, 2020	1,429.46	5,494.03	69.85	21,666.26	109.28	42.28	28,811.16
Year ended March 31, 2021							
Gross carrying amount							
Opening gross carrying amount	1,429.46	5,634.11	80.16	22,548.46	128.80	46.83	29,867.82
Additions for the year	-	304.11	32.49	4,669.06	13.96	141.10	5,160.72
Disposals for the year	-	-	-	(62.24)	-	-	(62.24)
Closing gross carrying amount	1,429.46	5,938.22	112.65	27,155.28	142.76	187.93	34,966.30
Accumulated depreciation							
Opening accumulated depreciation	-	140.08	10.31	882.20	19.52	4.55	1,056.66
Reversal on disposals for the year	-	-	-	(3.19)	-	-	(3.19)
Depreciation charge for the year	-	199.12	9.24	1,369.43	31.83	9.73	1,619.35
Closing accumulated depreciation	-	339.20	19.55	2,248.44	51.35	14.28	2,672.82
Net carrying amount as on March 31, 2021	1,429.46	5,599.02	93.10	24,906.84	91.41	173.65	32,293.48



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 3 : Intangible assets

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Computer software		
Year ended March 31, 2020		
Gross carrying amount		
Opening gross carrying amount		28.08
Additions for the year		19.50
Closing gross carrying amount		47.58
Accumulated amortisation		
Opening accumulated amortisation		1.85
Amortisation for the year		11.79
Closing accumulated amortisation		13.64
Net carrying amount as on March 31, 2020		33.94
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	47.58	
Additions for the year	3.43	
Closing gross carrying amount	51.01	
Accumulated amortisation		
Opening accumulated amortisation	13.64	
Amortisation for the year	16.20	
Closing accumulated amortisation	29.84	
Net carrying amount as on March 31, 2021	21.17	

Note 4 : Other financial assets (non- current)

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Security deposit	175.33	175.54
Total	175.33	175.54

Note 5 : Other non-current assets

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
(a) Capital advances	327.91	1,052.28
(b) Prepaid expenses	11.94	19.92
Total	339.85	1,072.20

Note 6 : Inventories (refer note 1 (I))

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Raw material (including stock-in-transit)	2,678.96	4,526.32
Finished goods (including stock-in-transit)	3,065.14	2,217.43
Stores and spares	619.40	785.10
Rejection and scrap (including stock-in-transit)	75.25	149.92
Total	6,438.75	7,678.77

Notes :

(i) Cost of inventory recognised as expense during the year amounted to ₹ 1,22,723.90 lakhs (March 31, 2020 : ₹54,310.04 lakhs).

(ii) **Details of stock-in-transit**

Raw material	84.18	-
Finished goods	1,217.53	98.54
Rejection and scrap	6.72	-

Note 7 : Trade receivables

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
(i) Related parties (Refer note 38)	142.13	227.34
(ii) Other than related parties	1,020.38	3,566.87
Total	1,162.51	3,794.21

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



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	Amount in ₹ lakhs
	As at March 31, 2021
Customer A	177.92
Customer B	170.39
Customer C	132.74
Customer D	130.06
	611.11
% of total trade receivables	52.57%

Particulars	Amount in ₹ lakhs
	As at March 31, 2020
Customer A	1,356.55
Customer B	832.10
	2,188.65
% of total trade receivables	57.68%

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

Particulars	Amount in ₹ lakhs		
	Gross credit risk	Allowance for credit losses (refer note 42 (b))	Net credit risk
Amounts not yet due	1,020.43	-	1,020.43
0-90 days overdue	142.08	-	142.08
	1,162.51		1,162.51

Particulars	Amount in ₹ lakhs		
	Gross credit risk	Allowance for credit losses (refer note 42 (b))	Net credit risk
Amounts not yet due	3,639.62	-	3,639.62
0-90 days overdue	152.62	-	152.62
91-180 days overdue	0.81	-	0.81
181-270 days overdue	-	-	-
271-365 days overdue	1.16	-	1.16
	3,794.21		3,794.21

Note 8 : Cash and cash equivalents

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.17	1.38
Balances with banks -current accounts	979.66	474.76
Total	979.83	476.14

Note 9 :Loans (current)

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Loans to employees	4.88	12.89
Total	4.88	12.89

Note 10 : Other financial assets (current)

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Security deposit	1.00	1.00
Claim receivables	38.62	-
Total	39.62	1.00

Note 11 : Other current assets

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	5.81	22.37
Balances with government authorities	-	1,701.28
Sales tax appeal	-	13.12
Considered doubtful	13.12	-
Less : Provision made during the year	(13.12)	-
Advances to suppliers	1,595.97	212.24
Advances to employees	0.01	2.66
Total	1,601.79	1,951.67



Note 12 : Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
(a) Share capital				
(i) Authorised capital				
Equity shares of ₹ 2 each	3,25,00,000	650.00	3,25,00,000	650.00
	3,25,00,000	650.00	3,25,00,000	650.00
(ii) Issued capital				
Equity shares of ₹ 2 each	3,04,00,000	608.00	3,04,00,000	608.00
	3,04,00,000	608.00	3,04,00,000	608.00
(iii) Subscribed and fully paid up capital				
Equity shares of ₹ 2 each with voting rights	3,04,00,000	608.00	3,04,00,000	608.00
	3,04,00,000	608.00	3,04,00,000	608.00

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares with voting rights				
Outstanding at the beginning of the year	3,04,00,000	608.00	2,77,00,000	554.00
Add: Issued during the year	-	-	27,00,000	54.00
Outstanding at the end of the year	3,04,00,000	608.00	3,04,00,000	608.00

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Saket Agarwal	-	-	35,48,321	11.67
Shri Lakshmi Metal Udyog Limited (Holding Company)	1,69,70,000	55.82	1,54,60,000	50.86

* As per the records of the Company including its register of member.

