

APOLLO METALEX PRIVATE LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO METALEX PRIVATE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act.

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

Auditors' Responsibility

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

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

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

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

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

Opinion

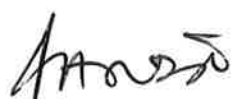
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,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

Deloitte Haskins & Sells LLP

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements (Refer Note no. 27.1(i) of the financial statements) ;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no. 27.1(ii)(d) of the financial statements) ;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note no. 27.1(iii) of the financial statements) ;
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. (Refer Note No. 31 of the financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



RASHIM TANDON
Partner
(Membership No. 095540)

Ghaziabad
19 May, 2017
RT/SK/2017



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal



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financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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



RASHIM TANDON
Partner
(Membership No. 095540)

Ghaziabad
19 May, 2017
RT/SK/2017



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us, Immovable properties of land and buildings whose conveyance deeds/lease deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. As explained to us, the inventories (excluding stock lying with third parties and goods in transit) were physically verified during by the Management at the year end. Discrepancies noticed on physical verification have been properly dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) Other than for delays in deposit of Provident fund, the Company is generally regular in depositing undisputed statutory dues, including Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable other than the following



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Name of Statute	Nature of Dues	Amount (In Rupees)	Period to which the amount Relates	Due Date	Date of subsequent payment
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	40,657	May 2016	15 June ,2016	13 May, 2017

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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (net of payment) (In Rupees)	Amount paid under protest (In Rupees)
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2008-09	4,108,076	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2009-10	1,938,020	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2010-11	7,246,261	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2011-12	7,044,056	-
	Value Added Tax	Additional Commissioner Grade-2 (Appeal)	2013-14	6,616,058	-
	Value Added Tax	Additional Commissioner Grade-2 (Appeal)	2016-17	3,998,692	412,046
Central Excise Act, 1944	Excise	High Court of Allahabad	2011-12 and 2012-13	57,004,297	-
	Excise	High Court of Allahabad	2010-11 and 2011-12	45,826,964	-
	Excise	CESTAT, New Delhi	2007-08 and 2008-09	209,602	56,120
	Excise	CESTAT, Allahabad	2008-09	151,309	151,309
	Excise	CESTAT, Allahabad	2011-12	3,571,740	257,148
	Excise	CESTAT, Allahabad	2008-09 to 2011-12	29,043,678	1,528,614
	Excise	CESTAT, Allahabad	2014-15	225,708	8,800
	Excise	Central Excise Commissioner (Appeal)	2011-12	114,225	9,300



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

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has neither obtained any loan or borrowings from government nor it has issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



RASHIM TANDON
Partner
(Membership No. 095540)

Ghaziabad
19 May, 2017
RT/SK/2017




APOLLO METALEX PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2017

Particulars	Note No.	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	27,111,000	27,111,000
(b) Reserves and surplus	3	977,944,794	696,444,589
		1,005,055,794	723,555,589
(2) Non-current liabilities			
(a) Long-term borrowings	4	29,283,247	202,722,517
(b) Deferred tax liabilities (net)	5	125,758,150	124,366,902
(c) Long-term provisions	6	4,816,664	5,147,617
		159,858,061	332,237,036
(3) Current liabilities			
(a) Short-term borrowings	7	965,397,947	399,061,345
(b) Trade payables	8		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		240,922,587	422,641,162
(c) Other current liabilities	9	87,430,648	132,447,994
(d) Short-term provisions	10	9,292,585	11,784,281
		1,303,043,767	965,934,782
Total		2,467,957,622	2,021,727,407
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		969,610,796	965,661,671
(ii) Intangible assets		81,663	85,779
(iii) Capital work-in-progress		51,191,296	-
		1,020,883,755	965,747,450
(b) Long term loans and advances	12	23,155,182	41,302,866
(c) Other non-current assets	13	1,771,409	195,421
		24,926,591	41,498,287
(2) Current assets			
(a) Inventories	14	771,919,684	747,978,882
(b) Trade receivables	15	547,747,180	164,578,535
(c) Cash and cash equivalents	16	512,209	1,686,018
(d) Short-term loans and advances	17	87,274,126	90,993,009
(e) Other current assets	18	14,694,077	9,245,226
		1,422,147,276	1,014,481,670
Total		2,467,957,622	2,021,727,407

See accompanying notes forming part of the financial statements 1-32

In terms of our report attached.

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


RASHIM TANDON
Partner



Place: Ghaziabad
Date: 19 May, 2017

For and on behalf of the Board of Directors


VINAY GUPTA
Managing Director


SANJAY GUPTA
Director

Place: Ghaziabad
Date: 19 May, 2017



APOLLO METALEX PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

Particulars	Note No.	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
I Revenue from operations (gross)	19	8,143,311,800	6,589,198,287
Less: Excise Duty		695,823,300	779,677,611
Revenue from operations (net)		<u>7,447,488,500</u>	<u>5,809,520,676</u>
II Other Income	20	10,034,200	3,387,677
III Total revenue (I +II)		<u>7,457,522,700</u>	<u>5,812,908,353</u>
IV Expenses			
(a) Cost of materials consumed	21	5,136,168,177	4,204,329,623
(b) Purchase of stock-in-trade (traded goods)	22	999,424,353	779,053,072
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	80,280,901	(102,843,137)
(d) Employee benefits expense	24	115,722,381	90,096,839
(e) Finance costs	25	58,010,131	74,353,589
(f) Depreciation and amortisation expenses	11	70,994,172	43,410,996
(g) Other expenses	26	604,436,569	445,428,422
Total expenses		<u>7,065,036,684</u>	<u>5,533,829,404</u>
V Profit before tax (III - IV)		392,486,016	279,078,949
VI Tax expense:			
(a) Current tax		127,500,000	76,000,000
(b) Mat credit related to earlier years		(17,782,188)	-
(c) Income tax of earlier year		(123,249)	-
(d) Deferred tax charge	5	1,391,248	38,310,642
Net tax expense		<u>110,985,811</u>	<u>114,310,642</u>
VII Profit after tax (V-VI)		<u>281,500,205</u>	<u>164,768,307</u>
VIII Earnings per equity share of Rupees 10 each:	28.3		
(a) Basic		103.83	60.78
(b) Diluted		103.83	60.78

See accompanying notes forming part of the financial statements 1-32

In terms of our report attached.

