



Creative Transformation



Annual Report 2015-16



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Bringing Global Best **Direct Forming Technology** into India

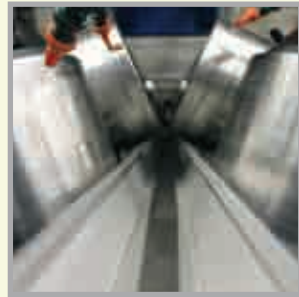


At APL Apollo, we believe that the fundamental impulse that keeps the reformation engine in motion comes from Technology & Innovation, and that is what we call “Creative Transformation”.

We believe that accelerated innovation, driven by the force of creative transformation, is the only way to meet the challenges of a changing world. Where existing technological, human, political, social and environmental frontiers are being challenged. By bringing in cutting edge technology that allows us to introduce new products, improve quality, increase productivity, reach new customers and redefine competitive advantage.

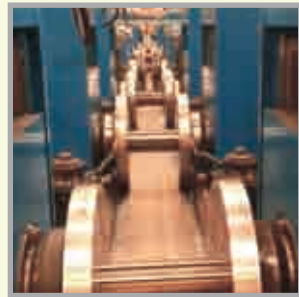
Our customer centric approach and best in class technology is a powerful combination to transform the core business with creativity and purpose.

Traversing on this path of creative transformation, APL Apollo is now bringing in the world’s best Direct Forming Technology and In-line Galvanizing Technology in India.



1st TIME IN INDIA

Direct Forming Technology



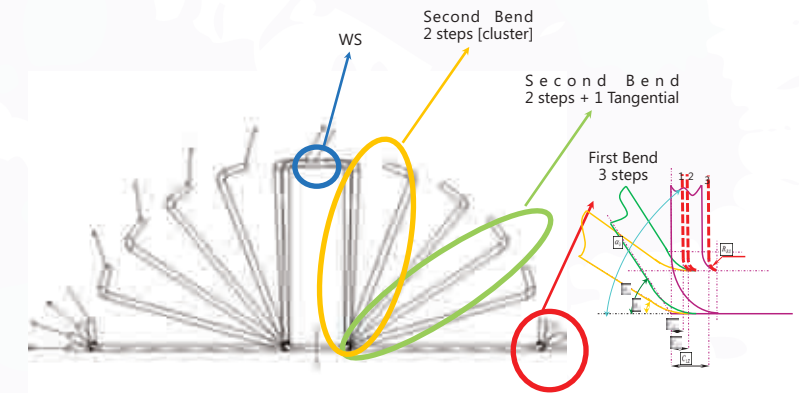
APL Apollo is bringing Direct Forming Technology for making hollow sections (both square and rectangular) for the first time in India. It is the latest global Technology for making hollow sections.

So far in the conventional technology, round pipe is formed first and then the round pipe is converted to square and rectangular shape. However, in Direct Forming technology, square and rectangular sections are formed directly through welding with high production speed.



APL APOLLO NEXT

HOLLOW SECTIONS



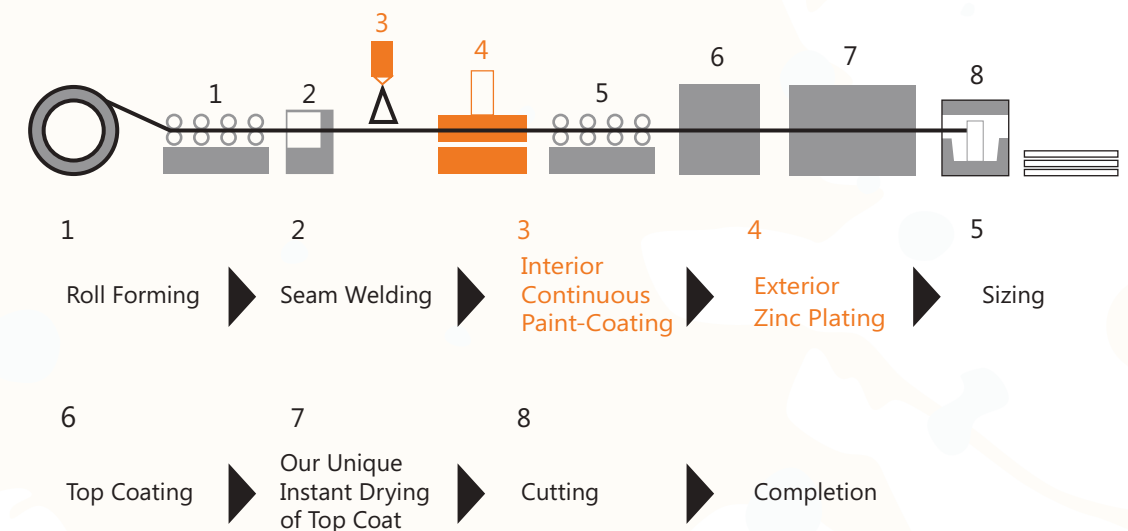
This technology, based on high quality standards, guarantees the possibility to produce hollow sections within a certain range of dimensions and thickness without changing rolls, saving setup time, saving rolls management time and reducing to zero the space required to store rolls series

Order Whatever, Whenever and Wherever

The customer will have the greatest benefit of ordering customized sizes, even in small quantities through Just-In-Time delivery program across India.

In-line Galvanizing Technology

APL Apollo is also bringing In-line galvanizing technology in India for the first time. In this process, tube making and zinc plating are done at same the time. The tube exterior is uniformly galvanized and an anti-corrosion coating is applied over it. The tube interior is uniformly finished with baked coating simultaneously done in manufacturing, giving the tube interior its strong anti-corrosion property.



MILESTONES

1986

- APL Apollo was established
- First plant in Sikanderabad, Ghaziabad

2007-08

- Backward integration into Pre-Galvanized Coils Through Apollo Metalex Private Limited
- Acquired Shri Lakshmi Metal Udyog Limited in South - first step in building a Pan India presence

2003-04

- Developed Hollow Sections with wide range
- Pioneered Pre-Galvanized pipes in India

2009

- Hosur Plant started as a greenfield venture with state-of-the-art mills

2011-12

- Acquired Lloyds Line Pipes Limited plant near Mumbai to build presence in Western India
- Became the largest ERW pipes manufacturer in India

2015

- Achieved a capacity of 1 Million tons of Steel Pipe, a first in India.

2016

- Introducing Direct Forming Technology in India for the first time

2014

- Ventured into new product range by experimenting with new shapes and launched Door & Window frames and railing tubes
- Implemented SAP

VALUES



Speed



Result
Oriented



Learning



Colleagueship



Customer
Focus



Integrity



MISSION

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

•

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

•

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

•

To create sustainable value for all stakeholders.

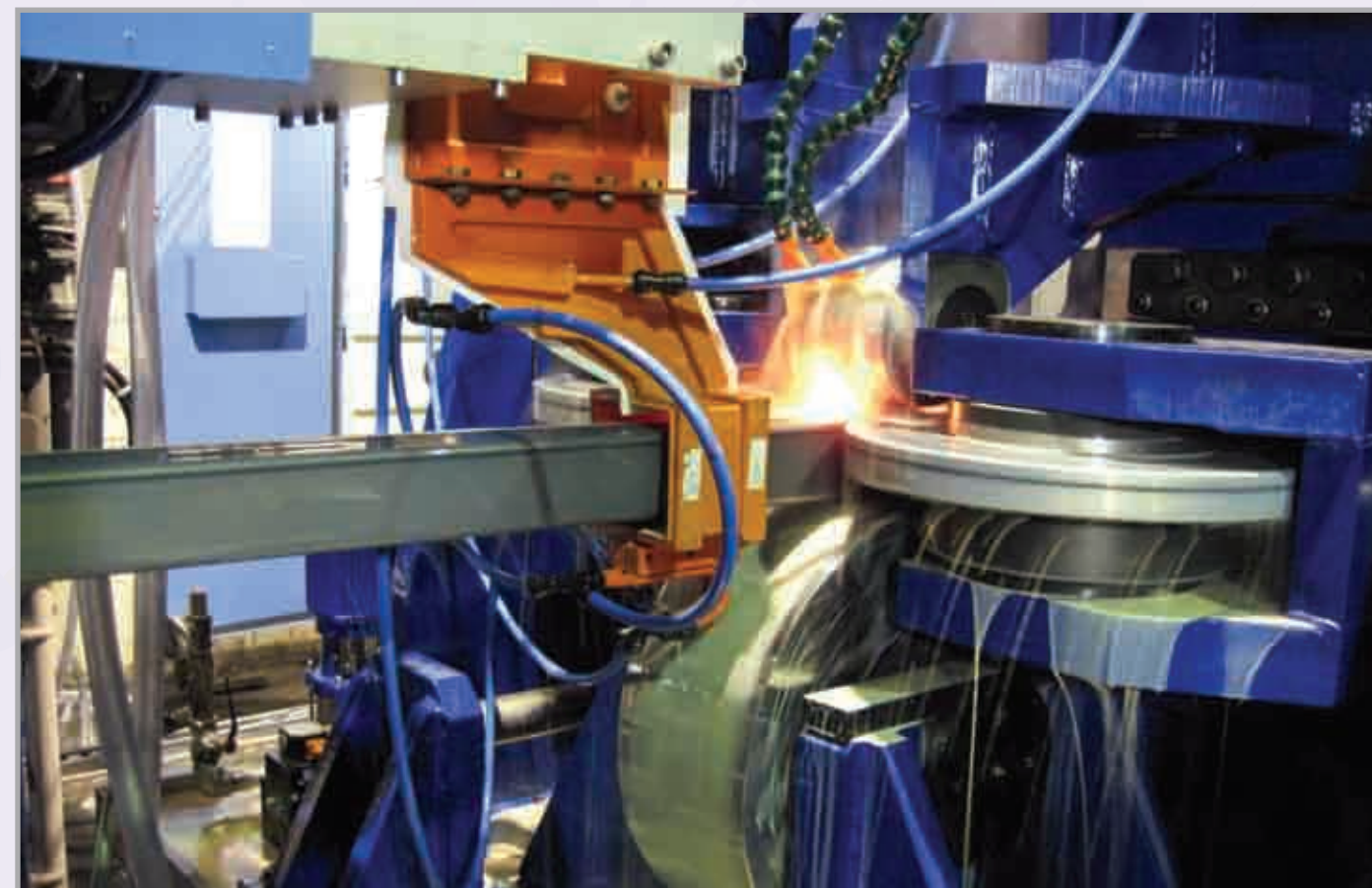
VISION 2020

**Achieve 2.5 Million Tons production by FY 2020
driven by a volume growth of over 25% p.a.**

- Well-planned Roadmap for capacity addition across plants
- Profitable operations to fund capex through internal accruals
- Highly solvent Balance-Sheet to support scaling up operations
- Focus on improving ROE
- Proven ability to tap industry demand and grow sales volumes above 25% sustainably
- Value added products to replace low margin products
- Greater focus on product and corporate branding

NEW INITIATIVES

- Focus on building the Company Board by roping in independent directors with strong credentials
- Aim to double the marketing & sales team in the next 2 years to support our push for new products and geographies
- Bringing In-line galvanizing technology for the first time in India
- Build a pan Indian presence by opening a new plant in Raipur
- Set up an innovation center to launch new product lines
- Aim to become a consumer centric company, by spending on R&D and reaching out to end customer



Transformation into a Global Branded Steel Products Company





Creative Transformation

Upcoming Facilities

Raipur,
Chhattisgarh

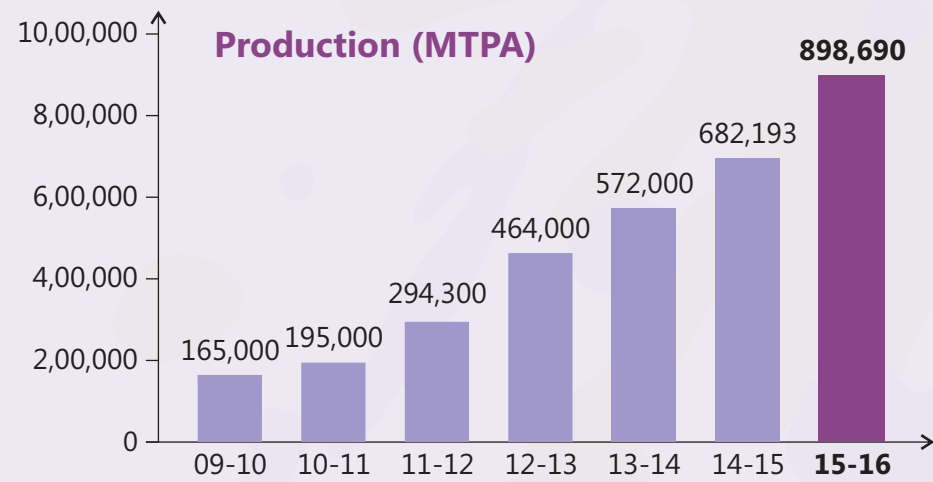
Dubai
(Our First overseas facility)

SCALE - UP CAPACITY

One of the strategic choices that APL Apollo has continued to focus upon is 'Scaling up Production capacity'. The company today has a production capacity of 1.3 million tonnes per annum. The nearest competitor in Indian market is nearly half the size!

The Company has set up greenfield plants, acquired plants and turned them around and added new production mills in existing plants.

Scaling up at this pace requires a vision, risk taking ability and execution skills which has been successfully proven by the company's leadership.



27%
Production
CAGR
7 YEARS



LLPL	UNIT 1	UNIT 2	AMPL	SLMUL
Murbad	Sikandrabad	Hosur	Sikandrabad	Bengaluru
Maharashtra	Uttar Pradesh	Tamil Nadu	Uttar Pradesh	Karnataka
350,000 MTPA	250,000 MTPA	350,000 MTPA	225,000 MTPA	125,000 MTPA

Only player with manufacturing facilities across North, South and West India. Current capacity utilization is 85%.



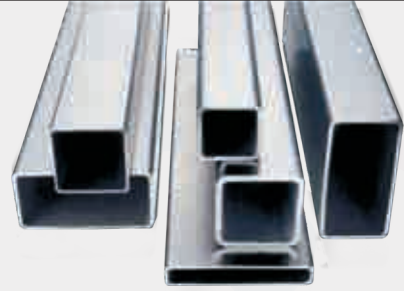


HIGHER PRODUCTIVITY

APL Apollo is today recognized globally as one of the lowest cost producers. This has been achieved by bringing in the latest technology, scaling up capacities and optimum utilization of resources.

The company has been a pioneer in adopting the latest technology, whether it is Strip Galvanizing lines, Cold Saws, High speed mills from Europe or the unique Rotary Sizing Mills which help in producing the best quality rolled tubes. APL Apollo is set to start a new era of tube production first time in India, by introducing the latest and the world's best 'Direct Forming Mill Technology' and 'In-Line Galvanizing of Tubes'.





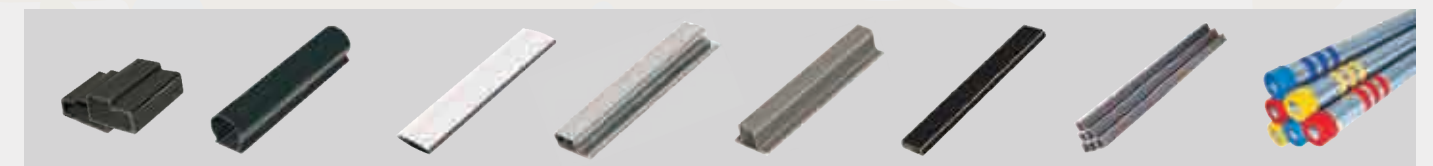
Creative
Transformation

APL APOLLO
NEXT
HOLLOW SECTIONS

ROBUST PRODUCT PORTFOLIO

APL Apollo's product portfolio is the widest in the industry. It consists of numerous shapes that vary from round tubes to hollow section to special frames. The range spans from ½" to 14" in the outer diameter for round tubes, 12x12mm to 255x255mm in square section and 26.5x13.5mm to 300x200mm in rectangular section, 0.6 mm to 10.0 mm in wall thickness, 3 meters to 12 meters in length and surface protection options of oil/varnished, hot dip galvanized, pre-galvanized and color coating. Our new products like door frame, window frame, handrail, D section, narrow and small sections provide cost savings and are a boon for low cost housing requirement.

We are constantly looking at innovating to meet new requirements of our customers. We are creating new value propositions with the help of latest technologies and our consumer centric approach.





FOOTPRINT

APL Apollo is the only ERW Tube Player in India that can boast of a PAN India footprint. With three plants located in North India in Sikandrabad (UP), two plants in South India, one each in Hosur (Tamil Nadu) and Bengaluru (Karnataka), one plant in West India in Murbad, Maharashtra and with an upcoming plant in Central/East India in Raipur (Chhattisgarh), our manufacturing footprint stretches across India. Our vast distribution network is also spread across India, with warehouses and branch offices in 26 cities.

A network of over 600 direct distributors and 40,000 retailers, enables a direct presence countrywide in over 300 cities & towns. The company's products are widely used by prestigious customers all over India.

The wide geographical reach offers us an advantage over competitors, by reducing logistics cost and lead time. The proximity to the raw material source and client base, ensures quicker delivery and prompt service.



Client base stretching across segments

- Infrastructure :** Metro (Delhi, Mumbai, Bengaluru, Hyderabad, Kolkata, Kochi & Jaipur), L&T, Gammon, Afcons, B L Kashyap, CPWD, GMR, Engineers India, MHADA, ACE
- Pre-Engineering Building Services :** Zamil, Kirby, Tigar, Pennar
- Power & Gas :** BHEL, HP, IGL, Gujarat Gas, BP, Suzlon, MRPL, NTPC, Cairn Energy, Mahindra Susten
- Corporates :** Adani, Reliance, Ashok Leyland, Tata, DLF, SAIL



TRANSFORMING COMMODITY TO BRAND

We are leading the process of turning a commodity into a brand. With several product innovations, we are creating new product categories. The contribution of special products in our sales is ever growing.

The company has taken several initiatives to broaden and strengthen the APL Apollo brand. Several programs for increasing brand visibility, and for product engagement and experience have been initiated. Fabricator meets have been held at large scale across India, resulting in an emotional and rational connect with a very important specifier community. Participation in global and domestic exhibitions with impressive and impactful displays has also continued. Rural brand van activation programs have been carried out to create brand presence up to the village level.





OUR CONTRIBUTIONS TO THE SOCIETY

APL Apollo is focused on not only being a global leader in its verticals, but at the same time also, as being a socially responsible and sustainability promoter. Our CSR policy resides at the core of our daily operations and at the same time, guides our future programs.

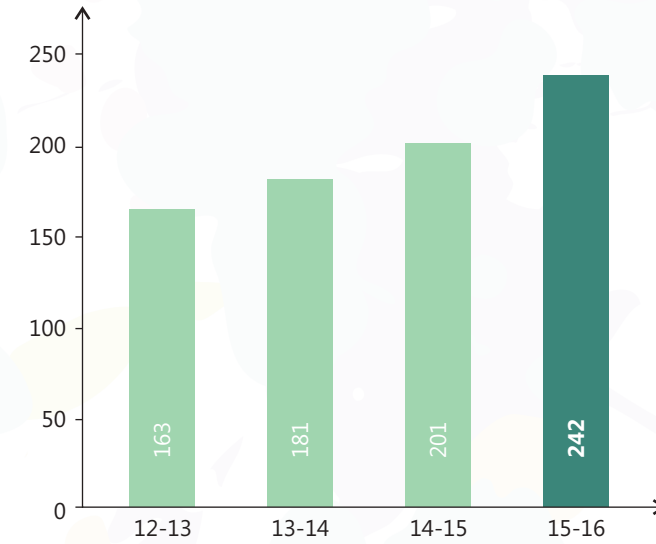
We have contributed towards the Prime Minister Relief Fund and other NGOs such as World hope Foundation and UP Science Centre for Children education, health and welfare.