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.

- (e) During the quarter ended December 31, 2018, Shri Lakshmi Metal Udyog Limited ('SLMUL'), a wholly owned subsidiary of the APL Apollo Tubes Limited entered into a share purchase agreement for the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of Apollo Tricoat Tubes Limited ('the Company'). Pursuant to the said agreement, SLMUL made an open offer, which got completed on February 01, 2019. During the offer period, SLMUL acquired 13,25,000 equity shares from open market and 15,36,209 equity shares were tendered under open offer, aggregating to 28,61,209 equity shares, representing 10.33 % of the paid up share capital of the Company as on March 31, 2019. During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of the Company. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 1,51,91,239 equity shares representing 50.56% of paid up share capital of the Company. Accordingly, the Company became a subsidiary of SLMUL with effect from June 17, 2019.

Subsequent to June 17, 2019, SLMUL further acquired 17,78,761 equity shares of the Company. As at March 31, 2021, SLMUL holds 1,69,70,000 equity shares representing 55.82% of paid up share capital of the Company.

Note 13 : Other equity

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Securities premium	14,042.00	14,042.00
Retained earnings	15,745.59	5,274.76
Capital reserve	30.00	30.00
Share warrants outstanding account	-	-
Total	29,817.59	19,346.76

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
(1) Securities premium		
Balance at the beginning of the year	14,042.00	10,856.00
Add: addition during the year	-	3,186.00
Balance at the end of the year	14,042.00	14,042.00
(2) Retained earnings		
Balance at the beginning of the year	5,274.76	1,050.00
Add: addition during the year	10,470.83	4,224.76
Balance at the end of the year	15,745.59	5,274.76
(3) Capital reserve		
Balance at the beginning of the year	30.00	-
Add: addition during the year	-	30.00
Balance at the end of the year	30.00	30.00
(4) Share warrants outstanding account		
Balance at the beginning of the year	-	840.00
Less: share issued during the year	-	(840.00)
Balance at the end of the year	-	-

Nature and purpose of reserves

- (i) **Securities premium:** Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 ("the Companies Act").
- (ii) **Retained earnings:** It represents unallocated / undistributed profits of the Company. The same is available for distribution.
- (iii) **Capital reserve:** Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.
- (iv) **Items of other comprehensive income :** It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.
- (v) **Share warrants outstanding account:** Share warrant issued in earlier years were converted into equity shares.



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 14 : Borrowings (non- current)

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Term loan:		
- From bank	4,898.91	9,820.00
Secured (refer note below)		
Total	4,898.91	9,820.00

Particulars	Amount in ₹ lakhs		
	As at March 31, 2021	As at March 31, 2020	
	Non-current borrowing	Non-current borrowing	Current maturities of non-current borrowings
	3,750.00	5,070.00	730.00

Term loan from bank are secured as follows:

Term loan -1

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 19 quarterly installments commencing from June 2021 and ending in December 2025. Applicable Rate of interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

Term loan -2

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 9 unequal half yearly installments commencing from May 2021 and ending in May 2025. Applicable rate of interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

Vehicle loan from bank are secured as follows:

Vehicle Loan is secured by way of hypothecation of respective vehicle and repayable in 36 monthly installments commencing from February 2021. As on March 31, 2021 there were 34 installments outstanding. Applicable rate of interest is 7.75% p.a.

3.19

1.56

Note 15 : Lease liabilities (non- current)

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
On account of		
- Building	-	0.85
-Vehicle	-	2.75
Total	-	3.60

Note 16 : Provisions (non- current)

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences	40.42	14.72
Provision for gratuity (refer note 40)	47.21	13.65
Total	87.63	28.37



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 17 : Deferred tax liabilities / assets (net)

(a)	Component of deferred tax assets and liabilities are :-	Amount in ₹ lakhs	
Particulars	As at March 31, 2021	As at March 31, 2020	
(i) Deferred tax liabilities on account of :			
- Property, plant and equipment and intangible assets	1,244.50	776.77	
Total deferred tax liabilities (A)	1,244.50	776.77	
(ii) Deferred tax assets on account of :			
- Provision for employee benefit expenses	28.72	9.66	
- Provision for sales tax	3.30	-	
Total deferred tax assets (B)	32.02	9.66	
Deferred tax liabilities (net)[A-B]	1,212.48	767.11	
(b)	Movement in deferred tax liabilities / asset	Amount in ₹ lakhs	
Particulars	As at March 31, 2019	Recognised in profit and loss	Recognised in other comprehensive income
			As at March 31, 2020
Deferred tax liabilities (A)			
Property, plant and equipment and intangible assets	122.25	654.52	776.77
Total	122.25	654.52	776.77
Deferred tax assets (B)			
Provision for employee benefit expenses	1.47	7.66	9.66
Minimum alternate Tax	72.78	(72.78)	-
Total	74.25	(65.12)	9.66
Deferred tax liabilities (Net - A-B)	48.00	719.64	767.11
Movement in deferred tax liabilities / asset			
Particulars	As at March 31, 2020	Recognised in profit and loss	Recognised in other comprehensive income
			Amount in ₹ lakhs As at March 31, 2021
Deferred tax liabilities (A)			
Property, plant and equipment and intangible assets	776.77	467.73	1,244.50
Total	776.77	467.73	1,244.50
Deferred tax assets (B)			
Provision for employee benefit expenses	9.66	8.78	28.72
Provision for sales Tax	-	3.30	3.30
Total	9.66	12.08	32.02
Deferred tax liabilities (net - A-B)	767.11	455.65	1,212.48

Note (i) : Refer note 35 for effective tax reconciliation

Note (ii) : In previous year, the Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totaling to 25.17%). Accordingly, the Company has recognised provision for income-tax for the year ended March 31, 2020 and March 31, 2021 basis the revised rates. The Company has also remeasured its deferred tax liability on the basis of the reduced rate.