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

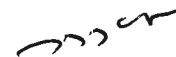

RASHIM TANDON
Partner



Place: Ghaziabad
Date: 19 May, 2017

For and on behalf of the Board of Directors


VINAY GUPTA
Managing Director


SANJAY GUPTA
Director

Place: Ghaziabad
Date: 19 May, 2017



APOLLO METALEX PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

Particulars	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
A. Cash flow from operating activities		
Profit before tax	392,486,016	279,078,949
Adjustments for:		
Depreciation and amortisation expense	70,994,172	43,410,996
Loss / (Gain) on sale of assets (net)	3,241,858	(467,898)
Finance costs	58,010,131	74,353,589
Interest income	-	(740,323)
Net unrealised exchange (gain) / loss	(2,623,188)	(392,458)
Provision for doubtful debts	836,562	-
Amortisation of premium on forward contract	2,895,171	1,906,414
Fixed assets written off	-	2,961,098
Other receivables and advances written off	16,893	2,698,230
Operating profit before working capital changes	525,857,615	402,808,597
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(23,940,802)	(410,627,959)
Trade receivables	(383,254,386)	(11,218,740)
Short-term loans and advances	3,701,990	12,134,966
Long-term loans and advances	7,738,629	5,841,975
Other current assets	(5,448,851)	(202,570)
Other non-current assets	(1,575,988)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(181,718,575)	362,221,861
Other current liabilities	(2,168,788)	(88,605,247)
Short-term provisions	(802,373)	828,187
Long-term provisions	(330,953)	3,398,107
Cash generated (used in) operations	(61,942,482)	276,579,177
Net income tax (paid)/refunds	(111,283,886)	(70,215,003)
Net cash flow (used in) / from operating activities (A)	(173,226,368)	206,364,174
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(130,458,460)	(148,686,157)
Proceeds from sale of fixed assets	5,545,942	9,324,962
Bank balances not considered as Cash and cash equivalents		
- Matured	-	6,205,000
Interest received		
- Others	-	1,707,116
Net cash flow (used in) investing activities (B)	(124,912,518)	(131,449,079)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(210,145,224)	(17,585,147)
Proceeds from other short-term borrowings (net)	566,434,780	15,998,628
Finance costs	(59,324,479)	(74,353,589)
Net cash flow from / (used in) financing activities (C)	296,965,077	(75,940,108)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(1,173,809)	(1,025,013)
Cash and cash equivalents at the beginning of the year	1,686,018	2,711,031
Cash and cash equivalents at the end of the year	512,209	1,686,018
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (see note 16)	512,209	1,686,018
Less: Bank balances not considered as Cash and cash equivalents as defined		
(i) In other deposit accounts	-	-
- original maturity more than 3 months	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in note 16	512,209	1,686,018

In terms of our report attached,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


RASHIM TANDON
Partner



Place: Ghaziabad
Date: 19 May, 2017

For and on behalf of the Board of Directors


VINAY GUPTA
Managing Director


SANJAY GUPTA
Director

Place: Ghaziabad
Date: 19 May, 2017



APOLLO METALEX PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1: Significant accounting policies

A. General Information

Apollo Metalex Private Limited (the Company) was incorporated on 20 February, 2006. The Company is a wholly owned subsidiary of APL Apollo Tubes Limited (the holding company) and is engaged in the business of production of ERW steel tubes. The Company has two manufacturing units at Sikanderabad, Uttar Pradesh.

B. Significant accounting policies

(i) Basis of preparation of financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of estimates

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

(iii) Inventories

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

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

(iv) Cash and cash equivalents (for purposes of cash flow statement)

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

(v) Cash flow statement

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

(vi) Depreciation and amortisation

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

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

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

Assets	Useful Life
Buildings	10 to 60 years
Roads	10 years
Plant and machinery used in manufacturing of pipe	10 to 20 years
Other plant and machinery	2 to 10 years
Vehicles	8 years
Furniture and fixtures	10 years
Office equipment	2 to 5 years
Computer	3 years
Leasehold land	Amortized over the period of the lease



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Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer Software	3 to 6 years
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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.

(vii) Revenue recognition

Sale of goods:

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

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

(viii) Other income

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

(ix) Fixed assets (Tangible/Intangible)

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

Capital work-in-progress:

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

(x) Foreign exchange transactions

Initial recognition:

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

Measurement at the balance sheet date:

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

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

Accounting for forward contracts:

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

(xi) Investments

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

(xii) Employee benefits

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

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.



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Defined benefit plans:

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

Short-term employee benefits:

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

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

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

Long-term employee benefits:

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

(xiii) Borrowing cost

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiv) Leases

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

(xv) 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.

(xvi) Taxes on income

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

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

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



(xvii) Impairment of assets

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

(xviii) Provisions

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

(xix) Contingent liabilities

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

(xx) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(xxi) Operating cycle

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



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S. No.	Particulars	As at 31 March, 2017		As at 31 March, 2016	
		Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
Note : 2 Share capital					
1	Authorised capital Equity shares of Rupees 10 each with voting rights	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	30,000,000	3,000,000	30,000,000
2	Issued capital Equity shares of Rupees 10 each with voting rights	2,711,100	27,111,000	2,711,100	27,111,000
		2,711,100	27,111,000	2,711,100	27,111,000
3	Subscribed and fully paid up capital Equity shares of Rupees 10 each with voting rights	2,711,100	27,111,000	2,711,100	27,111,000
		2,711,100	27,111,000	2,711,100	27,111,000

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

Particulars	Number of shares		Amount	
	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Equity shares with voting rights				
Outstanding at the beginning of the year	2,711,100	2,711,100	27,111,000	27,111,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	2,711,100	2,711,100	27,111,000	27,111,000

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

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Detail of shares held by the holding company:

Particulars	Number of shares	
	As at 31 March, 2017	As at 31 March, 2016
APL Apollo Tubes Limited*	2,711,100	2,711,100

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

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Apl Apollo Tubes Limited*	2,711,100	100%	2,711,100	100%

* Out of total 2,711,100 equity shares, 2,711,099 equity shares are held by the APL Apollo Tubes Limited (holding company) and remaining 1 share is held by Mr. Vinay Gupta as nominee/representative.