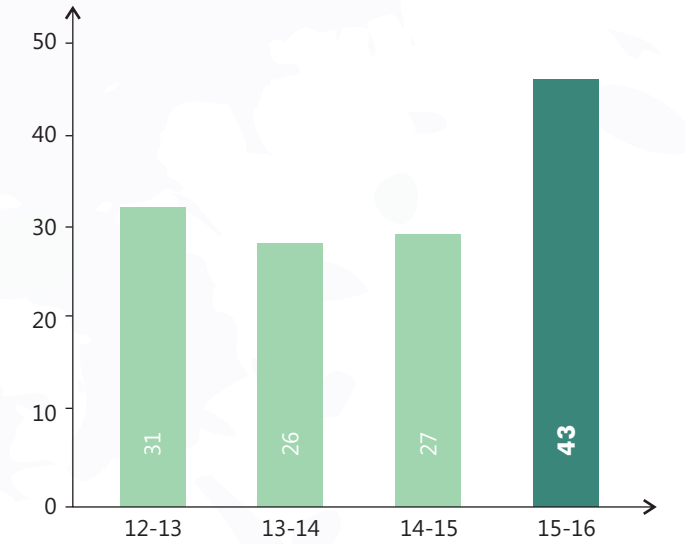
REWARDING SHAREHOLDERS

At APL Apollo, we believe that a great business recompenses its investors for the trust they have kept at us.

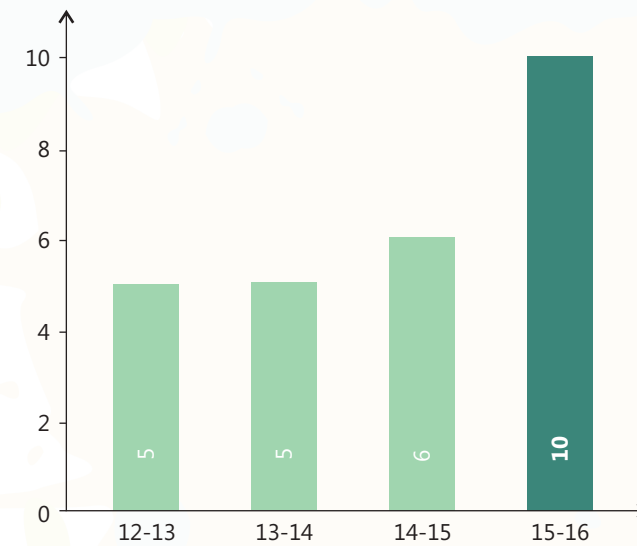
Our strong financial performance allows us to sustain a generous shareholder return program, while also investing in the future prosperities of the business.



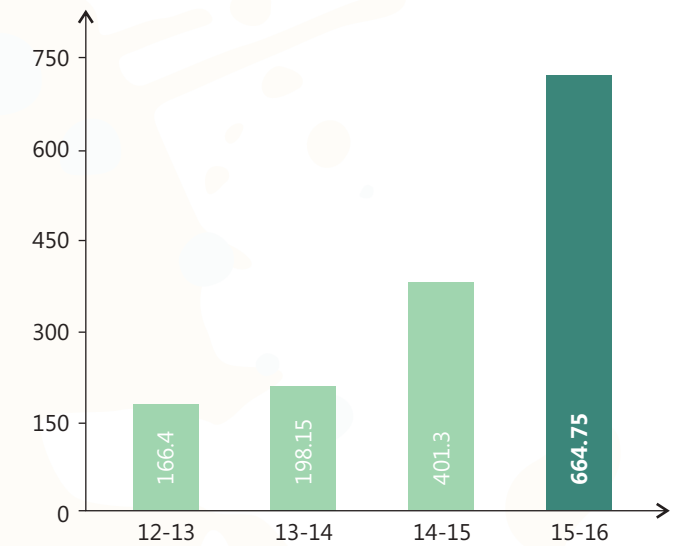
Book Value Per Share (₹)



EPS (₹)



Dividend Per Share (₹)

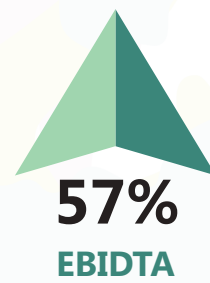


Share Price (₹)

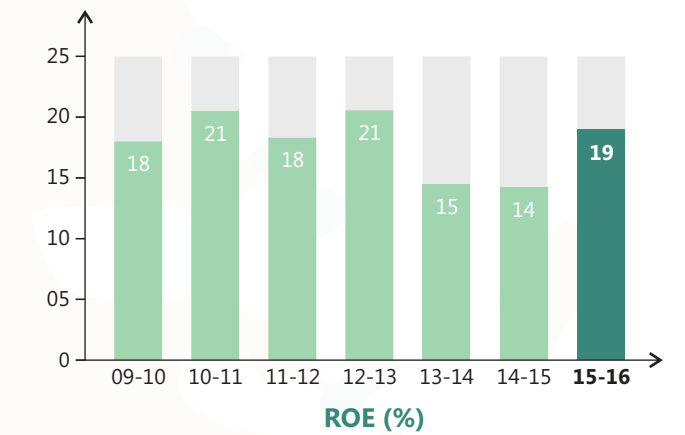
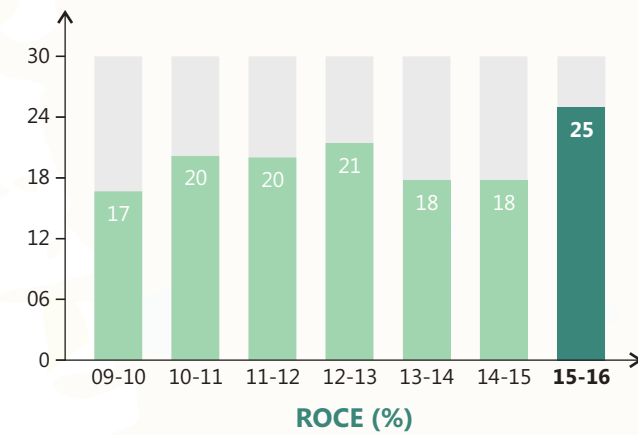
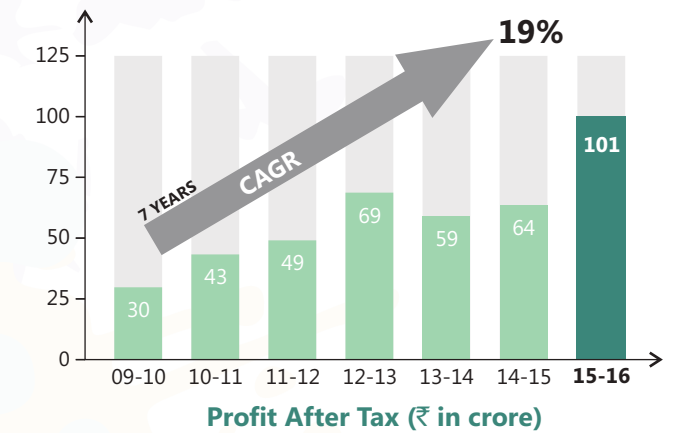
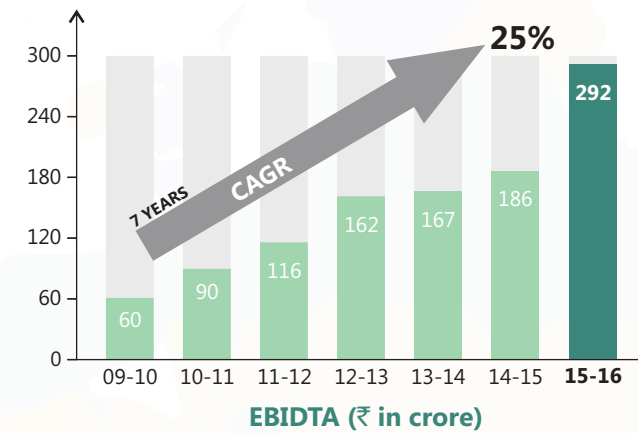
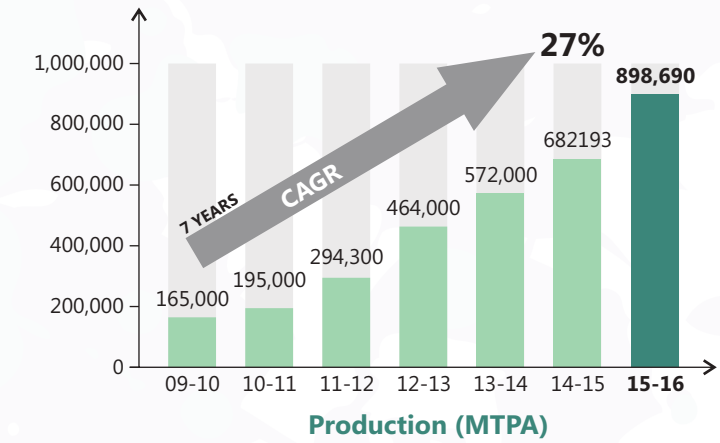
OPERATIONAL HIGHLIGHTS

We are striving towards creating sustainable shareholder value through profitable growth.

The trust of our shareholders constantly drives us to take the company to newer heights.



FINANCIAL HIGHLIGHTS



LETTER FROM CHAIRMAN

Dear Shareholders,

FY16 was an excellent year for our Company. Despite challenges in the industry and sharp decline in the steel prices, our company outperformed the industry and reported an outstanding growth. Consolidated Sales for FY16 grew by 34% YoY to ₹ 4,214 crore, which was primarily driven by our market leadership and new products that we introduced during the year. There is a distinct shift in demand from unorganised players to organised players like us. Our EBITDA increased by 57% to ₹ 292 crore, driven by the improvement in operating margins, from 5.93% in FY15 to 6.92% in FY16. This was largely driven by a decline in raw material prices, better product mix and operational efficiency.

Over the last 2 years, we have launched many products which are getting good response from the market and helped us grow our sales and improve our margins. One of our product lines: door & window frames, has been an outstanding performer. The door frame replaces traditional wooden door frames, resulting in a saving of 30% in costs, with a similar finish. We expect these products will form a much bigger part of our sales mix in the coming years and help us improve our overall margins.

During the year, we rolled out our VISION2020 plan to become the largest ERW player in the world with a production of 2.5 million tonnes in 2020. We further aim to become debt free and a leading brand of steel products out of India. We will keep launching new innovative products and build our brand with an aim to achieve volume growth of 25% annually. We are improving our corporate governance by getting independent directors with strong credentials and we have already appointed Deloitte Haskins and Sells LLP as Statutory Auditors.

The Company has planned a Capex of ₹ 500 crore in the next 3 years, which will be funded through internal accruals. The additional capital would go towards setting up a new plant in Raipur with 3 Lakh TPA, a new plant in the UAE with a total capacity of 3 Lakh TPA as well as a green field unit for manufacturing precision tubes for automotive application in Bangalore with a capacity of 1 Lakh TPA. We also plan to set an In-line Galvanizing plant of 1 Lakh TPA capacity in Bangalore apart from ordering 8 lines of new HSU technology mills which will help us add about 4 Lakh TPA at the existing sites in FY17.

APL's aim has always been to be a technology leader and hence we have always relied on the latest mills from across the world. We have strip Galvanizing Lines, Cold Saws, High speed mills from Europe, and unique Rotary sizing mills. I am personally very excited about the new 'Direct Forming Technology' that we are bringing in India for the first time. Direct Forming Technology has multiple benefits as it will save 3-10% of raw material for the same cross sections and can service small orders with customized sizes. This technology will also open new market for us and we can launch new products for Agricultural Implements, Gym/Sports Equipments, Solar Power Plants, Truck & Bus Bodies, Metros/Airports Infrastructure Construction Equipments, Prefabricated Structures, Warehouses etc.

We have expanded our reach throughout India with 26 branches & warehouses, 600 distributors & 40,000 retailers. In order to have a pan India manufacturing footprint we have forayed in Eastern/Central India with a Greenfield plant in Raipur. To increase our penetration in the market, we have made a strategy of CAP i.e New Customers, New Areas and New Products. We focused on branding during the year, which helped us in growing in Tier II and III cities, where we have emerged as a preferred supplier among fabricators and plumbers. We aim to spend over ₹ 10 crore on branding during this financial year.

Our focus is to continue improving our Return on Equity and margins and become the leading Steel Products manufacturer out of India with a presence across the globe.

I would like to appreciate our employees for their relentless efforts in helping us grow to become the leading player and thank all our shareholders for their continued encouragement and support.

Sanjay Gupta

Executive Chairman

Q & A WITH MANAGING DIRECTOR

APL Apollo sales were outstanding during the year, when the steel and allied products industry is facing a lot of headwinds. How did you manage to pull this off?

Our sales increased by 34% YoY to ₹ 4,214 crore which was largely driven by gaining market share and generating sales from the launch of new products. Our new product line of door and window frames has been quite successful.

There is also a distinct trend in shift of consumer preference to buy branded pipes, which in turn is shifting market shares from unorganized players to organized players. Smaller players are facing issues like tight working capital, low capacity utilization, old technology and high costs of logistics which are making them less competitive in the market.

We have been following a strategy of acquiring new customers, penetrating new geographies and launching new products to grow our sales. The recent brand building exercises have also helped us build a recognition of the APL Apollo brand. We have an unmatched product basket and are continuously launching new products and many of these products are replacement for wood and concrete.

During the year steel prices remained very volatile, and the company booked some inventory loss. What was the quantum of losses? Has the raw material stabilized now?

It is true that the steel prices have been under pressure throughout FY16, until the introduction of the MIP by the Government in February 2016. In view of this scenario, the company booked a net Inventory loss of ₹ 42.65 crore for FY16. In the last quarter of FY16 the prices looked up and that led to an Inventory stock gain situation. We have seen a stabilization of the steel prices since February 2016.

You increased capacity to 1.3 MTPA during the year and aiming it to further increase to 2 MTPA in the next 2 years. Can you elaborate on your expansion plans?

We have an aim of increasing our production to 2.5 MPTA by 2020, under the VISION2020 plan. We have begun constructing a Greenfield plant in Raipur with 3 Lakh TPA, which is scheduled to be operational by the end of FY2016-17.

Also, we are increasing capacity at our existing plants by 4 Lakh TPA in the FY2016-17 for which we have

ordered 8 lines of new Direct Forming Technology mills. We are venturing into precision tubes for automotive application with a Greenfield site in Bangalore with 1 Lakh TPA and also aim to set up an In-line Galvanizing facility in the next financial year. For the next 3 years we have a Capex plan of ₹ 500 crore which will largely be funded through our internal cash accruals.

You recently unveiled your Vision 2020? What are the key features of the same & how do plan to achieve your goals?

Our Vision for 2020 is to become the largest ERW player in the world with an annual production of 2.5 MTPA. We have set a target to increase our EBITDA margins from ₹ 3,200 to ₹ 4,000 per ton, increase our core ROE to high twenties and aim to grow our sales volumes by over 25%. We also aim to be debt free, and increase our dividend payout ratio to 25% above as our free cash flows increase.

In order to achieve the goals set for VISION2020 we have taken a few initiatives like doubling our market team in the next 2 years to expand our reach to new geographies, building a second line of management for smooth scaling up. We also aim to use latest

technology for high quality products at lower costs. We are aiming to increase our presence at a Pan India level with a new plant in Raipur, Chhattisgarh. We are also planning to set up a new plant in UAE to cater to new export markets. We plan to set up an innovation center to launch new product lines and becoming more customer centric.

Can you explain the new Direct forming technology mills you are bringing into the Indian market for the first time? How is it different and what advantages will it give you?

Direct forming technology is considered the world's best technology for making hollow sections. We are bringing this technology for the first time in India. This technology drives multiple benefits for us - we can form square and rectangular cross section pipes directly without first making them round. This results in saving of time and lower processing costs. There is material savings of 3-10% for the same cross section and strength and that can help us command better margins. We can also produce pipes in smaller batches and can take customized orders with higher margins.

With smaller batches of pipes in

customized sizes, with 'Just in Time' delivery, we aim to capture a larger market share and make our existing product profile more acceptable to a new set of industry. We expect to get orders from new segments like Agriculture Implements, Gym & Sports Equipment, Solar Tracking Systems, Truck & Bus Body, Construction Equipment, Pre-Fab Building, Heavy Vehicles Axles, Metros and Airports etc.

Tier II and III markets are performing better than Tier I for the company. Can you explain this phenomenon & will the trend continue?

Our Tier II and III market are growing even faster due to our branding efforts and better penetration of the hinterland than our competitors. We continue with our relentless efforts to search for new markets, with internal goals for our sales team. Our innovative and wide range of products is getting popularity in cities, towns and villages across India. Indian rural markets are under penetrated and we are helping customers make informed decisions by highlighting key aspects using fabricator meets, video vans & banners.

You plan to set up a new plant in the Middle East. When will it become operational and what is the quantum of investment?

We have plans to set up a plant in UAE, with a production capacity of 3 Lakh TPA. We aim to make this operational by FY2018-19 having initial production of 1 lakh TPA and thereafter increasing the capacity to 3 lakh TPA in FY2019-20. We aim to make that plant a hub for export into Middle East & European market.

What are the advantages that you have over your competition? Why are your margins higher than the industry?

We now are the largest ERW pipe manufacturer in India. In fact, our capacity is more than double the capacity of the next biggest player. We have over the years built some key advantages over our competitors. We now have pan India presence which helps us reduce our delivery times and our transportation costs. We have the best technology in the industry, running some of the fastest mills which keep our processing costs low and quality better than the industry. We are further investing in the future by investing in the Direct Forming mills. Our branding efforts are also helping us gain visibility over other players. The wide range of our products acts as a pull mechanism, making more distributors and retailers interested in forming part of our value chain. We maintain price discipline which

allows our customers to have the comfort that they will not be short-changed, while giving good margins to our retailers and distributors.

We are constantly increasing higher margin products in the product mix. Pre-Galvanized tubes which have margins of 10-11% now contribute to 16% of our sales. We further plan to double the production capacity of this segment. Apart from this, our value added products like door and window frames are getting popularity and their contribution in our revenues is increasing every quarter. These products have higher margins and contribute significantly to our overall profits.

Your margins improved to 8% during the year. Are these sustainable?

I think these margins are sustainable in the long run. As I pointed out earlier, our focus is to get higher sales from higher margin products like pre-galvanized tubes, door & window frames. We have further launched direct forming products, which will have better margins as they offer significant saving in costs for the same strength and quality. Going forward, our goal is to aim to overall margins in the range of 8-9%, on the back of the higher

margins product mix, better technology and branding.

You have aimed to become largest welded pipe manufacturer in the world. Will this goal be achieved organically or you have plans for acquisitions?

We have acquired 3 companies in the past, Apollo Metalex, Shri Lakshmi Metal Udyog and Lloyds Line Pipes, which we have successfully turned around. Having said that, the current plan to hit 2.5 million tonnes of volumes does not factor any inorganic growth. If a good opportunity comes definitely we will look at it, but it has to value accretive in the sense it allows to access new product lines or build a presence in newer geographies.

What is the total Capex for the Raipur plant? When is it expected to be operational?

We are commissioning new capacity in Raipur, which will cater the demand for central and eastern India. This capacity will require a Capex of around ₹ 100 crore and will be funded through internal accruals.

Raipur plant is expected to be operational within FY2016-17. This facility will have a final production capacity of 3 lakh TPA.