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 18 : Other non-current liabilities

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Deferred income*	2,073.81	1,686.93
	2,073.81	1,686.93

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

Note 19 : Borrowings (current)

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Loan repayable on demand		
- From bank (Secured)	-	456.48
Cash credit	-	-
Total	-	456.48

Cash credit and working capital facilities of Apollo Tricoat Tubes Limited from banks are secured by first pari passu charge on entire present and future current assets and second charge on entire present and future property, plant and equipment of the manufacturing unit situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited) and corporate guarantee of APL Apollo Tubes Limited, the ultimate holding Company. Applicable rate of interest is 8.55% - 9.35% p.a (March 31, 2020: 9.35% - 10.00% p.a.).

Note 20 : Trade payables

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Outstanding dues to micro and small enterprises (refer note a)	80.40	-
Outstanding dues of creditors other than micro enterprises and small enterprises	3,309.11	11,243.12
Total	3,389.51	11,243.12

The amount due to micro and small enterprises as defined in "The Micro, Small and Medium Enterprises Development act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Note a

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprise	80.40	-
-Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note 21 : Lease liabilities (current)

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
On account of		
- Building (refer note 37)	2.81	1.93
- Vehicle (refer note 37)	2.90	3.47
Total	5.71	5.40

Note 22 : Other financial liabilities (current)

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Current maturities of long term debts (refer note 14)	1,304.42	980.00
Capital creditors	162.73	154.42
Interest accrued but not due	43.16	25.64
Total	1,510.31	1,160.06

Note 23 : Other current liabilities (current)

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Statutory dues payable	998.47	66.29
Advance from customers	730.31	60.17
Advance from employees	0.76	0.24
Deferred income**	112.74	93.14
Total	1,842.28	219.84

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

Note 24 : Provisions (current)

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Provision for compensated absences	5.76	9.82
Provision for gratuity (refer note 40)	20.34	0.16
Total	26.10	9.98

Note 25 : Current tax liabilities (net)

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Provision for tax (net of prepaid taxes ₹ 2,862.61 lakhs, March 31, 2020 ₹ 811.48 lakhs)	170.08	151.89
Total	170.08	151.89



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 26 : Revenue from operations

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	1,41,077.99	63,711.51
Other operating revenue *	6,203.06	2,613.55
Total	1,47,281.05	66,325.06

Disclosure on revenue pursuant to Ind AS 115- Revenue from contract with customers:

(i) Reconciliation of revenue recognised with contract price :

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract price	1,44,500.22	65,495.09
Adjustments for:		
Discount and incentives	(3,422.23)	(1,783.58)
Revenue from operations	1,41,077.99	63,711.51

(ii) Change in the contract liabilities balances during the year are as follows:

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	60.17	-
Addition during the year	730.31	60.17
Revenue recognised during the year	(60.17)	-
Balance at the closing of the year	730.31	60.17

*** Other operating revenue**

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of scrap	4,115.39	2,248.48
Job work	2,087.67	365.07
Total	6,203.06	2,613.55

Note 27 : Other income

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income - fixed deposit with banks	-	17.73
Profit on foreign currency transactions (net)	53.12	-
Miscellaneous income*	126.52	96.24
Total	179.64	113.97

* Miscellaneous income includes unwinding of deferred income ₹ 102.47 lakhs (March 31, 2020 ₹ 79.19 lakhs)

Note 28 : Cost of material consumed

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw material		
Inventories of raw material at the beginning of the year	4,526.32	657.11
Add : Purchases during the year (net)	1,19,160.18	59,838.88
Less : Inventories of raw material at the end of the year	2,678.96	4,526.32
Total	1,21,007.54	55,969.67

Note 29 : Changes in Inventories of finished goods, stock-in-trade and rejection and scrap

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	3,065.14	2,217.43
Rejection and scrap	75.25	149.92
	3,140.39	2,367.35
Inventories at the beginning of the year:		
Finished goods	2,217.43	114.93
Rejection and scrap	149.92	16.72
	2,367.35	131.65
Total	(773.04)	(2,235.70)

Note 30 : Employee benefits expense

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	1,821.89	1,154.43
Contribution to provident and other funds	66.09	46.30
Staff welfare expenses	16.64	11.00
Total	1,904.62	1,211.73

During the year, the Company recognized an amount of ₹ 248.20 lakhs (Year ended March 31, 2020 ₹ 174.19 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below

- Short term employee benefits	219.45	164.30
- Post employment benefits	6.99	9.01
- Other long term employee benefits	21.76	0.88
Total	248.20	174.19

Note 31 : Finance costs

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest expense :		
- Term loan	554.20	341.83
- Interest on cash credit	54.67	99.59
- delayed payment of income tax	52.45	-
- On account of Ind AS 116 "Leases" (refer note 37)	0.55	1.02
(b) Other borrowing costs	308.41	158.66
Total	970.28	601.10



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 32 : Depreciation and amortisation expense

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 2)	1,619.35	983.85
Amortisation of intangible assets (refer note 3)	16.20	11.79
Depreciation on right of use assets (refer note 37)	17.19	17.27
Total	1,652.74	1,012.91

Note 33 : Other expenses

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores and spare parts	2,489.40	576.07
Power and fuel	2,016.11	1,010.53
Rent expense (refer note 37)	0.42	0.15
Legal and professional charges*	61.22	64.87
Repair and maintenance:		
-Building	16.36	-
-Plant and machinery	125.30	-
-Others	74.19	11.36
Insurance expenses	26.81	3.55
Rates and taxes	14.17	14.10
Freight outward	2,977.50	1,408.62
Advertisement and sales promotion	99.39	77.46
Job work charges	11.48	25.91
Corporate social responsibility expenses (refer note 34)	48.52	-
Loss on foreign currency transactions (net)	-	0.90
Travelling and conveyance	7.94	30.82
Security services	54.78	27.03
Director sitting fee	16.50	9.32
Management support services	357.06	505.85
Miscellaneous expenses	376.30	188.97
Total	8,773.45	3,955.51

*Legal and professional charges include auditor's remuneration as follows:

To Statutory auditors

For audit (including quarterly reviews)	14.00	1.00
For taxation matters	-	1.00
For GST audit	-	0.50
For reimbursement of expenses	0.08	0.18

Note 34 : Corporate social responsibility

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

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company during the year	48.52	10.51
Amount spent during the year on the following:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	41.00	-
Total	41.00	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred the unspent amount of ₹ 8.00 lakhs to a separate bank account subsequent to the balance sheet date.