S. No.	Particulars	As at	As at
		31 March, 2017 (Rupees)	31 March, 2016 (Rupees)
Note : 3 Reserve and surplus			
1	Security premium		
	Opening balance	45,000,000	45,000,000
	Add: Additions	-	-
	Closing balance	45,000,000	45,000,000
2	General reserve		
	Opening balance	5,000,000	5,000,000
	Add: Transferred from surplus in statement of profit and loss	-	-
	Closing balance	5,000,000	5,000,000
3	Surplus in Statement of profit and loss		
	Opening balance	646,444,589	481,676,282
	Add: Profit for the year	281,500,205	164,768,307
	Closing balance	927,944,794	646,444,589
	Total	977,944,794	696,444,589

Note : 4 Long term borrowings

1	Term Loan:		
	- From bank		
	(i) Secured (see note (i) below)	28,000,000	92,816,489
	- From others		
	(i) Secured (see note (ii) below)	-	107,557,800
2	Vehicle Loan:		
	- From bank		
	(i) Secured by way of hypothecation of vehicles	1,283,247	2,348,228
	Total	29,283,247	202,722,517



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(i) Term loan from banks are secured as follows:	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
By First Pari Passu charge on the current assets of the company (present and future) and factory land and building at A-2, Industrial Area, Sikanderabad, UP. The Loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. During the year the charge has been revised to First Pari Passu charge on movable and immovable assets of the Company (present and future) situated at A-2 and A-25, Industrial Area, Sikanderabad, UP and second charge on current assets of the Company. The Loan outstanding as at balance sheet is repayable in 4 quarterly instalments commencing from June 2017 and ending in March 2018 of Rupees 5,625,000 each. Applicable rate of interest is in the range of 11.70%-11.40%.	-	22,500,000	22,500,000	22,500,000
By First Pari Passu Charge on all plant and machinery (including sheds) of the Company and Factory Land and building at A-2, Industrial Area, Sikanderabad, UP and First Pari Passu charge on all current assets of the Company and Second pari passu charge on immovable and movable fixed assets located at A-25, Sikanderabad, UP. The Loan is further guaranteed by personal guarantee of Directors of the Company i.e. Mr. Sanjay Gupta, Mr. Sameer Gupta and Mr. Vinay Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. During the year, the charge has been revised to First Pari Passu charge on movable and immovable assets of the company (present and future) situated at A-2 and A-25, Industrial Area, Sikanderabad, UP and second charge on current assets of the Company. The Loan outstanding as at balance sheet is repayable in 12 quarterly instalments commencing from June 2017 and ending in March 2020 of Rupees 3,500,000 each. Applicable rate of interest is in the range of 10.90%-10.50%.	28,000,000	14,000,000	42,000,000	14,000,000
By First Pari Passu Charge on V-2, Land-2, One Villa, Jaypee Greens, Greater Noida. The Loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta. Applicable rate of interest is 9.85%. During the current financial year, the loan has been fully repaid by the Company.	-	-	28,316,489	992,699

ii. Term Loan from financial institution is secured as follows:

	As at 31 March, 2017		As at 31 March, 2016	
	Long- Term Debts	Current Maturities of Long- Term Debt	Long- Term Debts	Current Maturities of Long- Term Debt
By First Pari Passu Charge on Industrial Land & Building including entire fixed assets at A-25, Sikanderabad, UP. The Loan is further guaranteed by personal guarantee of Director of the Company i.e. Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta and corporate guarantee of M/s APL Apollo Tubes Limited. Applicable rate of interest is in the range of 11.50%-10.25%. During the current financial year, the loan has been fully repaid by the Company.	-	-	107,557,800	35,852,600

Note : 5 Deferred tax liabilities (Net)

	Opening as at 1-Apr-16	Debited/ (Credited) during the year	Closing as at 31-Mar-17
1 Tax effect of items constituting deferred tax liabilities			
(i) On difference between book balance and tax balance of fixed assets	126,223,729	1,528,220	127,751,949
2 Tax effect of items constituting deferred tax assets			
(i) Provision for compensated absences, gratuity and other employee benefits	1,856,827	152,545	1,704,282
(ii) Provision for doubtful debts	-	(289,517)	289,517
Total	124,366,902	1,391,248	125,758,150



APOLLO METALEX PRIVATE LIMITED
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S. No.	Particulars	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Note : 6 Long-term provisions			
1	Provisions for employee benefits:		
	Provision for compensated absences (see note 28.1)	812,348	-
	Provision for gratuity (see note 28.1)	4,004,316	5,147,617
	Total	4,816,664	5,147,617
Note : 7 Short-term borrowings			
1	Loan repayable on demand		
	- From banks		
	(i) Secured		
	(a) Cash credit (see note (i) below)	383,491,071	300,593,737
2	Others		
	- From banks		
	(i) Secured		
	(a) Buyer's credit (see note (i) below)	331,906,876	98,467,608
	(ii) Unsecured		
	(a) Commercial paper	250,000,000	-
	Total	965,397,947	399,061,345
Nature of security:			
(i) Working capital facilities from banks are secured by first pari passu charge on current assets and fixed assets, present and future, of the Company situated at A-2, Industrial Area, Sikanderabad, UP and second pari passu charge on fixed assets of the Company located at A-25, Industrial Area, Sikanderabad, UP. During the current financial year, the charge has been revised to first pari passu charge on current assets, present and future, and second pari passu charge on fixed assets of the Company situated at A-2 and A-25, Industrial Area, Sikanderabad, UP. These credit facilities are further secured by personal guarantee of Directors of the Company i.e. Mr. Vinay Gupta, Mr. Sameer Gupta and Mr. Sanjay Gupta (Promoter Directors), and corporate guarantee of M/s. APL Apollo Tubes Limited, holding company.			
Note : 8 Trade payable			
1	Total outstanding dues of micro enterprises and small enterprises (see note 27.2)	-	-
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	240,922,587	422,641,162
	Total	240,922,587	422,641,162
Note : 9 Other current liabilities			
1	Current maturities of long-term debt (see note 4(1)(i))	37,564,982	74,270,936
2	Interest accrued but not due on borrowings	2,843,698	4,158,046
3	Other payables		
	(i) Statutory remittances	7,483,545	4,646,284
	(ii) Payable on purchase of fixed assets	2,967,091	10,690,518
	(iii) Advance from customers	11,504,292	19,525,860
	(iv) Forward premium payable (net of deferred premium of Rupees 5,266,008 (previous year Rupees 839,439))	15,116,320	2,619,081
	(v) Excise duty on finished goods	9,950,720	16,537,269
	Total	87,430,648	132,447,994
Note : 10 Short-term provisions			
1	Provision for employee benefits:		
	(i) Provision for compensated absences (see note 28.1)	56,182	692,545
	(ii) Provision for gratuity (see note 28.1)	51,684	217,694
2	Provision others:		
	(i) Provision for tax (net of advance tax Rupees 176,409,844, (previous year Rupees 105,683,409))	9,184,719	10,874,042
	Total	9,292,585	11,784,281