BOARD OF DIRECTORS



Shri Sanjay Gupta – Executive Chairman

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



Shri Ashok K. Gupta – Managing Director

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



Shri Vinay Gupta – Director

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



Shri Sameer Gupta – Director

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

Resigned with effect from 30th May 2016



Shri Anil Kumar Bansal – Director

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



Shri Abhilash Lal – Director

A mechanical engineer, Shri Lal completed his post graduation in management from the Indian Institute of Management (IIM), Bangalore in 1988. He has spent more than 27 years in senior roles in financial services, including banking, consulting, insurance, investments and real estate. His experience spans over business development, strategy, advisory as well as operations. He is currently a Partner and COO of MCap, an investment advisory firm.





Shri S. T. Gerela – Director

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



Ms. Neeru Abrol – Director

Ms. Neeru Abrol is the former Chairperson and Managing Director of M/S National Fertilizers Ltd. She also worked with M/s Steel Authority of India for 26 years, handling various management positions. A Chartered Accountant professional with over three decades of rich experience in manufacturing industry and financial management. Ms. Abrol is an Independent Director on the Board of the Company since 24 March, 2015



ORGANISATIONAL
STRUCTURE

Sanjay Gupta
Executive Chairman

Ashok K. Gupta
Managing Director

Romi Sehgal
CEO

Ajay Garg
Vice-President Commercial

Arun Agrawal
Vice-President Operations

Deepak Goyal
Vice-President & CFO

Shiv Kr Bansal
Vice-President Sales

Rahul Gupta
Vice-President Operations

Amit Kapoor
Regional Head - South

Dinesh Chandra
Marketing & Brand

Dinesh Talniya
Information Technology

J P Singh
Head-Group HR

Vijai K. Singh
Plant Head

Alok Kudesia
Plant Head

S. Guha
Plant Head

Particulars	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Key Financials (₹ in crore)										
Sales Gross	230.10	315.98	572.92	665.95	985.15	1,536.26	2,247.12	2,861.95	3,481.73	4,656.36
Sales Net	202.66	273.66	519.36	618.01	905.19	1,392.29	2,008.28	2,568.86	3,138.27	4,213.59
EBDITA	14.58	32.49	28.47	66.28	114.36	115.44	161.25	166.59	186.12	291.93
PAT	6.75	16.06	2.54	29.77	43.09	49.10	68.64	58.98	63.75	100.57
Share Capital	3.20	10.68	20.29	20.29	20.29	21.29	22.32	23.43	23.43	23.43
Share Warrants					7.22	8.26	4.04	-	-	-
Reserves and Surplus	12.32	57.31	145.73	170.76	209.12	269.81	341.39	401.77	471.66	544.11
Net Worth	15.52	67.98	166.03	191.05	236.64	299.36	367.75	425.21	495.10	567.55
Long Term Debt	11.89	20.57	7.85	7.99	40.23	73.75	85.89	139.65	140.62	187.59
Working Capital Debt	33.48	58.67	171.04	149.25	206.08	224.19	340.34	340.26	292.56	410.91
Gross Fixed Assets	20.07	34.77	71.96	131.16	231.48	295.24	376.59	502.36	647.41	729.08
Investments	-	1.76	2.04	-	2.31	0.05	1.21	17.56	19.06	13.13
Capital Work In Progress	-	3.06	6.83	20.24	31.78	45.55	15.12	27.88	20.35	32.00
Earning & Dividend (₹ per share)										
EPS	21	15	1	15	16	23	31	26	27	43
Dividend Per Share	1	-	-	2	2	2	5	5	6	10
Key Ratios (%)										
ROCE (%)	55.13	38.46	2.17	16.68	20.15	20.02	21.44	17.72	18.15	25.50
RONW (%)	32.93	30.05	1.94	15.97	18.11	18.30	20.58	14.88	14.21	20.50
Production										
Capacity MTPA	80,000	198,000	234,000	274,000	490,000	500,000	600,000	800,000	1,050,000	1,300,000
Production MTPA	59,000	75,900	120,000	165,000	195,000	294,300	464,000	572,000	682,193	898,690
Distribution										
No of Distributors	100	125	150	150	175	200	275	300	375	600
No of Warehouses	-	1	3	4	5	15	19	26	26	26
No of Plants	2	2	3	4	5	5	5	5	6	6

MANAGEMENT DISCUSSION & ANALYSIS

INDIAN ECONOMY

Indian economy during the year 2015-16 has remained resilient in facing global headwinds. The GDP growth stands at 7.6% for FY2015-16 (base 2011-12) as per Central Statistical Office's (CSO) estimates as against 7.2%. The year has also witnessed a growth in foreign direct investment which stood at \$ 29.4 billion for April-Dec 2015 period.

The fall in the crude oil prices has further helped the economy, leading to a fall in inflation with WPI remaining in the negative territory for the complete year 2015-16. With inflation well in control, during the year the Reserve Bank of India has reduced Repo Rate by 100bps. This is expected to further provide support to the economic growth.

Two consecutive years of deficit rainfall due to El Nino effect had a negative impact on the rural economy. However, the recent forecast of good monsoon by Indian Meteorological Department (IMD) augurs well for the economy. The budget for the year 2016-17 has increased allocation for rural economy which is expected to contribute towards growth in rural income. The central government has started a number of initiatives such as Make in India, Smart Cities, Enhancing ease of doing business etc. to boost the economic growth in India.

STEEL SECTOR

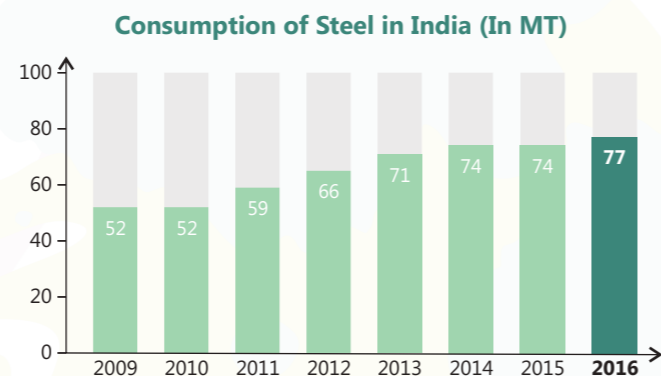
India is the world's third largest producer of crude steel after China and Japan with production of 91.46 million tonnes in FY15 and accounts for 6% of steel production globally, increased 4.3% over FY14.

Consumption of finished steel grew by 3.1% to 76.3 million tonnes in FY15, and grew at a rate of 5.74% from 2008 to 2015. Domestic steel production for steel in FY15 was 91.46 million tonnes, 3.3% higher than last year. Growth in the steel consumption was mainly driven

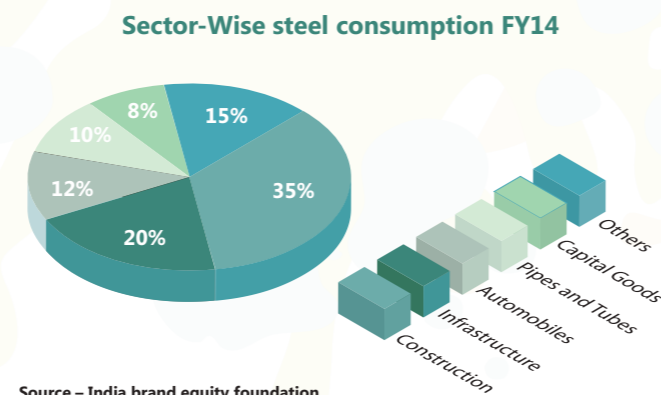
by rising infrastructure development and demand for automobiles in India.

In FY15 India imported 9.3 million tonnes of finished steel, 71.1% higher than FY14. Export of finished steel from India fell to 5.59 million tonnes from 5.98 million Tonnes in FY14.

The majority of the steel is imported from China, which increased by 70% over the previous year. Import from China was mainly increased due to two factors, first, Chinese steel prices are much lower than Indian steel prices and second, exemption of import duty on the steel which is intended to be exported from India, this makes lower priced Chinese steel preferable to steel from other import destinations.



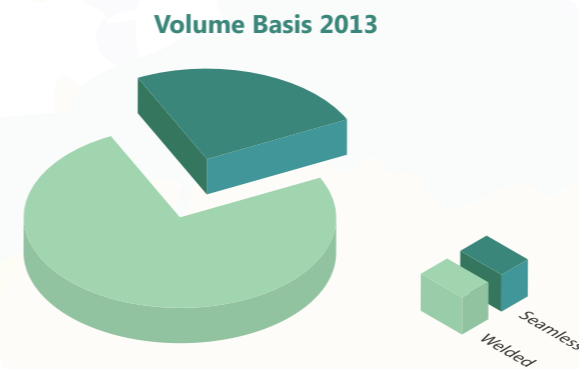
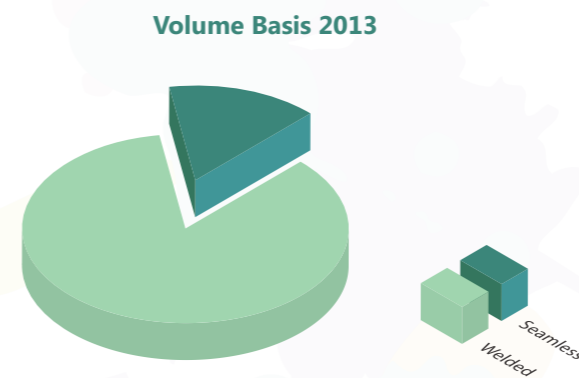
Source – India brand equity foundation



Source – India brand equity foundation

STEEL PIPES

Steel tubes are critical in building, construction, infrastructure, energy, and other industrial applications. The building & construction industries along with the oil & gas sector are the major marketplace for pipe. With the construction market booming and further development of new market for steel pipes ranging from commercial framing to water pipes, the future of the steel tube industry is likely to experience considerable growth.



Steel pipes were traditionally used for transportation of water, liquid, oil and gases, but lately steel pipes have found application as hollow support structures in newer areas like real estate, construction, telecom, power, energy, entertainment zones, metros, airports and ports etc.

As per the market report of Freedonia group global demand for steel pipe is forecast to advance 3.5 percent per annum through 2019 to 79.7 million tonnes from 68.8 million tonnes in 2014, with growth paced by

continued strong increases in developing markets.

Indian steel sector and its downstream product sector have witnessed a lot of encouraging developments in last 2-3 years. Indian steel industry, in the beginning of the 21st century was highly fragmented and unorganized and dependent on the domestic demand.

India witnessed an evolution in the Indian steel industry due to availability of huge raw material reserves and infusion of funds of capacity and modernization. Consequently, Indian manufacturer raised operations and explored the global market with mainstream products and value added steel products.

Indian steel pipes and tube industry is among the fastest growing in the world, Indian steel tube and pipe production is estimated 10 million tonnes a year. Over the year Indian steel tubes and pipes industry has emerged as a global player due to superior quality, lower cost, and geographical advantage.

ERW Steel pipe industry is largely dependent on the spending sectors like residential and non-residential construction, urbanisation, consumer goods manufacturer, infrastructure, automobiles and agriculture spending etc.

Construction & Infrastructure - Steel pipe also sees significant usage in construction markets, where it is used in a variety of applications, such as conduit, support structures, fencing, railings, scaffolding etc. Indian Govt. under its 'Make in India' campaign has announced \$ 1 Trillion investments for the infrastructure sector projected during 2012-17. Also construction of 100 smart cities and 500 AMRUT cities will invite huge investment and will drive growth for steel pipes and tubes.

Urbanisation - India's urban population has increased from 222 million (26% of the population) in 1990 to 410 million (32%) in 2014 and is expected to reach 814 million (50%) by 2050. Indian gov. to accommodate such a huge population has announced 100 new smart cities and a goal of housing for all by 2022, which will drive the growth for steel pipes and tubes in India.

Agriculture – Steel pipes and tubes finds application for sprinkling, drill rods, bore-well, water distributor, submersible pump & water conveyance etc. Agriculture sector plays a vital role in India's economy. Over 58% of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). Indian govt. is taking various initiatives to improve agricultural production.

As per Freedonia group report, India will see a strong improvement in growth of the steel pipe sector, driven by rising construction spending and improvement in manufacturing sectors.

China is largest steel pipes & tubes consuming market, with 30% of global demand in 2014. China was the major driver of steel tubes demand growth for steel pipe between 2004 and 2014. Growth in demand for steel pipes in China is likely to remain subdued due to slowing economic growth rate, but still China is likely to be the largest consuming market for steel pipes.

China is facing anti-dumping and safeguard duties from countries like US, EU, Canada, Indonesia, Brazil and Mexico. Also China is facing subdued demand for steel tubes and pipes in the domestic market which is resulting in large inventory and dumping in India and other countries.

COMPANY

APL Apollo Tubes Ltd (APL) is the leader in steel pipes and tubes in India, and operates in the welded segment. The welded segment has 3 sub-segments namely SAW pipes, ERW Precision pipes and ERW structural & commercial pipes. APL operates in ERW structural & commercial pipes segment.

Mild carbon steel (HR Coil) is used as raw material to manufacture pipes, and used in transportation of water and other fluids as well as structural support system.

The current pipe manufacturing capacity of the company is 1.3 million tonnes per annum, which is spread across our 6 manufacturing facilities in Sikandrabad (Uttar Pradesh), Hosur (Tamil Nadu), Bengaluru (Karnataka) & Murbad (Maharashtra).

The company is a leader in the industry in ERW steel tubes in India, due to its wide distribution network of distributors, dealers and retailer across India. It also uses the best technology and is known for the high quality of its products.

The Company exports to over 20 countries. The company's products basket is unmatched in the industry and has numerous shapes across MS Black pipes, Galvanized Tubes, Pre-Galvanized Tubes, and Hollow sections. The company's products find their usage in myriad application, from structural application in metros, airports, malls to household structural applications, scaffolding systems, fire-fighting, gas pipelines, solar plants and windmills, irrigation systems and greenhouses.

Currently, 80% sales of the company are in retail sector, of which 30-35% are from the household sector, 30% in infrastructure sector and rest 20-25% from agri pipes and scaffolding. The remaining 20% are direct sales to real estate and infra projects across India.

The company has increased its market share substantially over the last five years. This increase has been on account of :

Shifting of market from unorganized players – Smaller players are losing market share with the demand shifting to bigger players like APL Apollo. It has been tough for the small companies to face the difficult economic conditions over the last 2 years with falling steel prices. Small companies are also facing liquidity issues as the banks have squeezed credit due to high NPA in the sector. Organized players have become more cost efficient due to updated technology, which smaller players have not implemented.

Introduction of new products – Currently the company's product basket includes numerous shapes, and it is introducing new products every month and quarter. These products are replacement for wood, and concrete. The smaller players are unable to drive this innovation and unable to benefit from the growth in the new user segments.

APL Apollo holds 2 patents for products it has developed. It has been a pioneer in doing R&D and launching products which serve as replacement products for traditionally expensive materials like wood, concrete and aluminium. APL Apollo aims to launch new products every year, and increase the contribution of the special products.

FINANCIAL PERFORMANCE

Net Revenue of the company increased from ₹ 3,138 [Consolidated] crore in FY15 to ₹ 4,214 [Consolidated] crore in FY16 which is a growth of 34% YoY basis. Also EBITDA margins expanded from 5.93% to 6.92% [consolidated] in FY16. The company has a robust growth of 58% [consolidated] on PAT level. For the FY17 the company has strategically planned to tap the new uncovered territories, specially in eastern and central region of India for which it is increasing its brand awareness and expanding the distribution network. Also to cater the demand of these regions it is going for a Greenfield project expansion at Raipur, which is expected to be commissioned by the end of FY2016-17. The project will cost around ₹ 100 crore. The company overall would be spending a total ₹ 200 crore on capital expenditure in FY2016-17 and aim to increase its capacity to 1.6 million tonnes.

DISTRIBUTION CHANNEL

80% of the company's sales are through distributors, and remaining sales are to large projects. The company is expanding its business across India in newer cities, towns and villages and other countries. In order to meet the demand smoothly the company has expanded the distribution network. The company sells it pipes through

warehouses which through dealer sell to retailers. The company has 26 warehouses, a network of 600 distributors and 40,000 retailers and presence in over 300 cities & towns. The wide and deep routed network gives competitive advantage to the company in terms of quicker delivery and service to customers.

BRANDING

Branding plays an important role in improving sales and margins of a company. The company has taken various initiatives to make APL as a brand in the mind of the customers. The branding efforts have resulted in better growth in sales in tier II and III cities than tier I cities. Sales in small town and villages are growing at a healthy rate due to increased brand awareness.

The company has improved its brand value through presence in trade expos, fabricators meets, focused advertising and brand engagement programs. It has also been focusing on reaching out to fabricators, small traders, small dealers and farmers. The company has set a target of spending ₹ 10 crore on branding during FY2016-17 and aims to place over 30,000 signages across India.

VALUE ADDED PRODUCTS

Door frames (Single door frame and double door frame) – These products replace traditionally made wooden door frames. The advantages that steel door frames provide are manifold - it is cheaper, has a longer life, and can easily be recycled. These door frames can support the government initiative of housing for all, as they are 30% cheaper than traditional wooden door frames. The company holds a patent for door frame design and has seen its sales grow dramatically over the last 2 years.

Color coated pipes – Color coated pipe technology has been brought for the first time in India by APL Apollo. Steel pipes are generally available in raw state, in steel neutral color. These are then painted on site for aesthetics and rust prevention. This creates air and land pollution apart from being expensive. All kinds of Black

round and hollow sections, galvanized and pre galvanized pipes can be color coated. Our company has color coated pipes particularly suitable for use in Architectural and structural applications, roofing, airports, warehouse, expo centers, fire fighting etc.

QUALITY

APL is known to make the best quality pipes in the industry. The technology used to manufacture our products is considered best globally. We further aim to improve our quality and product range by introducing Direct Forming Technology for hollow section pipes by installing state of the art mills across our manufacturing plants in the coming year.

CAPACITY EXPANSION

APL Apollo has 6 manufacturing units in India and have a total capacity of 1.3 million tonnes per annum, with capacity utilization of 85% which is one of the best in the industry.

During the year, it is commissioning new capacity in Raipur of 3 lakh tons, which will cater to the demand for central and eastern India. This capacity will require a Capex of around ₹ 100 crore and will be funded through internal accruals only.

Under the VISION2020 plan APL Apollo plans to increase the capacity to 2.5 million tonnes by 2020 and become the largest ERW Pipe manufacturer in the world. It is planning a Capex of ₹ 500 crore in the coming 3 years out of which ₹ 200 crore of capex is lined up in FY2016-17.

TECHNOLOGY

APL Apollo has been a frontrunner when it comes to new technology and innovation. It has been a pioneer in adopting the latest technology, whether it is strip Galvanizing Lines, Cold Saws, High speed mills from Europe, or the unique Rotary sizing mills which help in producing the best quality rolled tubes.

The company is now bringing the World Best 'Direct Forming Technology' to India for the first time. This technology can form square and rectangular pipes directly without forming the round cross section initially. This brings certain advantages like the line can produce even smaller order sizes of 10-20 tonnes unlike traditional technology wherein larger batches of 400-500 tonnes had to be run before any change could be done to maintain productivity. Another big advantage is that this technology will also save the raw material which earlier used to gather at the edges when round cross sections were converted into square or rectangular cross sections. This saving in raw material is around 3-10%, depending on the product profile. Another technology that is being brought into India by the company for the first time is In-line Galvanizing Mill. This technology helps to galvanize (zinc coating) the steel pipes on a continuous basis during the production process, without dipping them in a hot zinc bath. This technology will save time and cost of galvanization.

STATUTORY REPORTS AND STANDALONE FINANCIAL STATEMENTS



DIRECTORS' REPORT

TO THE MEMBERS OF

APL APOLLO TUBES LIMITED

Your Directors have pleasure in presenting the Thirty First Annual Report on the business and operations of your Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31 March, 2016.