Note 35 : Income tax expense

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
Current tax on profits for the year	3,024.91	977.85
Adjustments for current tax of prior periods	(56.56)	-
Total current tax expense	2,968.35	977.85
Deferred tax		
Increase in deferred tax liabilities	455.65	719.64
Total tax expense	3,424.00	1,697.49

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for the year ended March 31, 2021:

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax as per statement of profit and loss	13,925.10	5,923.81
Enacted tax rates in India	25.17%	25.17%
Computed expected income tax expense	3,504.67	1,490.91
Non deductible expenses	31.29	209.69
Utilisation of previously unrecognized tax losses	-	(33.49)
Income not chargeable to tax	(1.81)	-
Other adjustments	(53.59)	30.38
Tax expense as reported	3,480.56	1,697.49
Effective tax rate	24.99%	28.66%



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 36 : Earnings per share

Particulars	Amount in ₹ lakhs	
	Year ended March 31, 2021	Year ended March 31, 2020
Basic and diluted earnings per share		
Profit attributable to equity shareholders- (A)	1,05,01,09,849	42,26,31,600
Equity shares outstanding at the beginning of the year	3,04,00,000	2,77,00,000
Add: Weighted average number of equity shares issued during the year	-	27,00,000
The weighted average number of equity shares outstanding during the year- (B)	3,04,00,000	3,04,00,000
Basic and diluted earnings per share of ₹ 2/- each (March 31, 2020: ₹ 2/- each)- (A) / (B)	34.54	14.01

The Company does not have any potential equity shares and thus, weighted average number of equity shares for computation of basic earnings per share and diluted earnings per share remains same.

Note 37 : Disclosure on lease transactions pursuant to Ind AS 116 - Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

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

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

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

The Interest rate applied to lease liabilities as at April 01, 2019 is 9% p.a.

The Company's lease asset classes primarily consist of leases for land and office premises that can be renewed after the mutual agreement of both the parties,

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right of use assets can only be used by the Company. Leases are either non cancellable or may only be cancelled by incurring a substantive termination fee. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020:

Particulars	Category of right of use assets			Amount in ₹ lakhs
	Land	Building	Vehicle	Total
Year ended March 31, 2020				
Gross carrying amount				
Opening gross carrying amount	-	-	-	-
Additions for the year	1,365.95	4.03	11.14	1,381.12
Deletions	-	-	-	-
Closing gross carrying amount	1,365.95	4.03	11.14	1,381.12
Accumulated depreciation				
Opening accumulated depreciation	-	-	-	-
Depreciation charge for the year	(14.02)	(1.87)	(1.38)	(17.27)
Closing accumulated depreciation	(14.02)	(1.87)	(1.38)	(17.27)
Net carrying amount as on March 31, 2020	1,351.93	2.16	9.76	1,363.85
Year ended March 31, 2021				
Opening gross carrying amount	1,365.95	4.03	11.14	1,381.12
Additions for the year	-	-	-	-
Closing gross carrying amount	1,365.95	4.03	11.14	1,381.12
Accumulated depreciation				
Opening accumulated depreciation	(14.02)	(1.87)	(1.38)	(17.27)
Depreciation charge for the year	(13.96)	(1.86)	(1.37)	(17.19)
Closing accumulated depreciation	(27.98)	(3.73)	(2.75)	(34.46)
Net carrying amount as on March 31, 2021	1,337.97	0.30	8.39	1,346.66

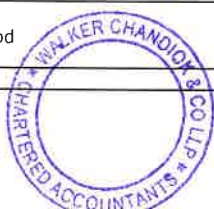
The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the Statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Current lease liability	5.71	5.40
Non-current lease liability	-	3.60
Total	5.71	9.00

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	9.00	13.38
Finance cost incurred during the period	0.55	1.02
Payment of lease liabilities	(3.84)	(5.40)
Balance at the end	5.71	9.00



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020:

Particulars	Amount in ₹ lakhs		
	As at March 31, 2021		
	Lease payments	Finance charges	Net present value
Less than one year	5.82	0.11	5.71
One to five years	-	-	-
More than five years	-	-	-
Total	5.82	0.11	5.71

Particulars	Amount in ₹ lakhs		
	As at March 31, 2020		
	Lease payments	Finance charges	Net present value
Less than one year	5.97	0.57	5.40
One to five years	3.71	0.11	3.60
More than five years	-	-	-
Total	9.68	0.68	9.00

Total cash outflow pertaining to leases during the year ended March 31, 2021 is ₹ 3.84 lakhs (March 31, 2020 ₹ 5.40 lakhs)

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

Rental expense recorded for short-term leases is ₹ 0.42 lakh for the year ended March 31, 2021 (March 31, 2020 ₹ 0.15 lakh).

Rental income on assets given on operating lease is ₹ 24.00 lakhs for the year ended March 31, 2021 (March 31, 2020 ₹ 12.53 lakhs).