APOLLO METALEX PRIVATE LIMITED
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Note 11 : Fixed assets (at cost)

Particulars	Gross block					Accumulated depreciation			(Amount in Rupees)	
	As at 01.04.2016	Addition during the year	Sales/transfer during the year	As at 31.03.2017	Upto 31.03.2016	For the year	Adjusted during the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
A. Tangible assets										
Assets taken on lease										
Leasehold land	88,908,773 (90,692,619)	-	(1,783,846)	88,908,773 (88,908,773)	2,257,339	1,298,237 (2,257,339)	-	3,555,576 (2,257,339)	85,353,197 (86,651,434)	86,651,434 (90,692,619)
Owned assets										
Building	241,818,139 (140,454,676)	21,334,616 (101,418,783)	(55,320)	263,152,755 (241,818,139)	14,481,745 (9,930,721)	6,522,366 (4,566,411)	(15,387)	21,004,111 (14,481,745)	242,148,644 (227,336,394)	227,336,394 (130,523,955)
Plant and machinery	729,962,576 (620,475,236)	56,935,325 (126,239,904)	30,139,681 (16,752,564)	756,758,220 (729,962,576)	86,612,078 (59,375,568)	61,163,018 (33,920,845)	25,397,823 (6,684,335)	122,377,273 (86,612,078)	634,380,947 (643,350,498)	643,350,498 (561,099,668)
Office equipment	2,659,302 (2,278,317)	393,902 (432,525)	1,621,153 (51,540)	1,432,051 (2,659,302)	1,731,027 (855,413)	501,415 (1,022,912)	1,621,153 (-52,702)	611,289 (1,731,027)	820,762 (928,275)	928,275 (1,622,904)
Vehicle	9,050,497 (10,360,630)	849,850 (612,089)	41,100 (1,922,222)	9,859,247 (9,050,497)	2,454,868 (2,252,115)	1,190,954 (1,153,939)	41,100 (951,186)	3,604,722 (2,454,868)	6,254,525 (6,595,629)	6,595,629 (8,108,515)
Furniture and fixture	1,176,885 (1,042,398)	75,044 (73,744)	37,154 (-60,743)	1,214,775 (1,176,885)	565,550 (379,860)	181,770 (173,793)	37,152 (-11,897)	710,168 (565,550)	504,607 (611,335)	611,335 (662,538)
Computer	1,350,928 (1,484,158)	83,200 (143,900)	1,178,128 (277,130)	256,000 (1,350,928)	1,162,822 (1,073,245)	123,196 (304,399)	1,178,132 (214,822)	107,886 (1,162,822)	148,114 (188,106)	188,106 (410,913)
Total-tangible assets (A)	1,074,927,100 (866,788,034)	79,671,937 (228,920,945)	33,017,216 (20,781,879)	1,121,581,820 (1,074,927,100)	109,265,429 (73,666,922)	70,980,956 (43,399,638)	28,275,360 (7,801,131)	151,971,025 (109,265,429)	969,610,796 (965,661,671)	965,661,671 (793,121,112)
B. Intangible assets										
Computer software	178,435 (653,435)	9,100	(475,000)	187,535 (178,435)	92,656 (331,757)	13,216 (11,358)	(250,459)	105,872 (92,656)	81,663 (85,779)	85,779 (321,678)
Total-Intangible assets (B)	178,435 (653,435)	9,100	(475,000)	187,535 (178,435)	92,656 (331,757)	13,216 (11,358)	(250,459)	105,872 (92,656)	81,663 (85,779)	85,779 (321,678)
Grand Total (A + B)	1,075,105,535 (867,441,469)	79,681,037 (228,920,945)	33,017,216 (21,256,879)	1,121,769,355 (1,075,105,535)	109,358,086 (73,998,679)	70,994,172 (43,410,996)	28,275,360 (8,051,590)	152,076,897 (109,358,085)	969,692,459 (965,747,450)	965,747,450 (793,442,790)

(i) During the previous year, investment in property-Guest house of Rupees 77,293,823 has been capitalised and transferred to building.

(ii) Figures in bracket pertain to previous year ended 31 March 2016/15.