Financial Performance:

The Company's Financial performance for the year under audit along with the previous year's figures are given hereunder:-

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Gross sales	4,656.36	3,481.73	3,213.83	2,301.37
Less : Excise duty and cess	442.77	343.46	218.23	200.80
Net sales / Income from operations	4,213.59	3,138.27	2,995.60	2,100.57
Operating EBIDTA	281.66	181.62	112.87	93.75
Add : Other income	10.27	4.51	21.62	12.65
Less : Finance cost	69.51	66.44	48.73	50.16
Less : Depreciation and amortisation	34.10	22.01	18.67	12.01
Profit before exceptional items and tax	188.32	97.67	67.09	44.23
Less : Exceptional items	25.33	-	25.33	-
Profit before tax (PBT)	163.00	97.67	41.76	44.23
Less : Tax expense	62.42	33.92	10.93	12.78
Profit after Tax for the year (PAT)	100.57	63.75	30.83	31.45
Add : Balance in statement of profit and loss	257.27	216.89	105.99	94.69
Profit available for Appropriation	357.84	280.64	136.82	126.14
Transfer to General Reserve	0.50	6.50	0.50	5.00
Transfer to Debenture redemption reserve	18.75	-	18.75	-
Proposed dividend on Equity Shares	23.44	14.06	23.44	14.06
Tax on dividends	4.68	2.81	1.98	1.09
Balance Carried over to Balance Sheet	310.47	257.27	92.16	105.99

The company's consolidated gross turnover in financial year 2015-2016 increased by 34% from ₹ 3,481.73 crore to ₹ 4,656.36 crore mainly because of our customized products across all the users. The EBIDTA has been

significantly increased by 57% from ₹ 186 crore to ₹ 292 crore for the year under audit. The net profit of the Company has also increased by 58% from ₹ 64 crore to ₹ 101 crore for the year under audit.

DIVIDEND

The Board has, subject to the approval of the members at the ensuing Annual General Meeting, recommended dividend of ₹ 10/- (100%) per fully paid-up equity share of ₹ 10/- each of the Company for the year ended 31 March, 2016 as against ₹ 6/- (60%) for the previous year.

TRANSFER TO RESERVES

The company proposes to transfer ₹ 0.5 crore to the General Reserve out of amount available for appropriations and an amount of ₹ 92.16 crore, standalone basis proposed to be retained in the Statement of Profit and Loss during the financial year 2015-16.

OVERVIEW

The global economy as well as Indian economy during the current financial year remained subdued and witnessed overall fall in demand, slow down and uneven recovery across advanced and emerging markets. The Government has taken several initiatives and measures for development to improve the economic conditions of the country but due to poor monsoons, disappointing manufacturing output and growing NPAs and stressed assets among others has kept the economy under stress. However, the performance of the company is not much affected and it managed to achieve the targets through innovative designed products and increasing its production capacity. The Company has set the vision 2020 for achieving the capacity up to 2.5 millions MTPA including installation and commissioning of new machineries based on HSU technology. The road map of development will take shape in the coming years, consequent to the implementation of government projects and other initiatives undertaken for growth. The strategy and steps taken by the Company in designing new products in steel tubes and pipes segment by innovative means has succeeded in a big way with the production and launch by the Company for the first time in India and other new products like window / door frames designed and patented by the company will boost the sales of the company as demand for these

products is expected to grow significantly in rural and semi-urban areas of the country. The Company focussed on reducing cost of raw materials by procuring through imports, improving efficiencies, reducing cost of borrowings, increasing penetration particularly in Tier II cities, developing new product sizes, finding new markets etc. Due to various other measures taken by the Company, it has maintained steady in its operations.

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

OPERATIONS

During the financial year 2015-16, the Company has achieved the highest ever volume once again and break its previous volume, despite the adverse conditions across the globe. The Company is focusing on the products of new designed and gradually the positive response is witnessing in its sales. The continued focus on brand image exercise and extending the geographical reach to the end-users, strengthened our presence in Tier II and Tier III cities either via own warehouse cum branches or through dealer-distribution network. The dealer-distribution network increased significantly to 600. This along with warehouses will help the Company to meet the increasing demand for our products, across various industrial applications.

The effective steps towards measures to enhance cost efficiency across the verticals, innovative approach in production and distribution of the products helped the Company to control the manufacturing, selling and distribution cost.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements presented by the Company include financial information of its subsidiaries

prepared in compliance with applicable Accounting Standards. The audited Consolidated Financial Statements and the Auditor's Report thereon form part of this annual report.

PROJECTS AND EXPANSION PLANS

Project commissioned during financial year 2015-16 and New Projects in the upcoming years

- New 5 lines commissioned during the year across all existing plant thereby enhancing the capacity from 10.50 lacs TPA to 13 lacs TPA.
- Setting up a new plant in Raipur with 3.25 lacs TPA including HSU technology for making our presence Pan India.
- Ordered 8 lines of new HSU technology mills that will add over 5 lacs TPA at the existing sites and Raipur in this year.

SUBSIDIARIES COMPANIES, JOINT VENTURES & ENTERPRISES OVER WHICH SUBSIDIARIES, KEY MANAGERIAL PERSONNEL & RELATIVE OF KMP EXERCISES SIGNIFICANT INFLUENCE

The Company has three wholly-owned subsidiaries and five Enterprises over which Subsidiaries, Key Managerial Personnel & Relative of KMP exercises significant influence as on 31 March, 2016.

No subsidiaries were acquired/formed during the year.

A. Wholly Owned Subsidiaries

1. M/s Shri Lakshmi Metal Udyog Limited (SLMUL)

Shri Lakshmi Metal Udyog Limited is a wholly owned subsidiary of the Company acquired on 28 April, 2008. The turnover of the Company during financial year 2015-16 stood at ₹ 457.39 crore. The profit before tax was ₹ 57.24 crore in the financial year 2015-16 as compared to ₹ 24.59 crore in the financial year 2014-15. The profit after tax stood at ₹ 35.43 crore in the financial year 2015-16 as compared to ₹ 16.50 crore in the financial year 2014-15.

2. M/s Lloyds Line Pipes Limited (LLPL)

Lloyds Line Pipes Limited is a wholly owned subsidiary of the Company acquired on 11 November, 2010. The turnover of the Company during financial year 2015-16 stood at ₹ 879.02 crore. The profit before tax was ₹ 49.55 crore in financial year 2015-16 as compared to ₹ 25.75 crore in financial year 2014-15. The profit after tax stood at ₹ 31.29 crore in financial year 2015-16 as compared to ₹ 17.19 crore in financial year 2014-15.

3. M/s Apollo Metalex Private Limited (AMPL)

APL Apollo Tubes Limited acquired 100% stake in Apollo Metalex Private Limited on 15 June, 2007. The turnover of The Company during the financial year 2015-16 stood at ₹ 580.95 crore. The profit before tax ₹ 27.91 crore in financial year 2015-16 as compared to ₹ 12.94 crore in financial year 2014-15. The profit after tax stood at ₹ 16.47 crore in financial year 2015-16 as compared to ₹ 8.46 crore in financial year 2014-15.

B. Enterprises over which Subsidiaries, Key Managerial Personnel & Relative of KMP exercises significant influence

- M/s Apollo Pipes Limited
- M/s V S Exim Private Limited
- APL Infrastructure Private Ltd
- Assawa Associates Private Limited
- SMT Finance and Investment Limited

A report on the performance and financial position of each of the subsidiaries and associates companies as per the Companies Act, 2013 is provided as Annexure "C" to the Consolidated Financial Statements and hence not repeated for the sake of brevity.

During the financial year 2015-16, the Board of Directors in its Meeting held on 13 June, 2015 has also approved the Scheme of Amalgamation of Lloyds Line Pipes Limited (wholly owned subsidiary) with the

Company to enable consolidation and further expansion of the Company.

Your Company has since filed a petition with the Hon'ble High Court of Delhi, for its approval to the said amalgamation of the Company with Lloyds Line Pipes Limited (wholly owned subsidiary) and same is pending with the Court. The company is hopeful to get the approval of High Court and other requisite approvals will be obtained by the end of September, 2016.

Your Directors believe that the amalgamation would achieve economies of scale, and other operational synergies which would result in the optimization of operation and capital expenditure and lead to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skill expertise and technologies of both the Companies.

The audited financial statement and related information of the subsidiaries, where applicable, will be available for inspection during regular business hours at the Company's Corporate Office at 36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad, Uttar Pradesh-201010 and the same are also available at our website i.e. www.aplapollo.com as prescribed in Section 136 of the Companies Act, 2013.

RISK MANAGEMENT

The Company has in place of mechanism to identify, access, monitor and mitigate various risks to business key objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meeting of the Board of Directors of the Company.

The board has adopted formal Risk Management Policy for the Company whereby risks are broadly categorized into Strategic, Operational, Compliance, and Financial & Reporting Risks. The Policy outlines the parameters of identification, assessment, monitoring and mitigation of various risks which are keys to the business objectives.

The Risk Management Policy has been uploaded on the Company's website and may be accessed at the link:

<http://www.aplapollo.com/pdf/rmp.pdf>

INTERNAL CONTROL, AUDIT AND INTERNAL FINANCIAL CONTROL

OVERVIEW

A robust system of internal control, commensurate with the size and nature of its business forms an integral part of the Company's governance policies.

INTERNAL CONTROL

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business, internal control system are integral to Company's Corporate Governance framework. Some significant features of internal control system are:

- Adequate documentation of policies, guidelines authorities and approval procedures covering all the important functions of the Company.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any risks.
- Ensuring the integrity of the accounting system; proper and authorized recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring reliability of all financial and operational information.
- Audit Committee of the Company, comprising of Independent Directors. The Committee regularly reviewing audit plans, significant audit findings, adequacy of Internal Controls, Compliance with Accounting Standards, etc.
- Comprehensive Information Security Policy and Continuous updation of IT systems.

The Internal Control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as enhanced control consciousness.

INTERNAL AUDIT

The Company has an internal audit function that inculcates global best standards and practices. The Company has strong internal audit department reporting to Audit Committee.

AUDIT PLAN AND EXECUTION

Internal Audit department prepares a risk based Audit plan. The frequency of audit is decided by risk rating of areas/functions. The audit plan is reviewed periodically to include areas which have assumed significant importance in line with the regulatory changes, emerging industry trends and value of the transactions. The audit is based on an internal audit plan, which is reviewed this year in consultation with the audit committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

INTERNAL FINANCIAL CONTROL

As per Section 134(5)(e) of the Companies Act, 2013 the Directors have an overall responsibility for assuring that the Company has implemented robust systems and framework of Internal Financial Controls.

The Company has successfully laid down the framework and ensured its effectiveness. APL's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

APL has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. It has continued its efforts to align all its processes and controls with global best practices.

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as of 31 March, 2016. The assessment involved self review, peer review and external audit.

The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets statutory auditors of the Company periodically to, inter alia, ascertain their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), the audit committee has concluded that, as of 31 March, 2016, internal financial controls of the Company were adequate and operating effectively.

CREDIT RATING

The Company's borrowings enjoy the following credit ratings:

Nature of Borrowing	CARE	ICRA
Long term bank Loans	-	[ICRA] A
Short Term	-	[ICRA] A1
Commercial Papers	-	[ICRA] A1 & ICRA A1+[SO]
NCDs	CARE A	-

Your Company has obtained upgraded rating from M/s ICRA Limited and further obtained rating for the Non-Convertible Debentures for the first time during the year with stable outlook.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under audit, as stipulated under Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015 is presented in a separate section forming part of the Annual Report.

FIXED DEPOSITS

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

SHARE CAPITAL

There was no change in the Company's share capital during the year under audit. The Company's paid up equity share capital remained at ₹ 234,386,360

comprising of 23,438,636 equity shares of ₹ 10/- each. The company has not issued shares with differential voting rights nor sweat equity or bonus shares.

Your Company has established share incentive schemes APL Apollo Employees Stock Option Plan pursuant to which options to acquire shares have been granted to eligible employees of the Company and its subsidiaries. During the year, stock options have been granted to the employees of the Company and its subsidiaries. On exercise of the options so granted, the paid-up equity share capital of the Company will increase in terms of the Stock Option Plans mentioned above. The details of stock options granted by the Company are disclosed in compliance with Regulation 14 of Securities and Exchange Board of India (Share Based Employee Regulations), 2014 is placed on the Website of the Company at www.aplpollo.com.

NON-CONVERTIBLE DEBENTURES

During the period under audit, your Company issued fully secured, listed, redeemable, Non-convertible debentures (the "Debentures") amounting to ₹ 75 crore on a Private Placement basis. The outstanding balance of Debentures as on 31 March, 2016 amounts to ₹ 75 crore. The proceeds of the aforesaid issue were utilized for general corporate purposes.

Debenture Trust Agreement in favour of HDFC Trustee Co. Limited for the aforesaid issue was executed.

The Company's NCDs have been assigned the rating of **CARE A** by Credit Analysis and Research Limited (CARE).

COMMERCIAL PAPERS

The Commercial Paper Programme of your Company has been rated by M/s ICRA Limited and is assigned the rating of [ICRA] A1 & [ICRA] A1+ [SO] for ₹ 70 crore and ₹ 130 crore respectively. During the year under audit, Commercial Papers outstanding amount stood at ₹ 25 crore.

CORPORATE GOVERNANCE

At APL Apollo, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely to not just boost long-term shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) and Clause 49 of the erstwhile Listing Agreement regarding the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this report (Annexure H).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Articles of Association of the Company, Shri Vinay Gupta (DIN: 00005149) will retire at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for reappointment. The profile and particulars of experience, attributes and skills that qualify Shri Vinay Gupta for the Board membership is disclosed in the notice convening the AGM. The Board recommends and seeks your support in confirming Shri Vinay Gupta's re-appointment.

Cessation

Shri Sameer Gupta (DIN: 00005209), ceased to be Director of the Company effective from 30 May, 2016. The Directors place on record their appreciation towards Shri Sameer Gupta's contribution during the tenure as a Director of the Company.

Appointment

Shri Romi Sehgal (DIN: 03320454) who was appointed as an Additional Director of the Company by the Board of

Directors with effect from 13 August, 2016 in terms of Section 161 of the Companies Act, 2013 and in terms of Articles of Association of the Company, holds office until the date of ensuing Annual General Meeting. Your Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of your Company, signifying his intention to propose the name of Shri Romi Sehgal, for appointment as a Director of your Company.

Key Managerial Personnel

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

The current policy is to have a balance mix of executive and non-executive Independent Directors to maintain the Independence of the Board, and separate its function of governance and management. As at 31 March, 2016, the Board of Directors comprises of 8 Directors of which 4 are non-executive including 1 women Director. The number of Independent Directors is 4, which is one half of the total numbers of Directors.

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

remuneration paid to the Directors is in accordance with the remuneration policy of the Company.

COMPENSATION POLICY FOR THE BOARD AND SENIOR MANAGEMENT

Based on the recommendations of NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel (KMP) and all other employees of the Company. As part of the policy, the Company strives to ensure that:

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

During the year, there have been no changes to the policy. Hence, the same is not annexed to this report, but is available on our website www.aplapollo.com.

DECLARATION BY INDEPENDENT DIRECTOR(S):

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

BOARD EVALUATION & CRITERIA FOR EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements, Regulations), 2015 ("SEBI Listing Regulations").

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors. The Board, through NRC, sought the feedback of Directors on various parameters such as:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning etc.);
- The structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The Chairman of the Board had one-on-one meeting with the Independent Directors and the Chairman of NRC had one-on-one meeting with the Executive and Non-Executive Directors. These meeting were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board considered and discussed the inputs received from the Directors. Also, the Independent Directors at their meeting, reviewed the performance of the Board, Chairman of the Board and that of Non-Executive Directors. The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the cohesiveness that exists

amongst the Board Members, the two-way candid communication between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities. In the coming year, the Board intends to enhance its focus on the strategic plan for portfolio restructuring, risk management, policy advocacy and regulatory affairs, environmental matters including sustainability (particularly on aspects such as emissions and climate change) and succession planning for the Board.

AUDITORS AND AUDITORS' REPORT

A. Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon, (FRN117366W/W-100018), who are statutory auditors of the Company, hold office until the conclusion of ensuing AGM and are eligible for re-appointment. Members of the Company at the AGM held on 28 August, 2015 had approved the appointment of Deloitte Haskins & Sells LLP as the statutory auditors for a period of five years i.e. upto 35th AGM of the Company.

As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

B. Cost Auditors

Pursuant to the provisions of Section 148(2) of the Companies Act, 2013 read with Companies (Cost Records and Audit), Amendment Rules, 2014, required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the re-appointment of M/s R.J. Goel & Co., Cost Accountants, (Registration No.000026) as the Cost Auditors of the Company for the year ending 31 March, 2017. The remuneration proposed to be

paid to the Cost Auditor requires ratification in terms of Section 148 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 and is accordingly forms part of the notice convening the AGM.

C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed M/s Anjali Yadav & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31 March, 2016 is annexed herewith marked as Annexure E to this Report. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse remark.

RELATED PARTY TRANSACTIONS

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of all Related Party Transactions (RPT) that were entered into during the financial year were on arm's length basis and in ordinary course of business. There were no material related party transactions entered during the financial year 2015-16.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in Form AOC-2 form part of the report **(Annexure D)**.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:

<http://www.aplpollo.com/pdf/rpt-policy.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure process are in place for all

transactions between the Company and related parties. All related party transaction are placed before the Audit Committee for review and approval.

Your Directors draw attention of the members to Note 29.3 to the Financial Statement which sets out related party disclosures.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The board of directors of the company at its meeting held on 13 June, 2015 formulated the APL Apollo Tubes Limited - Employees Stock Option Scheme-2015 ("ESOS Plan") with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company which will reflect their efforts in building the growth and the profitability of the Company. More than being a compensation element, the plan will have a strategic significance and will act as a key enable to achieve long-term business objectives.

At the said meeting, the board authorised the Nomination and Remuneration Committee of the APL Apollo Tubes Limited for the superintendence of the ESOS Plan.

Grant of stock options under the ESOS plan shall be as per the terms and conditions as may be decided by the Board/Committee from time to time in accordance with the provisions of Companies Act, 2013 the rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOS Regulations").

Under the provisions of the Companies Act, 2013 and the ESOS Regulations, approval of the members by way of a special resolution vide a postal Ballot was obtained on 27 July, 2015 and 22 December, 2015 for the ESOS plan involving issue of shares to the employees of the Company and its subsidiaries.

A total of 750,000 options would be available for grant to the eligible employees of the Company and its subsidiaries and total of 724,000 options would be available for grant to the eligible employees of the Company and its Subsidiaries, under the ESOS plan.

724,000 options have been granted under this plan by the Committee in its meeting held on 28 July, 2015 under the 1st Grant to the eligible employees of the Company and its subsidiaries.

The applicable disclosures relating to the APL Apollo Tubes Limited - ESOS Scheme -2015 as stipulated under the ESOS Regulations pertaining to the year ended 31 March, 2016 are hosted on the website of the Company at www.aplpollo.com.

The ESOS plan are in compliance with the ESOS Regulations and the Certificate from Statutory Auditor of the Company certifying that the Company's stock option plans are being implemented in accordance with the ESOS Regulations and the resolution passed by the Members would be placed at the Annual General Meeting for inspection by Members.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at 31 March, 2016 and of the Company's profit for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The annual financial statements have been prepared

on a going concern basis.

- e. The internal financial controls were laid down to be followed that and such internal financial controls were adequate and were operating effectively.
- f. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the subsequent year, the Company has made contribution of ₹ 1.01 crore to Prime Minister's National Relief Fund for Education of Poor Children, ₹ 0.11 crore to World Hope Foundation and 0.015 crore to U.P. Science Centre, Jhansi, in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.