Note 38 : Related party disclosures (as per Ind AS 24)

Details of related parties:

(a) Details of related parties :

(i) Ultimate Holding Company

(ii) Holding Company

(iii) Fellow Subsidiary

(iv) Key Management Personnel (KMP)

(with whom transactions have taken place during the year)

(v) Relative of KMP

(with whom transactions have taken place during the year)

(vi) Enterprises significantly influenced by KMP and their relatives

(with whom transactions have taken place during the year)

Name of related parties

APL Apollo Tubes Limited (w.e.f. June 17, 2019)

Shri Lakshmi Metal Udyog Limited (w.e.f. June 17, 2019)

Apollo Metalex Private Limited (w.e.f. June 17, 2019)

APL Apollo Building Products Private Limited

Mr. Rahul Gupta (Managing Director)

Mr. Romi Sehgal (Whole Time Director)
(w.e.f. February 01, 2020)

Mr. Vinay Gupta (Director) (w.e.f. October 23, 2020)

Mrs. Megha Gupta (upto October 23, 2020)

Mr. Nandlal Bansal (Chief Financial Officer)

Mrs. Surbhi Arora (Company Secretary)

Mrs. Saroj Rani Gupta (Grandmother of Mr. Rahul Gupta)

Mrs. Neera Gupta (Mother of Mr. Rahul Gupta)

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

APL Infrastructure Private Limited

Apollo Pipes Limited

Apollo Metalex Private Limited (upto June 16, 2019)

APL Apollo Tubes Limited (upto June 16, 2019)

Shri Lakshmi Metal Udyog Limited (upto June 16, 2019)



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	Ultimate Holding Company	Ultimate Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
(b) Transactions during the year							
Sale of goods (net of discounts)							
APL Apollo Tubes Limited	21,579.26 (11,025.92)	-	-	-	-	-	21,579.26 (12,347.66)
Shri Lakshmi Metal Udyog Limited	-	411.88 (627.90)	-	-	-	(1,321.74)	411.88 (627.90)
Apollo Metalex Private Limited	-	-	3.41 (1.74)	-	-	-	3.41 (1.74)
APL Infrastructure Private Limited	-	-	-	-	-	0.26	0.26
	-	-	-	-	-	-	-
	21,975.26 (11,035.92)	411.88 (627.90)	3.41 (1.74)	-	-	0.26	22,394.81 (12,977.30)
Sale of scrap (other operating revenue)							
APL Apollo Tubes Limited	296.06	-	-	-	-	-	296.06
	-	-	-	-	-	-	-
	296.06	-	-	-	-	-	296.06
Sale of raw material (net of discounts)							
APL Apollo Tubes Limited	8,276.75 (2,494.56)	-	-	-	-	-	8,276.75 (2,494.56)
Shri Lakshmi Metal Udyog Limited	-	5,126.54 (1,052.71)	-	-	-	-	5,126.54 (1,377.86)
Apollo Metalex Private Limited	-	-	4,887.66 (1,046.95)	-	-	(325.15)	4,887.66 (1,046.95)
	-	-	-	-	-	-	-
	8,276.75 (2,494.56)	5,126.54 (1,052.71)	4,887.66 (1,046.95)	-	-	-	18,290.95 (4,919.37)
Sale of property, plant and equipment							
APL Apollo Tubes Limited	669.22 (12.83)	-	-	-	-	-	669.22 (12.83)
Shri Lakshmi Metal Udyog Limited	-	0.10	-	-	-	-	0.10
Apollo Metalex Private Limited	-	-	-	-	-	-	-
	-	-	2.25 (1.95)	-	-	-	2.25 (1.95)
	669.22 (12.83)	0.10	2.25 (1.95)	-	-	-	671.57 (14.78)
Sale of stores and spares							
APL Apollo Tubes Limited	28.90	-	-	-	-	-	28.90
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-	-	-
Apollo Metalex Private Limited	-	3.21	-	-	-	-	3.21
	-	-	-	-	-	-	-
	-	-	13.00 (0.90)	-	-	-	13.00 (0.90)
	-	-	1.00	-	-	-	1.00
	-	-	-	-	-	-	-
	28.90	3.21	14.00 (0.90)	-	-	-	46.11 (0.90)