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S. No. Particulars	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Note : 12 Long term loans and advances (Unsecured, considered good)		
1 Capital advances	2,971,540	13,380,595
2 Security deposit	14,578,299	8,657,378
3 Balances with government authorities- unsecured considered good		
(i) VAT credit receivable	3,182,006	15,184,732
4 Payment under protest		
(i) VAT	412,046	2,068,870
(ii) Excise	2,011,291	2,011,291
Total	23,155,182	41,302,866
Note : 13 Other non-current assets		
1 Claim receivable	1,771,409	195,421
Total	1,771,409	195,421
Note : 14 Inventories		
1 Raw materials (including stock-in-transit)	537,417,313	421,596,866
2 Finished goods (including stock-in-transit)	208,028,069	290,184,459
3 Stores and spares	21,681,721	33,280,464
4 Rejection and scrap (including stock-in-transit)	4,792,581	2,917,093
Total	771,919,684	747,978,882
Details of stock-in-transit		
Raw material	1,386,606	-
Finished goods	16,187,398	44,529,979
Rejection and scrap	778,111	-
Note : 15 Trade receivables (Unsecured)		
1 Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Considered doubtful	836,562	-
Less: Provision for doubtful trade receivables	836,562	-
2 Other trade receivables		
(i) Considered good	547,747,180	164,578,535
Total	547,747,180	164,578,535
Note : 16 Cash and cash equivalent		
1 Cash and cash equivalent (as per AS 3 cash flow statements)		
(i) Cash balance	397,221	1,289,067
(ii) Balances with banks		
- in current accounts	114,988	396,951
Total	512,209	1,686,018
Note : 17 Short terms loans and advances (Unsecured, considered good)		
1 Loans and advances to		
-Director	-	3,972,287
-Employees	573,002	1,052,043
2 Prepaid expenses	7,337,422	169,482
3 Balances with government authorities:		
(i) Cenvat credit receivable	20,177,977	16,464,362
(ii) VAT credit receivable	5,191,431	6,249,385
(iii) Service tax credit receivable	9,291,471	7,566,061
4 Payment under protest		
(i) Excise	-	2,738,813
5 Others		
(i) Advance to suppliers	44,702,823	40,000,852
(ii) Mat credit entitlement	-	12,779,724
Total	87,274,126	90,993,009
Note : 18 Other current assets		
1 Claim receivable		
(i) Export incentives	10,438,164	6,771,211
(ii) Licences in hand	3,708,489	927,230
(iii) Other claim receivables	-	999,361
2 Accrued interest on Fixed deposits and others	547,424	547,424
Total	14,694,077	9,245,226



APOLLO METALEX PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

S. No.	Particulars	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
Note : 19 Revenue from operations			
1	Sale of products (see note (i) below)	7,937,472,089	6,426,449,077
2	Other operating revenue (see note (ii) below)	205,839,711	162,749,210
	Revenue from operations (gross)	<u>8,143,311,800</u>	<u>6,589,198,287</u>
	Less: Excise duty	695,823,300	779,677,611
	Total	<u>7,447,488,500</u>	<u>5,809,520,676</u>
(i) Sale of products comprises:			
<u>Manufactured goods</u>			
	Black pipe	3,272,213,680	2,820,964,075
	GI Pipe	7,860,265	-
	Pre galvanized pipe	3,539,479,465	2,745,908,380
	Coils	120,836,622	55,751,194
	Total (A)	<u>6,940,390,032</u>	<u>5,622,623,649</u>
<u>Traded goods</u>			
	Black pipe	-	1,492,377
	Coils	674,213,496	794,034,542
	Others	322,868,561	8,298,509
	Total (B)	<u>997,082,057</u>	<u>803,825,428</u>
	Grand Total (A+B)	<u>7,937,472,089</u>	<u>6,426,449,077</u>
(ii) <u>Other operating revenue comprises</u>			
	Sale of scrap	171,518,295	146,838,308
	Export incentives	19,764,676	10,384,694
	Job work	14,556,740	5,526,208
	Total	<u>205,839,711</u>	<u>162,749,210</u>
Note : 20 Other income			
1	Interest income (see note (i) below)	-	740,323
2	Net gain on foreign currency transactions and fluctuations	9,230,113	2,179,456
3	Profit on sale of fixed assets (net)	804,087	467,898
	Total	<u>10,034,200</u>	<u>3,387,677</u>
(i) Interest income comprises:			
	(a) Interest from deposits from banks	-	132,074
	(b) Other interest	-	608,249
	Total	<u>-</u>	<u>740,323</u>
Note : 21 Cost of material consumed			
1 Raw Material			
	Opening Stock	421,596,866	128,477,139
	Add: Purchases	5,251,988,624	4,497,449,350
	Less: Closing Stock	537,417,313	421,596,866
	Total	<u>5,136,168,177</u>	<u>4,204,329,623</u>
2 Materials consumed comprise :			
	HR coil	3,256,975,099	2,711,580,302
	CR coil	1,325,705,573	1,062,331,867
	GP coil	403,061,655	346,634,100
	Zinc	146,315,570	75,829,422
	Other items	4,110,280	7,953,932
	Total	<u>5,136,168,177</u>	<u>4,204,329,623</u>
Note : 22 Purchase of stock-in-trade			
	Coils (including HR, CR and GP coil)	682,501,748	771,840,865
	Other items	316,922,605	7,212,207
	Total	<u>999,424,353</u>	<u>779,053,072</u>



APOLLO METALEX PRIVATE LIMITED
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S. No.	Particulars	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
Note : 23 Change in inventories			
1	Inventories at the end of the year:		
	Finished goods	208,028,069	290,184,458
	Scrap	4,792,581	2,917,093
		<u>212,820,650</u>	<u>293,101,551</u>
2	Inventories at the beginning of the year:		
	Finished goods	290,184,459	180,427,892
	Scrap	2,917,092	9,830,522
		<u>293,101,551</u>	<u>190,258,414</u>
	Total	<u>80,280,901</u>	<u>(102,843,137)</u>
Note : 24 Employee benefits expense			
1	Salaries and wages (see note 28.2)	105,521,564	79,241,776
2	Contribution to provident and other funds	5,991,910	5,358,625
3	Gratuity expense	(615,248)	3,785,151
4	Staff welfare expenses	4,824,155	1,711,287
	Total	<u>115,722,381</u>	<u>90,096,839</u>
Note : 25 Finance costs			
1	Interest expense on:		
	(i) working capital facilities	34,457,131	32,997,890
	(ii) term loan	17,407,261	33,612,757
	(iii) vehicle loan	224,835	409,962
2	Other borrowing cost	5,920,904	7,332,980
	Total	<u>58,010,131</u>	<u>74,353,589</u>
Note : 26 Other expenses			
1	Consumption of stores and spare parts	99,736,934	90,151,423
2	Increase/ (decrease) of excise duty on inventory	(6,586,549)	(4,368,046)
3	Furnace oil expenses	19,047,287	17,482,984
4	Power and fuel	110,189,275	73,415,011
5	Job work charges	13,561,819	10,711,387
6	Security charges	4,538,751	2,910,691
7	Rent including lease rentals	3,856,068	2,376,000
8	Repair and maintenance:		
	(i) Building	2,407,606	1,007,167
	(ii) Plant and machinery	4,488,305	7,331,845
	(iii) Others	675,677	1,031,180
9	Factory expense	635,239	-
10	Vehicle running expenses	263,071	187,658
11	Insurance	500,380	415,389
12	Rates and taxes	1,639,899	2,221,579
13	Amortisation of premium on forward contract	12,191,004	1,906,414
14	Travelling and conveyance	1,421,455	1,997,144
15	Legal and professional charges (see Note below)	3,249,445	1,762,450
16	Office electricity expenses	122,728	621,351
17	Donations and contributions	8,040,200	39,200
18	Loss on sale of fixed assets (net)	3,241,858	-
19	Freight outward	247,943,437	183,880,162
20	Sales commission	20,578,294	19,900,887
21	Sales discount	7,773,412	12,324,832
22	Sales promotion	15,300,862	10,674,409
23	Other receivables and advances written off	16,893	2,698,230
24	Fixed assets written off	-	2,961,098
25	Provision for bad debts	836,562	-
26	Miscellaneous expenses	2,489,991	1,787,977
27	Allocation of common expenses (see note 28.2 and 29)	26,276,666	-
	Total	<u>604,436,569</u>	<u>445,428,422</u>