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

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

LISTING AGREEMENT

During the year, SEBI notified the Listing Regulations and the same were effective from 1 December, 2015. The Listing Regulations aim to consolidate and streamline the provisions of the erstwhile listing agreement for different segments of capital markets to ensure better enforceability. In terms of the Listing Regulations, all

listed entities were required to enter into a new listing agreement with the stock exchanges. In compliance with the requirement, we on 15 February, 2016, executed the listing agreement with the BSE Limited and the National Stock Exchange of India Limited.

DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2015-16, 7 (Seven) Board Meetings were convened and held details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement.

AUDIT COMMITTEE

The Audit Committee comprises of four Directors, of which three are Non-Executive and Independent Directors. Shri Anil Kumar Bansal, Non-Executive Independent Director, is the Chairman of the Audit Committee. Members possess the adequate knowledge of Accounts, Audit and Finance, etc. The Composition of the Committee meets the requirement as per Section 177 of the Companies Act 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement.

There are no recommendations of the Audit Committee which have not been accepted by the Board.

EXTRACT OF THE ANNUAL RETURN

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

WHISTLE BLOWER POLICY/VIGIL MECHANISM

In compliance with the provisions of Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements)

Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any.

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

The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The Vigil Mechanism / Whistle Blower Policy have also been uploaded on the Company's website and may be accessed at the link:

<http://www.aplpollo.com/pdf/whistle-blowing-policy.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under provisions of Section 186 of the Companies Act, 2013 during the financial year 2015-16 are furnished in the notes to the financial statements.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Details pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 pursuant to MCA Notification dated 30 June, 2016 forms part of this Annual Report and annexed herewith as Annexure F.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaint has been received for sexual harassment of women at work place by the Company during the financial year 2015-16.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

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

Further, the Board of Directors in its meeting held on 13 August, 2016 constituted the share allotment committee for allotment of equity shares to the employees of the Company and its subsidiaries who will exercise their vesting rights pursuant to APL Apollo Employee Stock Option Scheme-2015 from time to time.

OTHER DISCLOSURES AND REPORTING

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

1. Change in the nature of business of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Any remuneration or commission received by Managing Director of the Company, from any of its subsidiary.

4. Significant or material orders passed by the Regulators or Courts or Tribunal which impacts the going concern status and company's operations in future.
5. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this report.

depositories, auditors, legal advisors, consultants, stakeholders, debenture holders, business associates, Govt. of India, state government and local bodies during the year under audit. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by the employees of the Company.

For and on behalf of Board of Directors

**Sanjay Gupta
Chairman**

APPRECIATION

Yours Directors take this opportunity to express their appreciation for the co-operation received from the customers, vendors, bankers, stock exchanges,

Place : Ghaziabad
Date : 13 August, 2016

Annexure-'A'

**Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31 March, 2016
of APL Apollo Tubes Limited**

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

I. REGISTRATION AND OTHER DETAILS

1	CIN	L74899DL1986PLC023443
2	Registration Date	24/02/1986
3	Name of the Company	APL Apollo Tubes Limited
4	Category / Sub-Category of the Company	Company Limited By Shares
5	Address of the Registered office and contact details	37, Hargobind Enclave, Vikas Marg, Delhi. Tele No. 011-22373437
6	Whether listed company	Yes (Listed at NSE & BSE Limited)
7	Name, Address and Contact details of Registrar and Transfer	M/s. Abhipra Capital Limited GF- Abhipra Complex, Dilkhush Industrial Area A-387, G.T. Karnal Road Azadpur, Delhi-110033 Tele. No. 011-4239 0725

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Black Pipe	24311	49.93
2	Galvanized Pipe	24311	13.46
3	Pre-Galvanized Pipe	24311	5.38
4	Coils	24319	30.69

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year As on 01.04.2015				No. of shares held at the end of the year As on 31.03.2016				% change During year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A) Shareholding of promoter and promoter group									
(1) Indian									
Individuals/HUF	1,928,350	-	1,928,350	8.23	1,500,000	-	1,500,000	6.40	(1.83)
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	8,025,187	-	8,025,187	34.24	8,025,187	-	8,025,187	34.24	NIL
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Any other (specify) Person acting in concert	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	9,953,537	-	9,953,537	42.47	9,525,187	-	9,525,187	40.64	(1.83)
(2) Foreign									
Individuals (Non- Resident)	-	-	-	-	-	-	-	-	-
Individuals/ Foreign individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter & Promoter Group (A) = (A) (1)+(A) (2)	9,953,537	-	9,953,537	42.47	9,525,187	-	9,525,187	40.64	(1.83)

Category of Shareholder	No. of shares held at the beginning of the year As on 01.04.2015				No. of shares held at the end of the year As on 31.03.2016				% change During year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(B) Public Shareholding									
(1) Institutions									
Mutual Funds/UTI	3,411,539	-	3,411,539	14.56	3,941,458	-	3,941,458	16.82	2.26
Financial Institutions/Banks	-	-	-	-	11,135	-	11,135	0.048	0.048
Central /State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	1,524,694	-	1,524,694	6.51	32,516	-	32,516	0.14	(6.371)
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	4,936,233	-	4,936,233	21.07	3,985,109	-	3,985,109	17.01	(4.06)
(2) Non-Institutions									
Bodies Corporate: Domestic	773,345		773,345	3.30	788,075		788,075	3.36	0.06
Individuals -									
I. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	681,582	15,721	697,303	2.98	876,438	13,721	890,159	3.80	0.82
II. Individual shareholders holding nominal share capital in excess ₹ 1 Lakh.	2,478,429	28,000	2,506,429	10.69	2,045,807	28,000	2,073,807	8.85	1.84
Any Other (specify)									
(i) Non-Resident Indians	1,081,153	-	1,081,153	4.61	1,057,603	-	1,057,603	4.51	(0.1)
(ii) Clearing Members	146,490	-	146,490	0.62	13,859	-	13,859	0.06	(0.56)
(iii) Foreign Bodies Corporate	3,000,000	-	3,000,000	12.80	4,758,565	-	4,758,565	20.30	7.50

Category of Shareholder	No. of shares held at the beginning of the year As on 01.04.2015				No. of shares held at the end of the year As on 31.03.2016				% change During year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(iv) Trust	-	-	-	-	3,300	-	3,300	01	01
(v) HUFs	344,146	-	344,146	1.47	342,972	-	342,972	1.46	(0.01)
Sub-Total (B) (2)	8,505,145	43,721	8,548,866	36.47	9,886,619	41,721	9,928,340	42.35	5.88
Total Public Shareholding (B) = (B)(1) + (B)(2)	13,441,378	43,721	13,485,099	57.53	13,913,449	41,721	13,871,728	59.35	1.82
TOTAL (A) + (B)	23,394,915	43,721	23,438,636	100.00	23,396,915	41,721	23,438,636	100.00	-
(C) Shares held by Custodians & against which depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A) + (B) + (C)	23,394,915	43,721	23,438,636	100.00	23,396,915	41,721	23,438,636	100.00	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year As on 01.04.2015			Shareholding at the end of the year As on 31.03.2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	APL Infrastructure Pvt Ltd.	8,025,187	34.24	-	8,025,187	34.24	-	-
2	Sanjay Gupta HUF	210,000	0.90	-	-	-	-	(0.90)
3	Sanjay Gupta	196,450	0.84	-	-	-	-	(0.84)
4	Vinay Gupta	21,900	0.09	-	-	-	-	(0.09)
5	Ashok Kumar Gupta	1,500,000	6.40	-	1,500,000	6.40	-	-
	Total	9,953,537	42.47	-	9,525,187	40.64	-	(1.83)

(iii) Change in Promoters' Shareholding

S. No.	Name of the Promoter Group	Shareholding at the beginning of the year As on 01.04.2015		Shareholding at the end of the year As on 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	APL Infrastructure Pvt Ltd.	8,025,187	34.24	8,025,187	34.24
2	Sanjay Gupta HUF	210,000	0.90	-	-
3	Sanjay Gupta	196,450	0.84	-	-
4	Vinay Gupta	21,900	0.09	-	-
5	Ashok Kumar Gupta	1,500,000	6.40	1,500,000	6.40
	Total	9,953,537	42.47	9,525,187	40.64

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year As on 01.04.2015		Shareholding at the end of the year As on 31.03.2016	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	KITARA PIIN 1001	3,000,000	12.80	3,000,000	12.80
2	IDFC PREMIER EQUITY FUND	1,586,500	6.77	1,586,500	6.77
3	HDFC TRUSTEE COMPANY Limited - HDFC Prudence	771,000	3.29	1,166,000	4.97
4	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	852,000	3.64	852,000	3.64
5	DSP BLACKROCK MICRO CAP FUND	812,839	3.47	844,225	3.60
6	EMBLEM FII	1,000,000	4.27	739,004	3.15
7	SAMEER MAHENDRA SAMPAT	558,500	2.38	558,500	2.38
8	FIL INVESTMENTS (MAURITIUS) LTD*	612,409	2.61	-	-
9	SYSTEMATIX FINCORP INDIA LIMITED*	411,730	1.76	-	-
10	ABHA BHANSALI*	372,200	1.59	-	-
11	NARENDRA KUMAR AGARWAL#	-	-	535,957	2.29
12	ASHISH KACHOLIA#	-	-	499,587	2.13
13	DSP BLACKROCK 3 YEARS CLOSE ENDED EQUITY FUND#	-	-	316,187	1.35
	TOTAL	9,977,178	43.97	10,097,960	43.08

* Ceased to be in the Top 10 Shareholders as on 31 March, 2016. The same is reflected above since the shareholder was one of the Top 10 Shareholders as on 1 April, 2015.

Not in the list of Top 10 Shareholders as on 1 April, 2015. The same is reflected above since the Shareholder was one of the Top 10 Shareholders as on 31 March, 2016.

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year As on 01.04.2015		Shareholding at the end of the year As on 31.03.2016	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
A	DIRECTORS				
1.	Shri Vinay Gupta	21,900	0.09	-	-
2.	Shri S.T. Gerela	-	-	800	0.01
3.	Shri Abhilash Lal	-	-	-	-
4.	Shri Sameer Gupta	-	-	-	-
5.	Shri Anil Kumar Bansal	1,000	0.01	1,000	0.01
6.	Ms. Neeru Abrol	-	-	-	-
B	KEY MANAGERIAL PERSONNEL (KMP)				
1.	Shri Sanjay Gupta	196,450	0.84	-	-
2.	Shri Ashok Kumar Gupta	1,500,000	6.40	1,500,000	6.40
3.	Shri Adhish Swaroop	-	-	-	-
4.	Shri Deepak Goyal	-	-	-	-

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	340.10	50.00	-	390.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.32	-	-	0.32
Total (i+ii+iii)	340.42	50.00	0.00	390.42
Change in Indebtedness during the financial year				
Addition	100.68	-	-	100.68
Reduction	-	25.00	-	25.00
Net Change	100.68	(25.00)	0.00	75.68
Indebtedness at the end of the financial year				
i) Principal Amount as on 31.03.2016	436.05	25.00	-	461.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due as on 31.03.2016	5.05	-	-	5.05
Total (i+ii+iii)	441.10	25.00	0.00	466.10

VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crore)

S. No.	Particulars of Remuneration	Sanjay Gupta (Chairman)	Ashok Kumar Gupta (Managing Director)	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	2.40	0.16	2.56
(b)	Value of perquisites u/s17(2) Income-tax Act,1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	2.40	0.16	2.56
	Ceiling as per the Act			

B. Remuneration to other directors:

1. Independent Directors:

(₹ in crore)

S. No.	Particulars of Remuneration	Abhilash Lal	Anil Kumar Bansal	S. T. Gerela	Neeru Abrol	Total
1	Fees for attending the Board/committee meetings	0.04	0.04	0.03	0.03	0.14
2	Commission	-	-	-	-	-
3	Others	-	-	-	-	-
	Total (B) (1)	0.04	0.04	0.03	0.03	0.14

2. Non- Executive Directors

(₹ in crore)

S. No.	Particulars of Remuneration	Vinay Gupta	Sameer Gupta*	Total
1	Fees for attending the Board/committee meetings	0.04	0.02	0.06
2	Commission	-	-	-
3	Others	-	-	-
	Total (B) (2)	0.04	0.02	0.06

Total (B) = (B1) + (B2) = ₹ 0.20 crore.

* Ceased from the Directorship of the Company with effect from 30 May, 2016

Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in millions)

(₹ in crore)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Deepak Goyal (CFO)	Adhish Swaroop (Company Secretary)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	0.39	0.11	0.50
(b)	Value of perquisites u/s17(2) Income-tax Act,1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	0.39	0.11	0.50

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

Annexure-'B'

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES / INITIATIVES

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

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

The Company has framed the Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programmes for welfare and sustainable development of the Society.

2. The Composition of the CSR Committee.

As at 31 March, 2016, the Corporate Social Responsibility Committee comprises of 3 members of the Board, 2 of which are Independent Directors. The Chairman of the Committee is an Independent Director. The composition of the CSR Committee is as under:

NAME OF DIRECTOR	CATEGORY
Abhilash Lal (Chairman)	Independent Non-Executive
Anil Kumar Bansal	Independent Non-Executive
Ashok Kumar Gupta	Executive Promoter

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

The average net profit of three financial years preceding the reporting financial year (i.e.2014-15, 2013-14 and 2012-13,) calculated in accordance with Section 135 of the Companies Act, 2013 is ₹ 49.15 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 0.98 crore.

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: ₹ 0.98 crore
- (b) Amount unspent, if any: ₹ 0.98 crore
- (c) Manner in which the amount spent during the financial year is detailed below.

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

During the subsequent financial year, the Company has made contribution of ₹ 1.01 crore to Prime Minister's National Relief Fund for Education of Poor Children, ₹ 0.11 crore to World Hope Foundation and 0.015 crore to U.P. Science Centre, Jhansi, in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility.

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

Sd/-
Abhilash Lal
(Chairman of CSR Committee)

Sd/-
Ashok Kumar Gupta
(Managing Director)

Annexure-'C'

Form No. AOC-1

(Pursuant to sub-section (3) of section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014)

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

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

(₹ in crore)

S. No.	Name of Subsidiary	Apollo Metalex Private Limited	Shri Lakshmi Metal Udyog Limited	Lloyds Line Pipes Limited
1	Share Capital	2.71	5.89	20.00
2	Reserve & Surplus	69.64	84.98	70.85
3	Total Assets	201.89	167.22	466.57
4	Total Liabilities	201.89	167.22	466.57
5	Investments	-	-	-
6	Turnover	581.29	457.69	881.25
7	Profit Before Taxation	27.91	57.24	49.55
8	Provision of Taxation	11.43	21.81	18.26
9	Profit After Taxation	16.48	35.44	31.29
10	Proposed Dividend	-	-	-
11	% of Shareholding	100	100	100

Annexure-'D'

Form No. AOC-2

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

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

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

Note: During the reporting period, there was no material* Contracts or Arrangement.

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

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

Note: During the Reporting Period, there was no material* Contracts or Arrangement.

(*As defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and adopted by the Board of Directors in the Related Party Transaction Policy of the Company. "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.)

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

For and on behalf of Board of Directors

**Place : Ghaziabad
Date : 13 August, 2016**

Sanjay Gupta **Vinay Gupta**
(Chairman) **(Director)**

Annexure-'E'

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016

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

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

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

Based on my verification of the APL APOLLO TUBES LIMITED (CIN:L74899DL1986PLC023443) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31 March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956(as amended) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(as amended):-
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended);

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(as amended):- **Not applicable to the Company during the period of audit.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the period of audit.**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) I further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
- (a) Indian Explosives Act, 1884
 - (b) Factories Act, 1948
 - (c) Environment (Protection) Act, 1986
 - (d) The Water (Prevention & Control of Pollution) Act, 1974
 - (e) Hazardous Waste (Management, Handling & Transboundary Movement) Amendment Rules, 2013
 - (f) Air (Prevention & Control Pollution) Act, 1981
 - (g) Employees Provident Fund and (Misc. Provisions) Act, 1952
 - (h) Payment of Wages Act, 1936
 - (i) Payment of Gratuity Act, 1972
 - (j) Contract Labour (Regulation & Abolition) Act, 1970
 - (k) Industrial Disputes Act, 1947
 - (l) Minimum Wages Act, 1948
 - (m) Payment of Bonus Act, 1965
 - (n) Industrial Employment (Standing Orders) Act, 1946
 - (o) Trade Union Act, 1926
 - (p) Workmen Compensation Act, 1923
 - (q) Industries (Development & Regulation) Act, 1951

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

- (i) Secretarial Standards issued by the Council of The Institute of Company Secretaries of India;
- (ii) The New Listing Agreements entered into by the Company with **BSE LIMITED** and **NATIONAL STOCK EXCHANGE OF INDIA LTD** read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

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

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

Majority decisions were carried through while the dissenting members' views, if any, were captured and recorded as part of the minutes.

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

I further report that during the audit period, the Company has:

Formulated Employees Stock Option Scheme known as "APL Apollo Employees Stock Option Scheme, 2015" pursuant to which the Company has passed special resolution through postal ballot on 27 July, 2015 for issue of ₹ 7,50,000 (₹ Seven Lakh Fifty Thousand) Equity Shares to the employees of the Company and on 22 December, 2015 the Company has passed another special resolution through Postal Ballot for issuance of shares to employees of its subsidiary companies under APL Apollo Employees Stock Option Scheme, 2015

1. Offered, issued and allotted 750 (Seven Hundred and Fifty) rated, secured, redeemable, non-cumulative, taxable non-convertible debentures of the Company having a face value of ₹ 10,00,000 (₹ Ten Lakhs Only) ("**NCDs**") at an issue price of ₹ 10,00,000 (₹ Ten Lakhs Only) on Private Placement Basis.
2. During the period under audit the Company has approved the scheme of amalgamation with its wholly owned subsidiary LLOYDS LINE PIPES LIMITED and the same was approved by the creditors of the company in the court convened meeting.

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

For Anjali Yadav & Associates

Practicing Company Secretary

Anjali Yadav

Proprietor
FCS No.: 6628
C P No.: 7257

Place: New Delhi

Date: 30 May, 2016

Annexure-'1'

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

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

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

For Anjali Yadav & Associates

Practicing Company Secretary

Anjali Yadav

Proprietor
FCS No.: 6628
C P No.: 7257

Place: New Delhi

Date: 30 May, 2016

Annexure-'F'

(A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director /KMP and Designation	Remuneration of Director/KMP for Financial Year 2015-16 (₹ in crore)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director/to median remuneration of employees
1	Sanjay Gupta (Chairman)	2.40	---	99:1
2	Ashok Kumar Gupta (Managing Director)	0.16	---	7:1
3	Deepak Goyal (Chief Financial Officer)	0.39	15%	N.A.
4	Adhish Swaroop (Company Secretary)	0.11	10%	N.A.

- The median remuneration of employees of the Company during the financial year 2015-16 was ₹ 20,163.
- In the financial year 2015-16, there was an increase of 13 % in the median remuneration of employees.
- There was 819 permanent employees on the payrolls of the Company as on 31 March, 2016.
- Relationship between average increase in remuneration and company performance: - The Consolidated profit before tax for the financial year ended 31 March, 2016 increased by 58% whereas there was slight decline in profit before tax on standalone basis, the average increase in median remuneration was 12%. The average increase in median remuneration was in line with the performance of Company and partly on individual employee's performance.
- The Key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Policy for Directors and Senior Management Personnel.
- It is hereby affirmed that the remuneration paid during the financial year ended 31 March, 2016 is as per the Remuneration Policy of the Company.