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS



Management fee paid
APL Apollo Tubes Limited
Shri Lakshmi Metal Udyog

APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Amount in ₹ lakhs Total
Management support service income							
APL Apollo Tubes Limited	30.70	(-)	-	(-)	(-)	-	30.70
Shri Lakshmi Metal Udyog Limited	-	3.52	(-)	(-)	(-)	(-)	(-)
Apollo Metalex Private Limited	-	(-)	(-)	(-)	(-)	(-)	3.52
	-	(-)	6.19	(-)	(-)	(-)	(-)
	-	(-)	(-)	(-)	(-)	(-)	6.19
	30.70	3.52	6.19	(-)	(-)	(-)	40.41
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Reimbursement of expenses							
APL Apollo Tubes Limited	1,617.55	(-)	-	(-)	(-)	(-)	1,617.55
	(553.46)	(-)	(-)	(-)	(-)	(4.31)	(557.77)
	1,617.55	(-)	(-)	(-)	(-)	(4.31)	1,617.55
	(553.46)	(-)	(-)	(-)	(-)	(-)	(557.77)
Loan taken							
APL Apollo Tubes Limited	6,600	(-)	-	(-)	(-)	(-)	6,600
	(2,000)	(-)	(-)	(-)	(-)	(-)	(2,000)
	6,600	(-)	(-)	(-)	(-)	(-)	6,600
	(2,000)	(-)	(-)	(-)	(-)	(-)	(2,000)
Loan paid off							
APL Apollo Tubes Limited	6,600	(-)	-	(-)	(-)	(-)	6,600
	(2,000)	(-)	(-)	(-)	(-)	(-)	(2,000)
	6,600.00	(-)	(-)	(-)	(-)	(-)	6,600
	(2,000)	(-)	(-)	(-)	(-)	(-)	(2,000)
Rent income							
APL Apollo Tubes Limited	24.00	(-)	-	(-)	(-)	(-)	24.00
	(9.53)	(-)	(-)	(-)	(-)	(3.00)	(12.53)
	24.00	(-)	(-)	(-)	(-)	(3.00)	24.00
	(9.53)	(-)	(-)	(-)	(-)	(-)	(12.53)
Rent expense							
Mrs Vandana Gupta	-	(-)	-	(-)	(-)	(-)	0.21
Mrs. Neera Gupta	-	(-)	-	(-)	(-)	(-)	(-)
Mrs. Saroj Rani Gupta	-	(-)	(-)	(-)	(-)	(-)	0.48
	-	(-)	-	(-)	(-)	(-)	(0.48)
	-	(-)	(-)	(-)	(-)	(-)	0.60
	(-)	(-)	(-)	(-)	(-)	(-)	(0.48)
	-	(-)	-	(-)	(-)	(-)	1.29
	(-)	(-)	(-)	(-)	(-)	(-)	(0.96)
	(12.22)	(-)	(-)	(-)	(-)	(-)	(12.22)
	(-)	1.22	(-)	(-)	(-)	(-)	1.22
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	(12.22)	1.22	(-)	(-)	(-)	(-)	1.22
	(-)	(-)	(-)	(-)	(-)	(-)	(12.22)
Job work income							
APL Apollo Tubes Limited	77.55	(-)	-	(-)	(-)	(-)	77.55
Shri Lakshmi Metal Udyog Limited	-	(-)	-	(-)	(-)	(-)	(-)
	-	2,010.12	(-)	(-)	(-)	(-)	2,010.12
	(-)	(366.37)	(-)	(-)	(-)	(-)	(366.37)
	77.55	2,010.12	(-)	(-)	(-)	(-)	2,087.67
	(-)	(366.37)	(-)	(-)	(-)	(-)	(366.37)



APOLLO TRICOAT TUBES LIMITED
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Particulars	Ultimate Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Amount in ₹ lakhs Total
Interest expense						
APL Apollo Tubes Limited	202.43 (187.25)	-	-	-	-	202.43 (187.25)
Shri Lakshmi Metal Udyog Limited	-	(-)	(-)	(-)	(-)	-
Apollo Metalex Private Limited	(-)	-	(76.40)	(-)	(-)	(76.40)
	(-)	(-)	(-)	(-)	(19.63)	(19.63)
Import licence purchases	202.43 (187.25)	-	(76.40)	(-)	(19.63)	202.43 (283.28)
APL Apollo Tubes Limited	(-9.76)	-	(-)	(-)	(-)	(19.76)
Salary	(15.76)	(-)	(-)	(-)	(-)	(19.76)
Mr. Rahul Gupta	-	-	-	-	-	-
Mr. Romi Sehgal	(-)	-	(120.00)	(-)	(-)	120.00 (120.00)
Mr. Nandlal Bansal	(-)	-	95.95	(-)	(-)	95.95
Mrs. Surbhi Arora	(-)	-	(24.49)	(-)	(-)	(24.49)
	(-)	-	22.45	(-)	(-)	22.45
	(-)	-	(20.49)	(-)	(-)	(20.49)
	(-)	-	9.80	(-)	(-)	9.80
	(-)	-	(9.21)	(-)	(-)	(9.21)
Director sitting fees paid	-	-	248.20 (174.19)	(-)	(-)	248.20 (174.19)
Mrs. Megha Gupta	(-)	(-)	(-)	(-)	(-)	(0.55)
	(-)	(-)	(0.55)	(-)	(-)	(0.55)
(c) Balances outstanding at the end of the year	(-)	(-)	(0.55)	(-)	(-)	(0.55)
Trade receivables						
APL Apollo Tubes Limited	(227.01)	-	(-)	(-)	(-)	(227.01)
Shri Lakshmi Metal Udyog Limited	-	-	54.02	(-)	(-)	54.02
Apollo Metalex Private Limited	(-)	-	(-)	(-)	(-)	(-)
	(-)	88.11	(-)	(-)	(-)	88.11
	(-)	(-)	(-)	(-)	(0.33)	(0.33)
Trade payables	(227.01)	88.11	(-)	(-)	(0.33)	142.13 (227.34)
APL Apollo Tubes Limited	-	-	(-)	(-)	(-)	-
Shri Lakshmi Metal Udyog Limited	(-)	-	(-)	(-)	(-)	(-)
Apollo Pipes Limited	(-)	-	(1,643.41)	(-)	(-)	(1,643.41)
	(-)	(-)	(-)	(-)	(1.07)	(1.07)
	(-)	(-)	(1,643.41)	(-)	(1.07)	(1,644.48)



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	Amount in ₹ lakhs				
	Ultimate Holding Company	Fellow Subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives
Advance from customer					Total
APL Apollo Tubes Limited	552.50	-	-	-	552.50
	(-)	(-)	(-)	(-)	(-)
	552.50	-	-	-	552.50
	(-)	(-)	(-)	(-)	(-)

Notes :

(1) Figures in the bracket relates to previous year ended March 31, 2020.

(2) Amount of expense of gratuity and compensated absences is taken on actuarial basis.

(3) The term loan and other credit facilities of the Company are also secured by corporate guarantee of APL Apollo Tubes Limited, ultimate holding Company, personal guarantee of directors of the APL Apollo Tubes Limited, ultimate holding Company, Mr. Sanjay Gupta and Mr. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited).