Note :-

Legal & professional charges include auditor's remuneration (net of service tax) as follows :

(i) Payments to the auditors comprise:

(a) To statutory auditors

For audit	1,300,000	1,300,000
For other services	150,000	-
	<u>1,450,000</u>	<u>1,300,000</u>

(ii) To cost auditors for cost audit

	55,000	-
Total	<u>1,505,000</u>	<u>1,300,000</u>



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Note : 27 Additional information to the financial statements

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

Particulars	As at	As at
	31 March, 2017 (Rupees)	31 March, 2016 (Rupees)
(i) Contingent liabilities		
(a) Disputed claims/levies in respect of sales tax:		
- Statutory forms	199,034	67,719
- Reversal of input tax credit	23,197,813	9,736,733
- Classification of goods	3,555,624	3,555,624
- Provisional assessment	4,410,738	22,272,055
	31,363,209	35,632,131
(b) Disputed claims/levies in respect of excise duty:		
- Availability of input credit	137,856,196	137,856,196
- Demand on clearance of goods	302,618	302,618
	138,158,814	138,158,814

No Provision has been considered necessary since the Company expects favourable decision in appeals.

(c) During the year, the Company has discounted the sales bill from the banks for Rupees 18,719,829 (Previous year Rupees Nil).

(ii) Commitments

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

- Tangible assets	12,585,635	62,877,008
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(b) The Company has obtained Advance licenses under the Duty Exemption Scheme for importing input materials without payment of basic customs duty against submission of bonds.

The export obligation is to be fulfilled within a period of 18 months from the date of issuance of license. Under this scheme the Company has to achieve both the quantity and FOB value of exports specified in the license. Accordingly the Company is required to export goods of FOB Value of at least Rupees 189,119,205 (Previous year Rupees 43,237,737) against which the company has saved a duty of Rupees 45,887,419 (Previous year Rupees 22,872,717).

(c) 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 goods of FOB Value of at least Rupees 133,908,378 (Previous year Rupees Nil) against which the Company has saved a duty of Rupees 22,318,063 (Previous year Nil)

(d) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

27.3 Details on derivative instruments and unhedged foreign currency exposures

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

Forward contract outstanding	Buy/Sell	As at	As at
		31 March, 2017	31 March, 2016
In USD	Buy	5,159,968	1,493,747
Equivalent amount in Rupees	Buy	346,846,983	99,084,570

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

Currency (Receivables)	As at	As at
	31 March, 2017	31 March, 2016
Receivables:		
USD	869,279	354,632
Equivalent in Rupees	56,362,833	23,523,771
Advance paid to Vendors:		
EURO	-	166,800
Equivalent in Rupees	-	12,525,929
Advance from customers:		
USD	96,149	66,033
Equivalent in Rupees	6,234,191	4,392,305

27.4 Value of imports calculated on CIF basis:

Particulars	Year ended	Year ended
	31 March, 2017 (Rupees)	31 March, 2016 (Rupees)
Raw materials	404,582,074	585,670,266
Spare parts	97,883	1,550,888
Capital goods-traded	77,521,168	38,501,552
Others	285,129,584	-
	767,330,709	625,722,706



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27.5 Expenditure in foreign currency:

Particulars	Year ended	Year ended
	31 March, 2017	31 March, 2016
	(Rupees)	
Travelling	884,262	1,179,898
Interest	3,192,551	449,304
Commission	7,236,485	4,912,391
	11,313,298	6,541,593

27.6 Details of consumption of imported and indigenous items

Particulars	Year ended		Year ended	
	31 March, 2017		31 March, 2016	
	Amount	% of total value	Amount	% of total value
	(Rupees)		(Rupees)	
Imported:				
Raw materials	560,117,702	10.91%	438,827,544	10.33%
Spare parts	97,883	0.10%	1,550,888	3.28%
	560,215,585		440,378,432	
Indigenous:				
Raw materials	4,576,050,475	89.09%	3,765,502,079	89.67%
Spare parts	99,639,051	99.90%	88,600,535	96.72%
	4,675,689,526		3,854,102,614	

27.7 Earnings in foreign exchange

Particulars	Year ended	Year ended
	31 March, 2017	31 March, 2016
	(Rupees)	
Export of goods calculated on FOB basis	835,554,760	426,956,846

Note 28 : Disclosures under Accounting Standards

28.1 Employee benefit obligations

(a) Defined contribution plans:

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rupees 3,943,167 (Year ended 31 March, 2016 Rupees 3,611,584) for Provident Fund contributions, and Rupees 2,048,743 (Year ended 31 March, 2016 Rupees 1,747,041) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plans

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

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of Rupees 1,000,000 (Previous Year Rupees 1,000,000). Vesting occurs upon completion of 5 years of service.

i. Gratuity (included in note 24 Employee benefits expense)