(B) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Details of the Top 10 employees of the Company in terms of remuneration drawn and the name of the employees who were employed throughout financial year 2015-2016 and were paid remuneration not less than ₹ 1.02 crore per annum/ who were employed for the part of the financial year 2015-2016 and were paid remuneration not less than ₹ 0.09 crore per month:

S. No	Name of Employee	Designation	Remuneration in received (in Crores)	Qualification	Total Experience in Years	Date of Commencement of Employment	Age in Years	Last Employer	Employee is Relative of any Director/ Manager of Company
1	Sanjay Gupta	Executive Chairman	2.40	Entrepreneur	23	2 Sept., 2003	45	-	No
2	Romi Sehgal	President	0.63	B.E	30	01 April, 2015	56	Lloyds Line Pipes Limited	No
3	Deepak Goyal	Vice President & CFO	0.39	Chartered Accountant	17	16 Nov., 2013	38	Surya Roshni Ltd	No
4	Arun Agarwal	Vice President – Operations	0.27	Chartered Accountant	20	20 June, 2009	40	-	No
5	Ajay Garg	Vice President – Commercial	0.23	B.Com	34	01 Jan., 1996	54	-	No
6	Shiv Kumar Bansal	Vice President - Sales	0.32	M.Com	20	19 Sept., 2009	50	Swastik Tubes P. Ltd	No
7	Kilaru Ramakrishna Rao	General Manager	0.28	M. Tech	25	03 Sept., 2009	48	Jindal Stainless Ltd	No
8	Amit Kapoor	General Manager	0.27	MBA	16	01 July, 2014	41	Swastik Tubes P. Ltd	No
9	Dinesh Chandra	General Manager – Marketing & Brand	0.39	MBA	20	19 June, 2014	45	Kolher India	No
10	Dinesh Talniya	General Manager – IT	0.38	PGDP	20	01 March, 2013	42	VRS Food Limited	No

Annexure-‘G’

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

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

I. Conservation of Energy.

(a) Energy conservation measures taken: The Company gives highest priority for conservation of energy by using a mix of technology changes, process optimization methods and other conventional methods, on a going basis. Various energy conservation measure taken by the Company are:

- i) Enhancing the use of solar energy by Solar Power utilization.
- ii) Use of energy saving devices like TFT monitors, CFL tubes, LED lights among others.
- iii) Reduction of fuels of diesels & LDO.
- iv) Defined AC working hours and temperature to suit seasonal changes.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: The Company is in the final process of negotiations with vendors for supply of wind power and installation of solar power system.

(c) Impact of the measures taken above and consequent impact on the cost of production of goods: Wind and Solar Energy produces no greenhouse effect. It is most economic solution for new grid-connected capacity in areas with good resources and for generating capacity. Other benefits are:

- Increase value and reduce uncertainties: forecasting power performance, improving standards and engineering integrity and storage techniques.
- Enable large-scale use: Load flow control and adaptive power quality
- Minimize environmental impacts: Noise impacts, Flora and Fauna, utilization of land resources and aesthetics integration.

(d) Total energy consumption and energy consumption per unit of production:

Particulars	Consolidated		Standalone	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Power and Fuel Consumption Electricity				
Unit	46,559,515	32,215,066	20,928,040	14,753,882
Total Amount (₹ in crore)	38.62	23.82	19.34	12.69
Rate per Unit (₹)	8.29	7.39	9.24	8.60
Own generation Through DG				
Fuel consumed (Ltr.)	1,191,380	2,151,006	576,037	1,860,674
Fuel consumed (₹ in crore)	5.53	11.38	2.52	9.86
Cost per Ltr (₹)	46.46	12.13	43.60	12.06
Furnace Oil				
Fuel consumed (MT)	3,896	2,584	1,536	1,305
Fuel consumed (₹ in crore)	8.11	10.89	3.33	5.76
Cost per MT (₹)	20,826	42,157	21,595	44,169

II. Technology Absorption

Research and development

1. Specific areas in which Research and Development measures were carried out by the Company: Cold Saw technology was generally adopted on all mills. This has given substantial savings in terms of:
 - a. Reduction in Production Cost (as END FACING PROCESS Eliminated)
 - b. Reduction in manpower required for end facing and handling.
 - c. Reduction in inventory as metal can be dispatched directly from Mill.
2. Benefits derived as a result of the above R & D measures: New Special Section added to product list which has given us entry into new segment namely Real Estate i.e. WELDED STEEL DOOR AND WINDOW SECTION. The Research and Development activity resulted in substantially low cost compared to Wooden Door and Window Section, Environment friendly, having long life and also weather proof.
3. Future plan of action: The Company shall focus on continuous improvement of performance, value creation and cost reduction through innovative research relating to the existing operations and future strategic business requirements.

Technology absorption, adaption and innovation

1. Efforts, in brief, made towards technology absorption, adaption and innovation: Company is importing State of Art Direct Forming Mills from Europe which will give the Company following advantages:
 - Reduced Strip width compared to conventional mills resulting in metal saving of 3% to 10%.
 - Any size within the mill range can be rolled.
 - No roll change hence cost of multiple roll sets will be saved.
 - Possibility of small campaigns hence low inventory of finished goods.
 - Computerized size setting requires approximately 10-15 minutes resulting in energy saving as compared to Conventional Mills, which requires 45-60 minutes for mill setting.
 - Automatic mill hence leads to saving in manpower.
2. Benefits derived as a result of the above efforts: The Company is researching ON LINE GALVANIZING OF TUBES. This technology will reduce zinc wastage, increase production, improve quality of zinc coating, reduce cost and moreover open a new segment of sale.

III. Foreign Exchange earnings and outgo:

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

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

- b) Total foreign exchange used and earned:

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

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Foreign exchange earnings	159.92	201.92	63.98	104.22
Foreign exchange outgo	5.34	1.99	2.92	1.31

CORPORATE GOVERNANCE

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

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

Your Company has confirms the compliance of Corporate Governance under Clause 49 of the Listing Agreement and as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended, the details of which are given below:

BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY OF DIRECTORS

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

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

As on 31 March, 2016, your Company's Board has strength of Eight (8) Directors comprising Four (4) are independent. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

Annexure-'H'

All Independent Directors meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation (1)(b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

None of the Director on the Board are Independent Directors of more than seven listed Companies and none of the whole time Directors are Independent Directors of any Listed Company.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 across all the companies in which he/she is a Director.

Directors' Profile:

The Board of Directors is composed of highly renowned professionals drawn from diverse fields, who bring with them a wide range of skill and experience to the Board, which enhance the quality of the Board's decision making process.

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

Shri Sanjay Gupta, Chairman

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

Shri Ashok Kumar Gupta, Managing Director

Shri Ashok K. Gupta is a steel industry veteran with over three decades of experience. In his illustrative career, he has worked at senior management positions in SAIL, Bhushan Steel, LN Mittal Group (African Continent),

Jindal etc. He is MSc (Physics), PGDBA from AIMA won various medals and awards. He has been instrumental in transforming the organization into a modern pulsating giant, and their incremental profitability and expansions.

Shri Sameer Gupta, Director

Shri Sameer Gupta represents the youth and dynamic side of the Company. He has over 15 years of enriched experience in various segments of the tube industry with a wide knowledge of manufacturing and trading pipes, tubes wide knowledge of manufacturing and trading pipes, tubes and other allied products. His specific functional area includes business development in new territories.

However, Shri Gupta has resigned from the Board of the Directors of the Company w.e.f 30 May, 2016, due to pre-occupations somewhere else.

Shri S.T. Gerela, Director

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

Shri Vinay Gupta, Director

With over 17 years of experience in exports and international markets, Shri Vinay Gupta, possesses in-depth knowledge of manufacturing and trading pipes, tubes, sheets and other steel products. He has been specifically assigned with the development of the Company's pre-galvanized business.

Shri Abhilash Lal, Director

A mechanical engineer, Shri Abhilash Lal completed his post-graduation in management from the Indian Institute of Management (IIM), Bangalore in 1988. He has spent more than 25 years in senior roles in all aspects of financial services including banking, consulting,

insurance, investments and real estate across business development, strategy, advisory as well as operations. His areas of consulting included Banking Strategy, Risk Management, Product Portfolio Development, Feasibility Studies, India Entry Strategies and Change Management. He also helped a leading captive BPO transition to a third party provider and was part of the leadership team at an international property consultant. He is currently Partner and COO of MCap, an investment advisory firm.

Shri Anil Kumar Bansal, Director

Shri Anil Kumar Bansal is an ex-Executive Director of Indian Overseas Bank, has almost 4 decades of rich experience in banking industry. Before joining Indian Overseas bank he served in Union Bank of India in various capacities. During his illustrative career he has won various awards and recognitions and has been instrumental in critical initiatives. He is acknowledged for his dynamic leadership and in depth knowledge of banking, Indian economy, corporate affairs and risk & ratings. Shri Bansal is M. Sc. (Agri.) and certified associate of CAIIB. Presently he is serving as Chairman and Director of CARE Limited and Director in Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited.

Ms. Neeru Abrol, Director

Ms. Neeru Abrol is a Chartered Accountant by profession and has over 34 years (including 26 years in SAIL in various capacities) of rich experience in Manufacturing Industry. She was the Chairperson and Managing Director of National Fertilizers Limited. She was the first woman C&MD of any Public Sector Fertilizer Company. She has been awarded various accolades. The Institute of Chartered Accountants of India (ICAI) in December 2011 awarded her the "Business Achiever" in Women category. SCOPE in January 2012 conferred her maiden award as "Outstanding Woman Manager" in PSEs for 2009-10. Bureaucracy Today - Star PSU Excellence Awards gave her "Best PSU Person of the year 2012". Top Rankers Excellence Financial Leadership Award by Jindal Global Business School was conferred on her in January 2013 and in February 2014; she was awarded with the Greatest Corporate Leaders of India Award. In August 2014, she

has been awarded 5th Rajiv Gandhi Excellence Award as most Enterprising CEO of the year. In February, 2015 she has received for the second time CA Business Leader – Women Category for 2014 from ICAI.

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee (NRC) works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Policy on appointment, removal of Directors and determining Directors' independence was adopted by the Board on 18 February, 2015. During the year, there have been no changes to the Policy. Hence, the same is not annexed to this report, but is available on our website at below mentioned link:

<http://www.aplapollo.com/pdf/nomination-policy.pdf>

Directors' Induction, Familiarization and Training

As per Listing Agreement the Company has entered into with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, the Company shall provide suitable training to Independent Director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. The details of such training imparted are also required to be disclosed in the Annual Report.

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and external environment affecting the industry as a whole.

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

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

Efforts are also made to familiarize the Directors about their roles, rights, responsibility in the Company, its business model and the environment in which the Company operates. The details of such familiarization programmes have been placed in the website of the Company www.aplapollo.com

BOARD FUNCTIONS, PROCEDURE AND MEETINGS

A. Institutionalized Decision Making Process:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the stakeholders, are being served.

The Chairman and Managing Director are assisted by the Executives Director/Senior Managerial Personnel in overseeing the functional matters of the company.

The Board has constituted four Standing Committees namely Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee.

B. Scheduling and Selection of Agenda Items for Board Meetings:

- I. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sending in advance to the Directors. Additional meeting of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matter, resolutions are passed by circulation.
- II. The meetings are usually held at the Company's Corporate Office at 36, Kaushambi Near Anand Vihar Terminal, Ghaziabad-201010.
- III. All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/approval/decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda for the Board/Committee Meetings.
- IV. In addition to items which are mandated to be placed before the Board for its noting and/or approval information is provided on various significant issues.
- V. The Board is given presentations covering Global Steel Scenario, Global/Indian Economy Company's Financials, Sales, Production, Business Strategy Subsidiary's performance. Competitor's Performance and Risk Management practices before taking on record the Quarterly/Half yearly/ Nine Monthly/ Annual financial results of the Company.

The Board is also provided with Audit Committee observations on the Internal audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

C. Distribution of Board Agenda Material

Agenda and Notes on Agenda are circulated to the Directors in advance in the defined agenda format. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are considered.

D. Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting/ Chairman of the next meeting. A copy of the signed Minutes, Certified by the Company Secretary are circulated to all members within fifteen days after those are signed.

E. Post-Meeting Follow-up Mechanism

The Company has an effective post meeting follow-up review and reporting process mechanism for the decision taken by the Board/Committees. The important decision taken at the Board/Committee meetings are communicated to the concerned functional heads promptly.

F. Compliance

While preparing the Agenda, Notes on agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with Rules made thereunder.

Meeting of Board of Directors

During the Financial Year 2015-16, Seven (7) Meetings of

the Board of the Directors of the Company were held i.e. on 9 May, 2015, 13 June, 2015, 28 July, 2015, 29 July, 2015, 28 September, 2015, 9 November, 2015 and 12 February, 2016. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Managing Director makes presentation on the quarterly and annual operating & financial performance and on

annual operating and capex budget. Post meetings, important decisions taken by the Board are communicated to the concerned officials and departments.

The Composition and category of the Directors on Board, their relationship with other Directors, their attendance at the Board Meetings during the year and at the last Annual General Meeting, and also number of Directorships and Committee Memberships/ Chairmanships in other companies and number of shares held by them as at 31 March, 2016 are as follows:

Name of Director	Category	No. of Board Meetings attended	Attendance in last AGM	No. of shares held	No. of Directorships#	Details of other Board Committee / Membership\$	
Sanjay Gupta	C	7	No	-	4	-	-
Ashok Kumar Gupta	MD	6	Yes	1,500,000	1	-	-
Vinay Gupta	NE	6	No	-	3	-	-
Sameer Gupta*	NE	3	No	-	3	-	-
S. T. Gerela	NE	5	No	800	2	1	1
Abhilash Lal	NE	6	Yes	-	2	3	1
Anil Kumar Bansal	NE	4	-	1,000	6	4	1
Neeru Abrol	NE	6	-	-	5	4	2

C=Chairman, MD=Managing Director, NE=Non-Executive Director (Also Independent in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (iii)) AD= Additional Director

*resigned w.e.f. 30 May, 2016

Only covers membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Indian public limited companies excluding APL Apollo Tubes Limited

\$ Excludes Directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies. All the independent Directors fulfil the minimum age criteria i.e. 21 years as specified Regulation 16 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013, except Shri Sanjay Gupta, Shri Vinay Gupta and Shri Sameer Gupta, who are brothers.

Code of Conduct:

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

Pursuant to Regulation 17 of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 the Company has adopted a Code of Conduct for its Directors and Senior Executives. The same has also been placed on the Company's website www.aplpollo.com under the head 'Investors'.

Code of Conduct of Independent Directors:

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

Audit Committee

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

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's

Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee comprises three Directors, of which two are Non-Executive and Independent Directors. The Chairman of the committee is a Non-Executive Independent Director. All the Members of the committee have good financial and accounting knowledge. Auditors and Chief Financial Officer (CFO) are invitees to the meetings and Company Secretary acts as secretary of the

committee. The minutes of the Audit Committee Meetings are placed before the subsequent Board Meeting.

During the year, 6 (Six) meetings of the Audit Committee of the Company were held i.e. on 9 May, 2015, 13 June, 2015, 28 July, 2015, 29 July, 2015, 9 November, 2015 and 12 February, 2016. The composition of the Audit Committee as on 31 March, 2016 and the meetings attended by its members are as under:

Name of Director	Status	No. of meetings attended
Anil Kumar Bansal	Chairman	5
Abhilash Lal	Member	5
Vinay Gupta	Member	5
Neeru Abrol	Member	4

4. NOMINATION & REMUNERATION COMMITTEE

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

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a directors and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees.
- ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- iii) Devising a policy on diversity of Board of Directors.
- iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- v) Whether to extend or continue the term of appointment of the Independent director, on the

basis of report of performance evaluation of Independent Directors.

The Board has constituted a Remuneration Committee to evaluate the performance and remuneration of Directors and approving remuneration and terms of Whole-time Directors within the overall ceilings approved by the shareholders. The decisions of the Remuneration Committee are placed in the subsequent board meeting.

During the year, one meeting of the Nomination and Remuneration Committee was held i.e. on 28 July, 2015 which was duly attended by all committee members. The composition of the Remuneration Committee as on 31 March, 2016 is as under:

Name of Director	Status	No. of meetings attended
S.T Gerela	Chairman	1
Neeru Abrol	Member	1
Vinay Gupta	Member	1

Remuneration to the Directors

During the year ended 31 March, 2016 Shri Sanjay Gupta, Chairman was paid a salary of ₹ 2.40 crore and no other benefits and Shri Ashok Kumar Gupta, Managing Director was paid a salary of ₹ 0.16 crore and no other benefits, no payment was made to any other Director(s).

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

the Company including power to reject transfer of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing Agreement and the Company's Articles of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders of the Company including complaints related to non-receipt of Annual Report and non-receipt of declared dividends.

During the year, one meeting of the Stakeholders Relationship committee held i.e. on 9 November, 2015 which was duly attended by all the Committee members. Details of share transfer/transmission among others as approved by the Committee are placed at the Board Meetings from time to time.

The composition of the Stakeholders Relationship Committee as on 31 March, 2016 is as under:

Name of Director	Status	No. of meetings attended
Neeru Abrol	Chairman	-
S. T. Gerela	Member	1
Sameer Gupta	Member	1

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

Details of shareholders' complaints received and replied to their satisfaction: the Company has adequate systems and procedures to handle the investors' grievances and the same are being resolved on priority basis.

During the year no investor's complaint was received or pending in the year end 31 March, 2016

During the period under audit, no complaint was received by the Company.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

During the year 1 (one) meeting of the CSR Committee was held on 9 November, 2015. The composition and the attendance of Directors at the meeting is as under:-

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

7. INDEPENDENT DIRECTORS' MEETING:

During the year 1 (one) meeting of the Independent Directors was held on 12 February, 2016 inter-alia, to discuss:

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

The composition and the attendance of Directors at the meeting are as under:-

Name of Director	Status	No. of meetings attended
Anil Kumar Bansal	Chairman	1
Abhilash Lal	Member	1
Neeru Abrol	Member	1
S. T. Gerela	Member	1

SHAREHOLDERS

Investor Grievance and Share Transfer

We have a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the entire Board. For shares transferred in physical form, the Company provides adequate notice to the seller before registering the transfer of shares. For matters regarding shares transfer in physical form, share certificates and dividends, among others, shareholders should communicate with Abhipra Capital Limited, the Company's Registrars and Transfer Agents ("RTA") quoting their folio number or Depository Participant ID ("DP ID") and Client ID number.

8. GENERAL BODY MEETINGS

A. ANNUAL GENERAL MEETING

The details of Annual General Meetings in last three year's are as under:-

Year	Venue	Date	Time
2014-15	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	28 Aug., 2015	01:00 P.M.
2013-14	IMA- East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110 092	30 Sep., 2014	12.45 P.M.
2012-13	IMA- East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110 092	30 Aug., 2013	12.45 P.M.

In accordance with the law, a poll (electronically and by physical ballot) was conducted on all the resolutions of the Notice; all the members were given an option to vote through electronic means using the CDSL platform.

At the Annual General Meeting of the Company held on 28 August, 2015, following resolutions were

passed as Special Resolutions as mentioned hereunder:

- Resolution under section 180(1)(a) of the Companies Act, 2013 for creation of mortgage / charge of Company's assets.
- Resolution under Section 180 (1) (c) of the Companies Act 2013, for borrowing money upto 1000 crore over and above the aggregate of paid up capital and free reserves of the Company.
- Resolution under Section 42 and 71 of the Companies Act, 2013 for offer and issue of Redeemable Non-cumulative Debentures under Private Placement basis an aggregate issue size not exceeding ₹ 200 crore.