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Note 39 : Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities

Contingent liabilities for the year ended March 31, 2021 ₹ nil (March 31, 2020 ₹ nil)

(b) Commitments

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

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	1,312.74	2,250.07

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

The export obligation is to be fulfilled within a period of 6 years from the date of issuance of license. Under this scheme the Company has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Company is required to export of FOB value of ₹ 14,230.32 lakhs (March 31, 2020 ₹ 11,176.62 lakhs) against which the Company has saved a duty of ₹ 2,371.72 lakhs (March 31, 2020 ₹ 1,862.77 lakhs).

(3) The Company does not have any other long term commitments or material non-cancellable contractual commitments /contracts.

Note 40 : Employee benefit plan

a. General description of the employee benefit plan

The Company has an obligation towards gratuity, unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

b. Plan typically exposes the Company to actuarial risks such as : investment risks, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount risk which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest rate risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt .

Longevity risk

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

Salary risk

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

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

In respect of the plan in India, the most recent actuarial valuation the present value of the defined benefit obligation were carried out as at March 31, 2021 by an actuary. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the projected unit credit method.

The Company has classified the various benefits provided to employees as under:

A. Defined contribution plans

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognised the following amounts towards defined contribution plan in the Statement of Profit and Loss –

Particulars	Amount in ₹ lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution to provident fund	60.14	42.75



APOLLO TRICOAT TUBES LIMITED
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B. Other long term benefits and defined benefit plans

(i) Change in present value of obligation

Particulars	Amount in ₹ lakhs	
	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Present value of obligation as at the beginning of the year	13.81	2.93
Interest cost	0.93	0.23
Service cost	12.65	8.56
Benefits paid	(0.34)	-
Acquisition /Business Combination / Divestiture	0.05	-
Total actuarial loss on obligation	40.45	2.09
Present value of obligation as at the end of year	67.55	13.81

(ii) Liabilities recognized in the balance sheet

Particulars	Amount in ₹ lakhs	
	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Net defined benefit liability at the start of the year	13.81	2.93
Total service cost	12.65	8.56
Net interest cost	0.93	0.23
Re-measurements	40.45	2.09
Benefit paid directly by the enterprise	(0.34)	-
Acquisition /Business Combination / Divestiture	0.05	-
Net liability recognized in balance sheet	67.55	13.81
Recognized under:		
Long term provision	47.21	13.65
Short term provision	20.34	0.16
Total	67.55	13.81

(iii) Expense recognized in the statement of profit and loss

Particulars	Amount in ₹ lakhs	
	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Service cost	12.65	8.56
Interest cost	0.93	0.23
Expense recognized in the statement of profit and loss	13.58	8.79

(iv) Other comprehensive income (OCI)

Particulars	Amount in ₹ lakhs	
	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial loss for the year on defined benefit obligation	40.45	2.09

(v) Principal actuarial assumptions

The significant actuarial assumptions for gratuity and compensated absences are as follows:

Particulars	Amount in ₹ lakhs	
	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate per annum	7.09%	6.77%
Salary escalation rate per annum	8.00%	4.00%
Retirement age	60 Years	60 Years
Mortality tables	IALM [2012-2014]	IALM [2012-2014]
Employee turnover / Attrition rate		
18 to 30 Years	3.00%	3.00%
30 to 45 Years	2.00%	2.00%
Above 45 Years	1.00%	1.00%

(vi) Sensitivity analysis

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

Particulars	Amount in ₹ lakhs	
	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate		
Increased by 1%	(7.02)	(1.84)
Decreased by 1%	8.83	2.28
Salary escalation rate		
Increased by 1%	8.65	2.32
Decreased by 1%	(7.02)	(1.90)
Attrition rate		
Increased by 1%	(1.18)	(0.08)
Decreased by 1%	1.82	0.16

(vii) Maturity profile of defined benefit obligation

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

Particulars	Amount in ₹ lakhs	
	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Less than a year	20.40	0.18
Between 1 - 2 years	0.64	0.24
Between 2 - 3 years	0.57	0.33
Between 3 - 4 years	2.41	0.48
Between 4 - 5 years	16.58	1.22
Beyond 5 years	51.46	29.26
Total	92.06	31.71



APOLLO TRICOAT TUBES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 41 : Financial instruments

Financial instruments by category

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost *	FVTPL	FVTOCI	Amortised cost *
Financial assets - non current						
Security deposit	-	-	175.33	-	-	175.54
Financial assets - current						
Loans to employees	-	-	4.88	-	-	12.89
Trade receivables	-	-	1,162.51	-	-	3,794.21
Cash and cash equivalents	-	-	0.17	-	-	1.38
Balances with banks	-	-	979.66	-	-	474.76
Security deposit	-	-	1.00	-	-	1.00
Claim receivables	-	-	38.62	-	-	-
Total financial assets	-	-	2,362.17	-	-	4,459.78
Financial liabilities - non current						
Borrowings	-	-	4,898.91	-	-	9,820.00
Lease liabilities	-	-	-	-	-	3.60
Financial liabilities -current						
Borrowings	-	-	-	-	-	456.48
Trade payable	-	-	3,389.51	-	-	11,243.12
Lease liabilities	-	-	5.71	-	-	5.40
Current maturities of long term debts	-	-	1,304.42	-	-	980.00
Capital creditors	-	-	162.73	-	-	154.42
Interest accrued but not due	-	-	43.16	-	-	25.64
Total financial liabilities	-	-	9,804.44	-	-	22,688.66

Valuation technique to determine fair value

Cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the lease payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

***Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.



Note 42 : Financial risk management objectives

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

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

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

(a) Market risk

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

(i) Foreign currency risk

The Company's functional currency is Indian Rupees. The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's the costs of imports, primarily in relation to capital assets.

The Company has limited exposure to foreign currency risk and thereby it mainly relies on natural hedge. To further mitigate the Company's exposure to foreign currency risk, non-INR cash flows are continuously monitored.