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	(Rupees)	
(i) Movement in net liability:		
Present value of Defined benefit obligation (DBO) at beginning of the year	5,365,311	1,831,562
Current service cost	1,370,223	1,582,861
Interest cost	397,033	146,342
Actuarial (gains) / losses	(2,382,504)	2,055,948
Benefits paid	(694,063)	(251,402)
Present value of DBO at the end of the year	4,056,000	5,365,311
Present value of unfunded obligation	4,056,000	5,365,311
Amounts in the Balance Sheet		
(a) Liabilities	(4,056,000)	(5,365,311)
(b) Assets	-	-
(c) Net asset / (liability) recognised in the Balance Sheet	(4,056,000)	(5,365,311)
Current liability	51,684	217,694
Non-current liability	4,004,316	5,147,617

(ii) Expenses recognised in Statement of Profit and Loss is as follows:

Particulars	Year ended	Year ended
	31 March, 2017	31 March, 2016
	(Rupees)	
Components of employer's expense		
Current service cost	1,370,223	1,582,861
Interest cost	397,033	146,342
Actuarial losses	(2,382,504)	2,055,948
Total expense recognised in the Statement of Profit and Loss	(615,248)	3,785,151

(iii) Principal Actuarial assumptions for Gratuity and Compensated absence

Discount rate	7.40%	7.99%
Salary escalation	8.00%	8.00%
Retirement age	60 Years	60 Years
Mortality tables	IALM (2006-08)	IALM (2006-08)
Estimate of amount of contribution in the immediate next year	Nil	Nil

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



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(iv) Experience adjustments	(Amount in Rupees)				
	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Present value of DBO	4,056,000	5,365,311	1,831,562	1,351,826	1,107,154
Fair value of plan assets	-	-	-	-	-
Experience gain / (loss)	2,697,332	(582,435)	78,005	303,444	(187,902)
adjustments on plan liabilities	-	-	-	-	-
Experience gain / (loss)	-	-	-	-	-
adjustments on plan assets	-	-	-	-	-

28.2 Related party transactions

Details of related parties:

Description of relationship	Name of related parties
(i) Holding Company	APL Apollo Tubes Limited
(ii) Fellow subsidiaries	Lloyds Line Pipes Limited Shri Lakshmi Metal Udyog Limited
(iii) Key Management Personnel (KMP)	Mr. Vinay Gupta (Managing Director) Mr. Sanjay Gupta (Director)
(iv) Relatives of KMP	Mrs. Saroj Rani Gupta (Mother of Director)
(v) Enterprises over which any person described in (i) to (iv) above is able to exercise significant influence	Apollo Pipes Limited Assawa Associates Private Limited (merged with APL Infrastructure Private Limited)

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

	(Amount in Rupees)					Total
	Holding Company	Fellow Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	
Purchase of goods						
APL Apollo Tubes Limited	753,544,440	-	-	-	-	753,544,440
	(1,182,780,058)	-	-	-	-	(1,182,780,058)
Lloyds Line Pipes Limited	-	143,457,991	-	-	-	143,457,991
Apollo Pipes Limited	-	-	-	-	10,171,509	10,171,509
	-	-	-	-	(7,367,883)	(7,367,883)
	753,544,440	143,457,991	-	-	10,171,509	907,173,940
	(1,182,780,058)	-	-	-	(7,367,883)	(1,190,147,941)
Sale of goods						
APL Apollo Tubes Limited	1,255,984,393	-	-	-	-	1,255,984,393
	(886,184,569)	-	-	-	-	(886,184,569)
Lloyds Line Pipes Limited	-	249,107,823	-	-	-	249,107,823
	-	(4,817,376)	-	-	-	(4,817,376)
Apollo Pipes Limited	-	-	-	-	44,952	44,952
	-	-	-	-	(17,429)	(17,429)
	1,255,984,393	249,107,823	-	-	44,952	1,505,137,168
	(886,184,569)	(4,817,376)	-	-	(17,429)	(891,019,374)
Sale of scrap						
APL Apollo Tubes Limited	54,997,921	-	-	-	-	54,997,921
	(28,010,238)	-	-	-	-	(28,010,238)
Apollo Pipes Limited	-	-	-	-	2,250	2,250
	-	-	-	-	-	-
	54,997,921	-	-	-	2,250	55,000,171
	(28,010,238)	-	-	-	-	(28,010,238)
Purchase of scrap						
APL Apollo Tubes Limited	526,012	-	-	-	-	526,012
	-	-	-	-	-	-
	526,012	-	-	-	-	526,012
Purchase of fixed assets						
APL Apollo Tubes Limited	267,695	-	-	-	-	267,695
	(23,092,350)	-	-	-	-	(23,092,350)
Apollo Pipes Limited	-	-	-	-	442,057	442,057
	-	-	-	-	-	-
	267,695	-	-	-	442,057	709,752
	(23,092,350)	-	-	-	-	(23,092,350)
Sale of fixed assets (traded)						
APL Apollo Tubes Limited	-	-	-	-	-	-
	(334,618)	-	-	-	-	(334,618)
Lloyds Line Pipes Limited	-	17,072,419	-	-	-	17,072,419
	-	(10,075,717)	-	-	-	(10,075,717)
	(334,618)	17,072,419	-	-	-	17,072,419
	-	(10,075,717)	-	-	-	(10,410,335)
Rent paid						
Assawa Associates Private Limited	-	-	-	-	1,350,000	1,350,000
	-	-	-	-	(924,000)	(924,000)
APL Apollo Tubes Limited	80,000	-	-	-	-	80,000
	-	-	-	-	-	-
Mrs. Saroj Rani Gupta	-	-	-	2,400,000	-	2,400,000
	-	-	-	(1,452,000)	-	(1,452,000)
	80,000	-	-	2,400,000	1,350,000	3,830,000
	-	-	-	(1,452,000)	(924,000)	(2,376,000)



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28.2 Related party transactions (Continued)