At the Annual General Meeting of the Company held on 30 September, 2014, following resolutions were passed as Special Resolutions as mentioned hereunder:

- Resolution under section 180(1)(a) of the Companies Act, 2013 for creation of mortgage / charge of Companies
- Resolution under Section 180(1) (c) of the Companies Act, 2013 for borrowing money up to

₹ 500 crore over and above the aggregate of paid up capital and free reserves of the Company.

At the Annual General Meeting of the Company held on 30 August, 2013, three Resolutions were passed as Special Resolutions as mentioned hereunder:

- Approval for alteration of Clause III(B)- 'Object that are incidental or ancillary to the attainment of main objects' of the memorandum of association of the Company by substituting existing sub-clause 2 with new sub-clause through postal ballot.
- Approval for modification of remuneration payable to Shri Sanjay Gupta, Chairman (under Whole Time Director category) of the Company w.e.f. 1 April, 2013 for the remaining period of his tenure i.e. up to 31 March, 2017 from ₹ 20,000,000 per annum to ₹ 2,000,000 per month.
- Approval for modification of remuneration payable to Shri Ashok Kumar Gupta, Managing Director of the Company w.e.f. 1 April, 2013 for the remaining period of his tenure i.e. up to 31 January, 2017 from ₹ 10,000,000 per annum to ₹ 1,000,000 per month.

B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING 2015-16

S. No.	Description (Nature of Resolution)	Date of Notice	Date of Dispatch of Postal Ballot Forms to Members	Last date for receiving the Postal Ballot forms including e-voting	Date of passing resolution
1	Issue of Equity Shares to the Employees of the Company under Stock option scheme 2015	22 June, 2015	25 June, 2015	24 July, 2015	27 July, 2015
2	Issue of Equity Shares to the Employees of Subsidiary Companies under Stock option scheme 2015	09 Nov., 2015	11 Nov., 2015	21 Dec., 2015	22 Dec., 2015

- i. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, and in compliance with the provisions of Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, Members were provided with the facility to cast their vote electronically through the e-voting services provided by CDSL on all resolutions set forth in the Notice. Members were also given an option to vote by Postal Ballot.
- ii. The Company has appointed Shri Deepak Kumar Lath proprietor Lath Deepak & Associates, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot/e-voting process in fair and transparent manner.
- iii. None of the Business proposed to be transacted in the ensuing Annual General Meeting require passing of Special Resolution through Postal Ballot.

9. DISCLOSURES

a) Management discussion and analysis

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

b) Disclosure on materially significant related party transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements), 2015 during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the Note no.34 to the Financial Statements.

c) Disclosure on accounting treatment:

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

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

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

e) Risk Management:

The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which was presented to the Audit Committee and reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

f) Vigil Mechanism / Whistle Blower policy:

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

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

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

10. PREVENTION OF INSIDER TRADING:

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

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

11. CEO & CFO CERTIFICATION:

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate pursuant to Regulation 17(8) read with Schedule II of Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Listing Agreement with the Stock Exchanges and the same is attached and forms part of the Annual Report.

12. RECONCILIATION OF SHARE CAPITAL AUDIT

In terms of Regulation 40 (9) of the Listing Regulations, certificates, on half-yearly basis, have been issued by the Company Secretary in- practice with respect to due compliance of share transfer formalities by the Company. The Company Secretary-in-practice carried out a Reconciliation of Share

Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (collectively "Depositories") and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories), respectively.

13. NATIONAL ELECTRONIC CLEARING SERVICE (NECS):

As per the directive from Securities and Exchange Board of India dated 21 March 2013, companies whose securities are listed on the Stock Exchanges shall use any Reserve Bank of India (RBI) approved electronic mode of payment such as ECS [LECS(Local ECS)/RECS (Regional ECS)/NECS (National ECS)]/NEFT etc. for making cash payments to investors.

The Company will remit the dividend payments through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility may send their NECS mandate in the format attached to the Company's R&T Agents, in the events they have not done so earlier. Equity shareholders holding shares in electronic mode may furnish their new Bank Account Number allotted to them by their bank after implementation of CBS, along with a photocopy of a cheque pertaining to the concerned account or the NECS mandate to their Depository Participant (DP), at the earliest.

14. GREEN INITIATIVE FOR PAPERLESS COMMUNICATIONS:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by

allowing service of documents by a Company to its Members through electronic mode. The move of the ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, director's report, auditor's report etc. in electronic form to the email address provided by the Members to the Depositories or to the Company.

This is also a golden opportunity for every shareholder of APL Apollo Tubes Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, members who have not registered their email addresses so far, are requested to registered their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the registration form which can be obtain from Company's registrar or download from the company's website www.aplapollo.com under the section "investor", and register the same with company's Registrar.

15. COMPLIANCE CERTIFICATE OF PRACTICING COMPANY SECRETARY:

Certificate from the Practicing Company Secretary, M/s Anjali Yadav and Associates, confirming compliance with conditions of Corporate Governance as required under clause 49 of the Listing agreement and Regulation 34(3) Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

16. MEANS OF COMMUNICATION:

i. PUBLICATION OF QUARTERLY/HALF YEARLY/NINE MONTHLY/ANNUAL RESULTS:

The quarterly half yearly, nine monthly and Annual Results of the Company are published in the prescribed performa within 48 hours of conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole of India and in one vernacular newspaper in State of Delhi where registered office of the company situated.

The quarterly financial results during the financial year 2015-16 were published in the Economic Times, Jansatta, Hindu Business Lines as detailed below:

Quarter F.Y. 2015-16	Date of Board Meeting	Date of Publication
1.	28 July, 2015	29 July, 2015
2.	09 Nov., 2015	10 Nov., 2015
3.	12 Feb., 2016	13 Feb., 2016

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

iii. **WEBSITE:** The Company's website www.aplapollo.com contains a separate dedicated section "Investors" where information for shareholders is available. The quarterly/annual financial results, annual reports, analysts presentations, investor forms, stock exchange information, shareholding pattern, corporate benefits, policies, investor's contact details etc. are posted on the website in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The latest official press release is also available on the website.

iv. **PRESENTATIONS TO ANALYSTS:** Four presentations were made to analysts/investors during the financial year 2015-16. The same are available on the Company's website. The Presentations broadly

covered operational and financial performance of the Company and Industry outlook.

v. **FILING WITH BSE "LISTING CENTRE":** Pursuant to Regulation 10 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, BSE has mandated the listing Centre as the " Electronic Platform" for filing all mandatory filing and other information to be filled with the stock exchange by Listed Entities. All the data relating to financial results, shareholding pattern, Corporate governance report, various submissions/disclosure requirements etc. have been electronic filled with the exchange on the "Listing Centre" (<http://listing.bseindia.com>)

vi. **NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS):** NEAPS is a web based application designed by NSE for Corporate. The financial results shareholding pattern and corporate governance report. Various submissions/disclosure documents etc. are also filled electronically on NEAPS (<https://www.connect2nse.com/LISTING>).

vii. **REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID TO DIRECTORS:** In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a remuneration policy has been framed by the Nomination & Remuneration Committee and approved by the Board with the following broad objectives:

1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract retain and motivate directors of the quality required to run the company successfully.
2. Motivate KMP and Senior Management to achieve excellence in their performance.
3. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
4. Ensuring that the remuneration to Directors KMP and Senior Management involves a balance between fixed & incentive pay reflection short

and long-term performance objectives appropriate to the working of the Company and its goals.

The full text of the remuneration policy is available at <http://www.aplapollo.com/pdf/nomination-policy.pdf>.

The Executive Directors (EDs) compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. EDs paid compensation as per the agreements entered into between them and the company subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary.

The present remuneration structure of EDs comprises of salary perquisites allowances, performance linked incentive. ESOPs and contribution to PF and Gratuity.

The Non-Executives Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meeting of the board attended by them, their Chairmanship /Membership of audit committee during the year subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 50,000/- for each meeting of the Board and ₹ 30,000/- for sub-committee thereof, attended by them.

17. GENERAL SHAREHOLDERS' INFORMATION:

Annual general meeting

Date and time: 24 September, 2016 at 11.00 A.M (Saturday)

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

Book closure: 12 September, 2016 to 14 September, 2016 (both days inclusive)

Financial calendar (tentative and subject to change)

Period	Board Meetings
Results for quarter ended 30 June, 2016	: Within 45 days of the end of the quarter
Results for quarter ended 30 September, 2016	: Within 45 days of the end of the quarter
Results for quarter ended 31 December, 2016	: Within 45 days of the end of the quarter
Results for quarter ended 31 March, 2017	: Within 60 days of the end of the financial year

Dividend Payment date : Credit / dispatch of dividend warrants between 30.09.2016 and 05.10.2016

Listing of Shares:

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

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

The Listing Fees of all the Stock Exchanges has been paid by the Company for the financial years 2016-17 and 2015-16.

ISIN Code for the Company's Equity Shares: INE702C01019

ISIN Code for the Company's Debentures: INE702C07016

Corporate Identity Number (CIN) L74899DL1986PLC023443

Debenture Trustees IL & FS Trust Company Limited

The IL&FS Financial Centre, Plot No. C-22, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai 400051

Distribution Schedule as at March 31, 2016

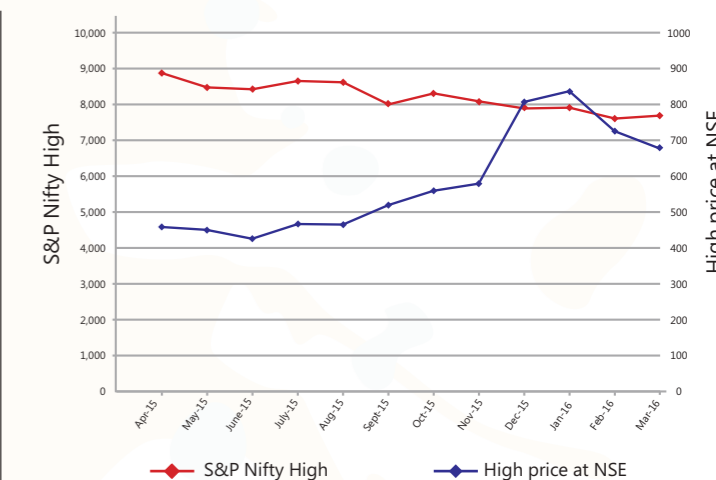
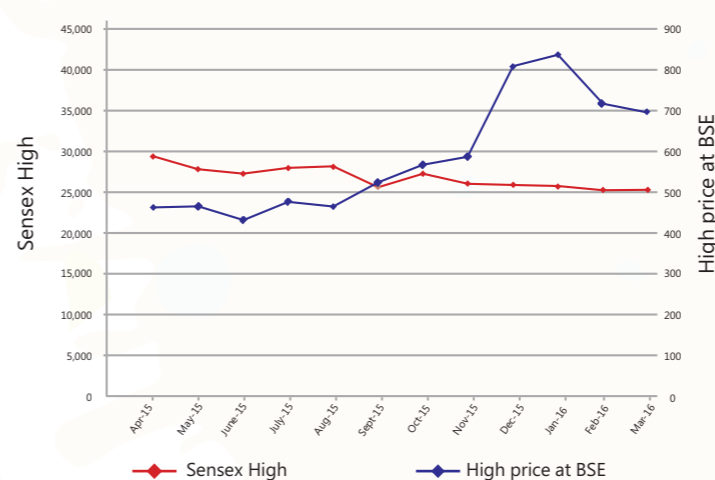
Nos. of Equity Shares held	No. of shareholders	% to total	No. of shares	
Up to 500	4281	88.93	388,788	1.67
501-1,000	224	4.65	175,032	0.75
1,001-2,000	96	1.99	144,039	0.61
2,001-3,000	54	1.12	136,842	0.58
3,001-4,000	27	0.56	97,585	0.42
4,001-5,000	29	0.60	135,584	0.58
5,001-10,000	43	0.87	319,275	1.36
10,001 and above	61	1.28	22,041,491	94.03
TOTAL	4,815	100.00	23,438,636	100.00

Shareholding pattern as on 31 March, 2016

Category	No. of shares held	% to total voting rights	% to total holding
Indian Promoters	9,525,187	40.64	40.64
Foreign Institutional Investors [FII]	32,516	0.14	0.14
Mutual funds	3,941,458	16.82	16.82
Financial Institutions/Banks	11,135	0.05	0.05
Bodies Corporate	788,075	3.36	3.36
Indian Public	2,963,966	12.65	12.65
NRIs / OBCs	6,176,299	26.34	26.34
TOTAL	23,438,636	100.00	100.00

Market Price Data

Month & Year	Stock price at BSE (In ₹ per share)			Sensex		Stock price at NSE (In ₹ per share)			S&P CNX Nifty	
	High	Low	Traded Quantity	High	Low	High	Low	Traded Quantity	High	Low
April, 2015	468.80	407.90	413,850	29,094.61	26,897.54	468	405	468,131	8,844.80	8,144.75
May, 2015	470.00	409.00	71,133	28,071.16	26,423.99	458.20	410	437,021	8,489.55	7,997.15
June, 2015	433.90	367.50	61,840	27,968.75	26,307.07	432.20	370	155,862	8,467.15	7,940.30
July, 2015	478.20	379.20	68,454	28,578.33	27,416.39	477	376	368,226	8,654.75	8,315.40
August, 2015	468.00	381.80	66,072	28,417.59	25,298.42	474.80	383.05	266,792	8,621.55	7,667.25
September, 2015	524.00	418.50	61,146	26,471.82	24,833.54	522.10	411.45	259,236	8,055.00	7,539.50
October, 2015	567.00	492.10	52,370	27,618.14	26,168.71	564	490	265,772	8,336.30	7,930.65
November, 2015	585.75	500.00	49,362	26,824.3	25,451.42	585.60	495	156,002	8,116.10	7,714.15
December, 2015	811.00	565.00	2,235,028	26,256.42	24,867.73	809.90	559.85	2,554,173	7,979.30	7,551.05
January, 2016	839.50	655.00	423,980	26,197.27	23,839.76	840	652.60	1,311,856	7,972.55	7,241.50
February, 2016	715.25	557.00	78,626	25,002.32	22,494.61	715	555	393,862	7,600.45	6,825.80
March, 2016	699.00	575.00	84,008	25,479.62	23,133.18	697.95	560	687,516	7,749.40	7,035.10



Share transfer system

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

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

Dividend History for the last 4 years is as under:-

Financial Year	Date of Declaration	Dividend per Share (₹)
2014-15	28 Aug., 2015	6.00
2013-14	30 Sept., 2014	5.00
2012-13	30 Aug., 2013	5.00
2011-12	29 Sept., 2012	2.00

*Subject to approval of shareholders.

Year	Dividend Per Share (₹)	Date of Declaration	Due Date for Claiming payment from Company	Due date for Transfer to IEPF
2009-2010	1.00	30 September, 2010	29 September, 2017	4 November, 2017
2010-2011	1.00	30 September, 2011	29 September, 2018	4 November, 2018
2011-2012	2.00	29 September, 2012	28 September, 2019	3 November, 2019
2012-2013	5.00	30 August, 2013	29 August, 2020	4 October, 2020
2013-2014	5.00	30 September, 2014	29 September, 2021	4 November, 2021
2014-2015	6.00	28 August, 2015	29 August, 2022	4 October, 2022

Dematerialization of Shares

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

As on 31 March, 2016, 99.82 % of the Company's total equity shares representing 23,396,915 shares were held in dematerialized form and 41,721 shares representing 0.18% of paid-up share capital were held in physical form.

Unclaimed Dividends:

Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956 the dividends which have remained unpaid / unclaimed for a period of 7 (Seven) years from the date of transfer the unpaid dividend account is mandatorily required to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Table: The dividend status remaining unclaimed is given hereunder:

Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments

GDRs/ ADRs: There were no outstanding GDRs/ ADRs, as on 31 March, 2016.

Warrants and other convertible instruments:

There were no warrants outstanding for conversion as on 31 March, 2016.

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

Investor cell

APL Apollo Tubes Limited

37, Hargobind Enclave, Vikas Marg, Delhi - 110092

CIN: L74899DL1986PLC023443

Phone: 011- 2237 3437 • **Fax:** 011-2237 3537

Mail: investors@apollotubes.com

Registrar and Share Transfer Agent

M/s. Abhipra Capital Limited

GF- Abhipra Complex, Dilkhush Industrial Area

A-387, G.T. Karnal Road Azadpur, Delhi - 110033

Phone: 011-4239 0725 • **Fax:** 011-2721 5530

Mail: rta@abhipra.com

Plant Locations

Unit – 1

A-19, Industrial Area, Sikandrabad, Distt. Bulandsahar (U.P.)

Phone: 95-5735-222 504, 223 157

Unit – 2

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

Phone: 04344-560 550

Unit – 3

Village - Bendri, Near to Urla Industrial Area

Raipur - 493661, Chhattisgarh

Subsidiaries' Plant Locations

Apollo Metalex Private Ltd

CIN: U27104DL2006PTC146579

A-2 and A-25, Industrial Area, Sikandrabad,

Distt. Bulandshahar (U.P.)

Shri Lakshmi Metal Udyog Ltd

CIN : U85110DL1994PLC224835

No. 9 to 11, KIADB Industrial Area

Attibele, Bengaluru - 562107

Lloyds Line Pipes Ltd

CIN: U27320DL2008PLC223550

Plot No. M-1, Additional MIDC Area, Murbad, Thane

Maharashtra - 421401

Stock Exchanges

BSE LIMITED

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001

Phone: +91 22 2272 1233;

Fax: +91 22 2272 1919

Website: www.bseindia.com

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla

Complex, Bandra (E), Mumbai - 400 051

Phone: +91 22 2659 8100;

Fax: +91 22 2659 8120

Website: www.nseindia.com

Debenture Trustees

IL & FS Trusteeship Services Limited

The IL&FS Financial Centre, Plot C- 22, G Block,

Bandra Kurla Complex, Bandra(E), Mumbai 400051

Website: www.itclindia.com

Depositories

NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, A Wing, 4th & 5th Floors,

Kamala Mills Compound, Lower Parel, Mumbai - 400 013

Phone: +91 22 2499 4200;

Fax: +91 22 2497 6351

E-mail: info@nsdl.co.in

Website: www.nsdl.co.in

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street,

Mumbai - 400 001

Phone: +91 22 2272 3333;

Toll free: 1800-200-5533

Fax: +91 22 2272 3199

E-mail: helpdesk@cdslindia.com

Website: www.cdslindia.com

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2016 as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For the purpose of this declaration, senior management personnel means the means the members of the Management one level below the Managing Director of the Company as 31 March, 2016.