Details on unhedged foreign currency exposures

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

Currency	As at March 31, 2021	As at March 31, 2020
Payables:		
USD	64,500.00	1,01,800.00
Equivalent amount in ₹ in lakhs	47.16	74.96
Advance paid to vendors:		
USD	1,79,082.26	9,01,870.63
Equivalent amount in ₹ in lakhs	136.17	619.86
EURO	16,994.77	1,44,906.22
Equivalent amount in ₹ in lakhs	15.05	113.94

Sensitivity

If INR is depreciated or appreciated by 0.5% vis-a-vis foreign currency, the impact thereof on the profit (after tax) of the Company are given below:

Particulars	Amount in ₹ lakhs Impact on profit after tax	
	As at March 31, 2021	As at March 31, 2020
USD sensitivity		
INR/USD increases by 0.5%	(0.18)	(0.28)
INR/USD decreases by 0.5%	0.18	0.28

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in Rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and MCLR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	6,198.58	11,256.48
Fixed rate borrowings	4.75	-
Total borrowings	6,203.33	11,256.48

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	Amount in ₹ lakhs	
	Balance	% of total loans
As at March 31, 2021		
Bank loans and Cash credit	6,198.58	99.92%
As at March 31, 2020		
Bank loans and Cash credit	11,256.48	100%

Sensitivity analysis for variable-rate instruments

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Amount in ₹ lakhs Impact on profit after tax	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest rates – increases by 0.5%	(23.19)	(42.12)
Interest rates – decreases by 0.5%	23.19	42.12



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(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company evaluates the credit worthiness of the customers based on publicly available information and the Company's historical experiences. The Company's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue receivables.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty. Trade receivables consist of a large number of customers of various scales and in different geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables. In case the receivables are not recovered even after regular follow up, measures are taken to stop further supplies to the concerned customer. The company recognises lifetime expected credit loss on trade receivables using simplified approach.

Credit risk relating to cash and cash equivalent and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such bank to be good and reviews the banking relationships on an on-going basis.

(c) Liquidity risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows:

Particulars	Amount in ₹ lakhs	
	As at	As at
	March 31, 2021	March 31, 2020
Floating rate	18,000.00	15,543.52
Nature of facility	Working Capital	Working Capital

(ii) Maturities of financial liabilities

The table below analyses the Company's all non-derivative financial liabilities into relevant maturity based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities :-				Amount in ₹ lakhs
Particulars	Not later than 1 year	1 to 5 years	5 years and above	Total
Non-derivatives				
March 31, 2021				
Borrowings*	1,304.42	4,898.91	-	6,203.33
Lease liabilities*	5.71	-	-	5.71
Payable on purchase of property, plant and equipment	162.73	-	-	162.73
Trade payable	3,389.51	-	-	3,389.51
Interest accrued but not due on borrowings	43.16	-	-	43.16
Total non-derivative liabilities	4,905.53	4,898.91	-	9,804.44
Non-derivatives				
March 31, 2020				
Borrowings*	1,436.48	8,490.00	1,330.00	11,256.48
Lease liabilities*	5.40	3.60	-	9.00
Payable on purchase of property, plant and equipment	154.42	-	-	154.42
Trade payable	11,243.12	-	-	11,243.12
Interest accrued but not due on borrowings	25.64	-	-	25.64
Total non-derivative liabilities	12,865.06	8,493.60	1,330.00	22,688.66

* The amounts do not include interest payments.

Note 43 : Capital management

(a) Risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowing and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other than cash and cash equivalents.



APOLLO TRICOAT TUBES LIMITED
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Particulars	Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020
Non current borrowing	4,898.91	9,820.00
Current maturities of non current borrowings	1,304.42	980.00
Current borrowings	-	456.48
Less :- cash and cash equivalents	(979.83)	(476.14)
Net debts	5,223.50	10,780.34
Total equity	30,425.59	19,954.76
Gearing ratio	0.17	0.54

Equity includes all capital and revenue reserves of the Company that are managed as capital.

Note 44 : Reconciliation of liabilities arising from financing activities

Particulars	Amount in ₹ lakhs			
	As at March 31, 2019	Cash flows	Interest expenses	As at March 31, 2020
Non-current borrowings	2,906.22	6,913.78	-	9,820.00
Current borrowings	2,547.36	(2,090.88)	-	456.48
Current maturities of non-current borrowings	103.13	876.87	-	980.00
Lease liabilities	13.38	(5.40)	1.02	9.00
Total liabilities from financing activities	5,570.09	5,699.77	1.02	11,256.48

Particulars	Amount in ₹ lakhs			
	As at March 31, 2020	Cash flows	Interest expenses	As at March 31, 2021
Non-current borrowings	9,820.00	(4,921.09)	-	4,898.91
Current borrowings	456.48	(456.48)	-	-
Current maturities of non-current borrowings	980.00	324.42	-	1,304.42
Lease liabilities	9.00	(3.84)	0.55	5.71
Total liabilities from financing activities	11,265.48	(5,056.99)	0.55	6,209.04

Note 45 : The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 46 : The Board of Directors of Apollo Tricoat Tubes Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation of the Company and Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") with APL Apollo Tubes Limited ("APL Apollo"), its ultimate holding Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.

Note 47 : Figures for the previous year have regrouped/ reclassified wherever necessary.

For Walker Chandio & Co LLP

Chartered Accountants
Firm Reg. No. 001076N/N500013


Neeraj Sharma
Partner
Membership No. 502103



**For and on behalf of the Board of Directors of
Apollo Tricoat Tubes Ltd**


Rahul Gupta
Managing Director
DIN: 07151792


Nandlal Bansal
Chief Financial Officer

Place : Ghaziabad
Date : May 03, 2021


Romi Sehgal
Whole Time Director
DIN: 03320454


Surbhi Arora
Company Secretary
Membership No. A33370

Place : New Delhi
Date : May 03, 2021