	(Amount in Rupees)					
	Holding	Fellow Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Salary						
Mr. Vinay Gupta *	-	-	15,600,000	-	-	15,600,000
	-	-	(8,400,000)	-	-	(8,400,000)
	-	-	15,600,000	-	-	15,600,000
	-	-	(8,400,000)	-	-	(8,400,000)
Job work receipts						
APL Apollo Tubes Limited	18,069,158	-	-	-	-	18,069,158
	(5,138,650)	-	-	-	-	(5,138,650)
	18,069,158	-	-	-	-	18,069,158
	(5,138,650)	-	-	-	-	(5,138,650)
Job work expenses						
APL Apollo Tubes Limited	9,769,124	-	-	-	-	9,769,124
	(9,468,612)	-	-	-	-	(9,468,612)
Apollo Pipes Limited	-	-	-	-	262,850	262,850
Lloyds Line Pipes Limited	-	-	-	-	-	-
	-	(1,466,625)	-	-	-	(1,466,625)
	9,769,124	-	-	-	262,850	10,031,974
	(9,468,612)	(1,466,625)	-	-	-	(10,935,237)
Commission paid						
APL Apollo Tubes Limited	9,209,462	-	-	-	-	9,209,462
	(6,152,571)	-	-	-	-	(6,152,571)
Lloyds Line Pipes Limited	-	1,743,119	-	-	-	1,743,119
	-	(1,422,236)	-	-	-	(1,422,236)
	9,209,462	1,743,119	-	-	-	10,952,581
	(6,152,571)	(1,422,236)	-	-	-	(7,574,807)
Freight outward						
Lloyds Line Pipes Limited	-	-	-	-	-	-
	-	(40,800)	-	-	-	(40,800)
	-	(40,800)	-	-	-	(40,800)
Rebate and discount expenses						
APL Apollo Tubes Limited	5,125,944	-	-	-	-	5,125,944
	5,125,944	-	-	-	-	5,125,944
Handling charges						
APL Apollo Tubes Limited	5,755,945	-	-	-	-	5,755,945
Lloyds Line Pipes Limited	-	-	-	-	-	-
	-	(432,716)	-	-	-	(432,716)
	5,755,945	(432,716)	-	-	-	5,755,945
	-	(432,716)	-	-	-	(432,716)
Sale of licences						
Lloyds Line Pipes Limited	-	-	-	-	-	-
	-	(4,471,672)	-	-	-	(4,471,672)
Apollo Pipes Limited	-	-	-	-	7,853,138	7,853,138
	-	(4,471,672)	-	-	7,853,138	7,853,138
	-	(4,471,672)	-	-	-	(4,471,672)
Allocation of common expenses						
APL Apollo Tubes Limited	26,276,666	-	-	-	-	26,276,666
	26,276,666	-	-	-	-	26,276,666
Balances outstanding at the end of the year						
Trade payables						
APL Apollo Tubes Limited	-	-	-	-	-	-
	(321,316,821)	-	-	-	-	(321,316,821)
Lloyds Line Pipes Limited	-	-	-	-	-	-
	-	(5,444,436)	-	-	-	(5,444,436)
Apollo Pipes Limited	-	-	-	-	-	-
	-	-	-	-	(919,115)	(919,115)
	(321,316,821)	(5,444,436)	-	-	(919,115)	(327,680,372)
Trade receivables						
APL Apollo Tubes Limited	231,589,891	-	-	-	-	231,589,891
Lloyds Line Pipes Limited	-	2,115,592	-	-	-	2,115,592
Apollo Pipes Limited	-	-	-	-	302,500	302,500
APL Infrastructure Private Limited	-	-	-	-	676,755	676,755
	231,589,891	2,115,592	-	-	979,255	234,684,738

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

- (i) APL Apollo Tubes Limited, the holding company has also given corporate guarantee for term loan and other credit facilities taken by the Company from banks. (see note 4 (i) and 7 (i)) for credit facilities from bank outstanding as at the end of year amounting Rupees 782,246,177 (year ended 31 March, 2016 Rupees 676,054,798)
- (ii) The term loan and other credit facilities of the Company are also secured by personal guarantee of directors of the Company, Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta, (see note 4 (i) and 7 (i))



APOLLO METALEX PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28.3 Earning per share

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
(a) Profit for the year after tax Rupees	281,500,205	164,768,307
(b) Weighted average no. of ordinary shares for basic and diluted EPS	2,711,100	2,711,100
(c) Nominal value per ordinary share	10.00	10.00
(d) Basic earnings per ordinary share (In Rupees)	103.83	60.78
(e) Diluted earnings per ordinary share (In Rupees)	103.83	60.78

28.4 Segment Reporting

The Company is engaged in the business of production of ERW Steel tubes. These are governed by the same set of risk and returns and accordingly the Company's business activity falls within single primary business segment.

Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

Assets, liabilities, revenues and results in relation to segments are categorised based on items that are individually identifiable to that segment. Client relationships are driven based on client domicile. Accordingly, the geographical segments include Domestic and Foreign customers.

Particulars	(Amount in Rupees)		
	Domestic	Foreign	Total
Segment Revenue	6,578,587,170 (5,375,786,499)	868,901,330 (433,734,177)	7,447,488,500 (5,809,520,676)
Segment Assets	2,175,036,469 (1,852,426,702)	292,921,153 (169,300,705)	2,467,957,622 (2,021,727,407)
Segment Liabilities	1,287,546,094 (1,194,422,092)	175,355,734 (103,749,726)	1,462,901,828 (1,298,171,818)
Segment Results	199,771,680 (124,682,354)	81,728,525 (40,085,953)	281,500,205 (164,768,307)

29 Allocation of common expenses

During the year, the parent company has charged back the common expenses incurred by it on behalf of group companies on cost i.e. cost to cost basis. The allocation of common expenses has been carried out on the basis of turnover of the respective companies, as per audited financial statements, of immediate preceding financial year.

30 Corporate social responsibility

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

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	(Rupees)	(Rupees)
Gross amount required to be spent by the company during the year ended 31 March, 2017/31 March, 2016	3,703,121	2,662,266
Amount spent during the year on purposes other than construction/acquisition of any asset	NIL	NIL

31 Disclosure on specified bank notes (SBNs):

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

Particulars	SBNs*	Other denomination notes	Total
	Closing cash in hand as on 08 November 2016	61,000	293,565
(+) Permitted receipts	-	374,000	374,000
(-) Permitted payments	-	554,276	554,276
(-) Amount deposited in Banks	61,000	-	61,000
Closing cash in hand as on 30 December 2016	-	113,289	113,289

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

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

For and on behalf of the Board of Directors


VINAY GUPTA
Managing Director


SANJAY GUPTA
Director



Place: Ghaziabad
Date: 19 May, 2017