For and on behalf of the Board

Sanjay Gupta (Chairman) **Ashok Kumar Gupta** (Managing Director) **Deepak Goyal** (CFO)

Place : Ghaziabad
Date : 13 August, 2016

CEO/CFO Certification

The Board of Directors

APL Apollo Tubes Limited

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

Certification by Managing Director and Chief Financial Officer (CFO)

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

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the Year ended 31 March, 2016 and that to the best of our knowledge and belief:
 - i) the statements do not contain materially untrue statement, or omit any material fact or contain statements that might misleading;
 - ii) the statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and Audit Committee:
 - i) significant changes, if any, in the internal controls over financial reporting during the year;
 - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

Ashok Kumar Gupta (Managing Director) **Deepak Goyal** (CFO)

Place : Ghaziabad
Date : 13 August, 2016

Certificate pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015

TO THE MEMBERS OF

APL APOLLO TUBES Limited

1. We have examined the compliance of conditions of Corporate Governance by the APL Apollo Tubes Limited ("the Company") for the year ended 31 March, 2016, as stipulated in:
 - Clause 49 (excluding Clause 49(VII)(E)) of the Listing Agreement of the Company with the stock exchange(s) for the period from 1 April, 2015 to 30 November, 2015.
 - Clause 49 Clause 49(VII)(E) of the Listing Agreement of the Company with the stock exchange(s) for the period from 1 April, 2015 to 1 September, 2015.
 - Regulation 23(4)of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2 September, 2015 to 31 March, 2016 and
 - Regulation 17 to 27 (excluding regulation 23(4)and clause (b)to (i)of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1 December, 2015 to 31 March, 2016.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with Generally Accepted Auditing Standards in India, to the extent relevant, and as per the guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of Listing Agreement and regulation 17 to 27 and Clause (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31 March, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates

Practicing Company Secretary

Anjali Yadav

Proprietor
FCS No.: 6628
C P No.: 7257

Place: New Delhi
Date: 13 August, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of APL Apollo Tubes Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **APL APOLLO TUBES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by Section 143 (3) of the Act, we report that:
 - 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.
 - 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.
 - 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.
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - On the basis of the written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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.
 - 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:
 - The Company has disclosed the impact of pending litigation on its financial position in its financial statements; (see note 28.1(i) of the financial statements)
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (see note 28.1.(ii) (d) of the financial statements)
 - There are no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (see note 28.1 (iii) of the financial statements).
- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

RASHIM TANDON
Partner
(Membership No. 95540)

Place: Ghaziabad
Date: 30 May, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **APL APOLLO TUBES LIMITED** ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

RASHIM TANDON
Partner
(Membership No. 95540)

Place: Ghaziabad
Date: 30 May, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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 and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Based on the confirmations received by the Company from lenders/ our verification, immovable properties of land and buildings whose title deeds/conveyance deeds/lease deeds have been pledged as security for loans are held in the name of the Company/erstwhile name of the Company 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/ erstwhile name of the Company, where the Company is the lessee in the agreement.
- ii. As explained to us, the inventories (other than stock lying with third parties and goods in transit) were physically verified during the year by the Management at the year end. Discrepancies noticed on physical verification have been properly dealt with in the books of account.
- 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, Employee State Insurance and Income Tax, the Company has generally been regular in depositing undisputed statutory dues, including Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess applicable to it with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable other than the following

Name of Statute	Nature of Dues	Amount (₹ in crore)	Period to which the amount release	Due Date	Date of subsequent payment
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	0.04	Dec 2014 to March 2016	Various dates	Not yet paid

- (b) Details of dues of Value Added Tax and Excise Duty which have not been deposited as on 31 March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount release	Amount (net of payment) (₹ in crore)	Amount paid under protest (₹ in crore)
Uttar Pradesh Value Added Tax Act 2008	Value Added Tax	High Court of Allahabad	2007-2008	0.61	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2008-2009	4.79	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2009-2010	2.08	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2010-2011	2.99	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2011-2012	2.55	-
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2014-2015	0.12	0.08
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2015-2016	0.45	0.15
Tamilnadu Value Added Tax, 2006	Value Added Tax	High Court of Madras	2010-11 and 2011-12	0.81	-

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount release	Amount (net of payment) (₹ in crore)	Amount paid under protest (₹ in crore)
Central Excise Act, 1944	Excise Duty	High Court of Allahabad	1996-1997	0.77	#0.04
	Excise Duty	CESTAT, Allahabad	1999-2000	0.06	0.05
	Excise Duty	CESTAT, Allahabad	2008-2009	0.11	0.14
	Excise Duty	CESTAT, Allahabad	2008-2013	5.07	1.00
	Excise Duty	CESTAT, Allahabad	2011-2012	0.34	#0.04
Finance Act, 1994	Service Tax	CESTAT, Allahabad	2005-2007	0.13	0.13
	Service Tax	Commissioner Service Tax	2007-2008	0.05	0.05

Netted in books

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, 2016 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 and dues to debenture holders. The Company has not obtained any loan or borrowings from government.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 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 persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

RASHIM TANDON
Partner
(Membership No. 95540)

Place: Ghaziabad
Date: 30 May, 2016

BALANCE SHEET

AS AT 31 MARCH, 2016

(₹ in crore)

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	23.44	23.44
(b) Reserves and surplus	3	323.79	318.38
		347.23	341.82
(2) Non-current liabilities			
(a) Long-term borrowings	4	142.73	83.60
(b) Deferred tax liabilities (net)	5	46.97	44.54
(c) Long-term provisions	6	2.18	1.19
		191.88	129.33
(3) Current liabilities			
(a) Short-term borrowings	7	282.49	272.05
(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		145.99	37.54
(c) Other current liabilities	9	71.79	60.06
(d) Short-term provisions	10	28.77	17.28
		529.04	386.93
Total		1,068.15	858.08
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		328.69	295.18
(ii) Intangible assets		3.36	0.01
(iii) Capital work-in-progress		25.52	20.08
(iv) Intangible assets under development		-	3.60
		357.57	318.87
(b) Non-current investments	12	89.89	88.10
(c) Long term loans and advances	13	68.64	79.40
(d) Other non-current assets	14	0.05	11.54
		158.58	179.04
(2) Current assets			
(a) Inventories	15	262.35	183.35
(b) Trade receivables	16	263.14	115.92
(c) Cash and cash equivalents	17	1.03	9.45
(d) Short-term loans and advances	18	22.72	34.34
(e) Other current assets	19	2.76	17.11
		552.00	360.17
Total		1,068.15	858.08

See accompanying notes forming part of the financial statements

1-33

In terms of our report attached

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

For and on behalf of the Board of Directors

Rashim Tandon
Partner

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Ghaziabad
Date : 30 May, 2016

Deepak Goyal
Chief Financial Officer

Adhish Swaroop
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2016

(₹ in crore)

Particulars	Note No.	Year ended 31 March, 2016	Year ended 31 March, 2015
I Revenue from operations (Gross)	20	3,213.83	2,301.37
Less: Excise Duty		218.23	200.80
Revenue from operations (net)		2,995.60	2,100.57
II Other Income	21	21.62	12.65
III Total revenue (I + II)		3,017.22	2,113.22
IV Expenses			
(a) Cost of materials consumed	22	1,470.92	1,520.12
(b) Purchase of stock-in-trade (traded goods)	23	1,206.75	294.71
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(12.14)	16.27
(d) Employee benefits expense	25	35.33	22.58
(e) Finance costs	26	48.73	50.16
(f) Depreciation and amortisation expense	11	18.67	12.01
(g) Other expenses	27	181.87	153.14
Total expenses		2,950.13	2,068.99
V Profit before exceptional items and tax (III-IV)		67.09	44.23
VI Exceptional items (see note 28.9)		25.33	-
VII Profit before tax (V - VI)		41.76	44.23
VIII Tax expense:			
(a) Current tax		8.50	7.05
(b) Mat credit entitlement		-	(4.23)
(c) Deferred tax charge	5	2.43	9.96
Net tax expense		10.93	12.78
IX Profit after tax (VII-VIII)		30.83	31.45
X Earnings per equity share of ₹ 10 each:			
(a) Basic (see note 29.4)		13.15	13.42
(b) Diluted		13.15	13.42

See accompanying notes forming part of the financial statements

1-33

In terms of our report attached

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

For and on behalf of the Board of Directors

Rashim Tandon
Partner

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Ghaziabad
Date : 30 May, 2016

Deepak Goyal
Chief Financial Officer

Adhish Swaroop
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2016

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
A. Cash flow from operating activities		
Profit before tax	41.76	44.23
Adjustments for:		
Depreciation and amortisation expense	18.67	12.01
(Profit) on sale of assets	(0.28)	(0.09)
Finance costs	48.73	50.16
Interest income	(1.59)	(0.57)
Dividend income	(13.56)	(10.61)
Net loss on sale of investments	0.50	-
Liabilities / provisions no longer required written back	(0.74)	-
Brand image expenses written off	17.57	6.35
Claim receivable entry tax written off	7.72	-
Amortisation of premium on forward contract	1.88	-
Fixed assets written off	0.11	-
Other loans and advances written off	1.96	-
Net unrealised exchange (gain) / loss	(0.03)	-
Operating profit before working capital changes	80.94	57.25
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(79.00)	(2.63)
Trade receivables	(147.21)	66.32
Short-term loans and advances	2.37	(0.72)
Long-term loans and advances	17.35	(9.13)
Other current assets	8.16	(13.49)
Other non-current assets	-	(0.05)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	108.64	(24.01)
Other current liabilities	8.67	29.09
Short-term provisions	0.11	(5.84)
Other non-current liabilities	-	(0.05)
Long-term provisions	0.98	0.23
Cash generated from operations	(79.93)	39.72
Net income tax (paid)	42.77	141.20
Net cash flow from operating activities (A)	(6.73)	(3.58)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	36.04	137.62
Proceeds from sale of fixed assets	(81.35)	(82.68)
	14.85	2.67

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Bank balances not considered as Cash and cash equivalents		
- Matured	8.02	(5.02)
Purchase of long-term investments		
- Others	(4.02)	(1.50)
Proceeds from sale of long-term investments		
- Others	2.20	-
Interest received		
- Others	1.68	0.55
Dividend received		
- Subsidiaries	13.56	10.61
Net cash flow (used in) investing activities (B)	(45.06)	(75.37)
C. Cash flow from financing activities		
Proceeds/(repayment) from long-term borrowings	59.13	(10.34)
Proceeds from other short-term borrowings	12.38	10.53
Finance costs	(48.73)	(50.16)
Dividends paid	(14.06)	(11.72)
Tax on dividend	(0.10)	(0.18)
Net cash flow from / (used in) financing activities (C)	8.62	(61.87)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(0.40)	0.38
Cash and cash equivalents at the beginning of the year	1.10	0.72
Cash and cash equivalents at the end of the year	0.70	1.10
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (see note 17)	1.03	9.45
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In other deposit accounts		
- original maturity more than 3 months	0.14	8.12
(ii) In earmarked accounts		
- Unpaid dividend accounts	0.19	0.23
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in note 17	0.70	1.10

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Rashim Tandon
Partner

Place : Ghaziabad
Date : 30 May, 2016

For and on behalf of the Board of Directors

Sanjay Gupta
Chairman

Deepak Goyal
Chief Financial Officer

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Vinay Gupta
Director

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1: Significant accounting policies

A. General Information

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

B. Significant accounting policies

(i) Basis of preparation of financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act"). 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

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 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.

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

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

(v) Cash flow statement

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

(vi) Depreciation and amortisation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of the certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice,

taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

- (a) Buildings- 10 to 60 years
- (b) Roads- 10 years
- (c) Plant and machinery used in manufacturing of pipe - 20 years
- (d) Other plant and machinery- 2 to 10 years
- (e) Vehicles- 8 years
- (f) Furniture and fixtures- 10 years
- (g) Office equipment- 5 years
- (h) Computer- 3 years
- (i) Leasehold land is amortized over the period of the lease.

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

- (a) 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.

(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 it is established.

(ix) Fixed assets (Tangible/Intangible)

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

Capital work-in-progress:

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

(x) Foreign exchange transactions

Initial recognition:

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

Measurement at the balance sheet date:

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

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are

recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts:

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

(xi) Investments/ Investment property

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

(xii) Employee benefits

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

Defined contribution plans:

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

Defined benefit plans:

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

period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

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."

(xiii) Employee share based payment

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

(xiv) Borrowing cost

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of

Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xv) Leases

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

(xvi) Earnings per share

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

(xvii) Taxes on income

Current tax is the amount of tax payable on the

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

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

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

(xviii) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of the assets exceed the estimated recoverable

amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on as appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(xix) Provision

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(xx) Contingent liabilities

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

(xxi) Operating cycle

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

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of Shares	Amount	Number of Shares	Amount
		(₹ in crore)		(₹ in crore)
Note : 2 Share capital				
1 Authorised capital				
Equity shares of ₹ 10/- each with voting rights	25,000,000	25.00	25,000,000	25.00
	25,000,000	25.00	25,000,000	25.00
2 Issued capital				
Equity shares of ₹ 10/- each with voting rights	23,438,636	23.44	23,438,636	23.44
	23,438,636	23.44	23,438,636	23.44
3 Subscribed and fully paid up capital				
Equity shares of ₹ 10/- each with voting rights	23,438,636	23.44	23,438,636	23.44
	23,438,636	23.44	23,438,636	23.44

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

Particulars	Number of Shares		Amount	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
			(₹ in crore)	(₹ in crore)
Equity shares with voting rights				
Outstanding at the beginning of the year	23,438,636	23,438,636	23.44	23.44
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	23,438,636	23,438,636	23.44	23.44

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

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

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

Class of shares/ Name of Shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
APL Infrastructure Private Limited	8,025,187	34.24	8,025,187	34.24
Kitara PIN	3,000,000	12.80	3,000,000	12.80
IDFC Premier Equity Fund	1,586,500	6.77	1,586,500	6.77
Ashok Kumar Gupta	1,500,000	6.40	1,500,000	6.40

Particulars	As at 31 March, 2016	As at 31 March, 2015
		(₹ in crore)
Note : 3 Reserve and Surplus		
1 Security premium		
Opening balance	187.37	187.37
Add: Additions	-	-
Closing balance	187.37	187.37
2 Debenture redemption reserve		
Opening balance	-	-
Add: Transferred from surplus in statement of profit and loss	18.75	-
Closing balance	18.75	-

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
3 General reserve		
Opening balance	25.02	20.02
Add: Transferred from surplus in statement of profit and loss	0.50	5.00
Closing balance	25.52	25.02
4 Surplus (Statement of profit and loss)		
Opening balance	105.99	94.69
Add: Profit for the period	30.83	31.45
Less: Dividend proposed to be distributed to equity shareholders (see note (i) and (ii))	23.44	14.06
Less: Tax on proposed dividend	1.98	1.09
Less: Transfer to general reserve	0.50	5.00
Less: Transfer to debenture redemption reserve	18.75	-
Closing balance	92.15	105.99
Total	323.79	318.38

(i) The Board of Directors recommended a Final Dividend of ₹ 10 per share (on equity share of par value of ₹ 10 each) at their Board meeting held on 30 May, 2016. The final payment is subject to the approval of the shareholders at the ensuing Annual General Meeting.

(ii) The Board of Directors, at their meeting held on 09 May, 2015 had declared a Dividend of ₹ 6 per share for the year ended 31 March, 2015 which was approved by the shareholders in Annual General Meeting held on 28 August, 2015.

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Note : 4 Long term borrowings		
1 Debentures:		
(i) Secured (see note (i) below)	75.00	-
2 Term Loan:		
- From bank		
(i) Secured (see note (ii) below)	67.61	83.21
3 Vehicle Loan:		
- From others		
(i) Secured by way of hypothecation of vehicles	0.12	0.39
Total	142.73	83.60

(i) Details of debentures issued by the company

11.50 % Secured, listed, Non-Convertible redeemable debentures of ₹ 10 Lacs each 75.00 -

The debenture are secured by hypothecation of on current assets and movable assets of the Company (both present and future).

Further subsequent to year end, these have been secured by hypothecation of immovable property situated at A-19 and A-20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu)

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

(₹ in crore)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Long-Term Debts	Current Maturities of Long - Term Debt	Long-Term Debts	Current Maturities of Long - Term Debt
	40.40	9.60	-	-
	3.21	0.11	3.21	0.16
	24.00	12.00	36.00	12.00

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

By First Pari Passu charge on fixed assets of the Company (both present and future) and charge on all current assets (both present and future) of the Company. The loan is further guaranteed by personal guarantee of Shri Sanjay Gupta (Director). The loan outstanding as at balance sheet is repayable in 16 quarterly installments commencing from September 2016 and ending in June 2020 out of which 15 installments will be of ₹ 3.2 crore each and last will be of ₹ 2 crore. Applicable rate of interest is in the range of 10.50%-10.15%.

By First Pari Passu charge on E-11, Land-2, Estate Home, Jaypee Greens, Greater Noida. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 171 monthly installments commencing from April 2016 and ending in June 2030 of ₹ 3.62 Lacs each including interest. Applicable rate of interest is in the range of 9.85%-9.50%

By First Pari Passu charge on fixed assets of the Company (existing and proposed) and charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 5 quarterly installments commencing from June 2016 and ending in June 2017 out of which 4 installments will be of ₹ 3 crore each and last will be of ₹ 24 crore. Applicable rate of interest is 10.25%.

(₹ in crore)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Long-Term Debts	Current Maturities of Long - Term Debt	Long-Term Debts	Current Maturities of Long - Term Debt
By First Pari Passu charge on fixed assets of the company (existing and proposed) and charge on all current assets of the company. The loan is further guaranteed by personal guarantee of Directors of the Company i.e. Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 4 quarterly installments commencing from June 2016 and ending in March 2017 of ₹ 3.5 crore each. Applicable rate of interest is 10.25%.	-	14.00	14.00	12.00
By First Pari Passu charge on current assets and fixed assets (present and future) of the Company. The loan is further guaranteed by personal guarantee of Shri Sanjay Gupta (Director). Applicable rate of interest in the range of 11.75%-11%.	-	-	15.00	5.00
By First Pari Passu charge on current assets and movable fixed assets (present and future) of the Company and first pari passu charge on A-19 and A-20, Industrial Area, Sikandrabad, UP and 332-338, Village Alur, Hosur. The loan is guaranteed by personal guarantee of Director of the Company i.e. Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. Applicable rate of interest in the range of 11.75%-11%.	-	-	15.00	5.00

(₹ in crore)

Particulars	Opening as at 01 April, 2015	(Debited)/Created during the year*	Closing as at 31 March, 2016
Note : 5 Deferred tax liabilities (Net)			
1 Tax effect of items constituting deferred tax liabilities			
(i) On difference between book balance and tax balance of fixed assets	39.98	7.77	47.75
(ii) On expenditure deferred in the books but allowable for tax purposes	5.00	(5.00)	-
	44.98	2.77	47.75
2 Tax effect of items constituting deferred tax assets			
(i) Provision for compensated absences, gratuity and other employee benefits	0.44	(0.34)	0.78
Total	44.54	2.43	46.97

*Including prior period charge for ₹ 0.83 crore (year ended 31 March 2015, Nil)

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Note : 6 Long-term provisions		
1 Provisions for employee benefits:		
Provision for gratuity (see note 29.1)	2.18	1.19
Total	2.18	1.19

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Note : 7 Short-term borrowings		
1 Loan repayable on demand		
- From bank		
(i) Secured		
(a) Cash credit (see note (i) below)	82.95	222.05
(b) Buyer's credit (see note (i) and (ii) below)	174.54	-
- From other parties		
(ii) Unsecured		
(a) Commercial paper	25.00	50.00
Total	282.49	272.05

Nature of security

- (i) Working capital facilities from banks are secured by first pari passu charge on current assets, movable fixed assets, present and future, of the Company and further secured by equitable mortgage on the Company's land and building situated at A-19 and A-20 Industrial Area, Sikandrabad, U.P, and at 332-338, Alur-Village, Perandapalli - Hosur on first pari passu basis. Working capital limit for certain banks have been arranged against the security of all present and future movable fixed assets and current assets on first pari passu charge basis (these working capital limit do not have any charge on immovable fixed assets of the company and collaterals). Further working capital limit for one bank has only second pari passu charge on moveable and immovable fixed assets of the Company. These credit facilities are further collaterally secured by personal guarantee of Shri Sameer Gupta, Shri Vinay Gupta and Shri Sanjay Gupta (Promoter Directors). However for working capital facilities of certain banks, these are only secured by personal guarantee of Shri Sanjay Gupta. Also in case of working capital limit from one bank, these are further secured by corporate guarantee of V.S. Exim Private Limited, a Company under significant influence of the directors.
- (ii) Further for buyer credit facilities from one bank, these are further secured by hypothecation of imported inventories.

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Note : 8 Trade payable		
1 Total outstanding dues of micro enterprises and small enterprises (see note 28.2)	-	-
2 Total outstanding dues of creditors other than micro enterprises and small enterprises	145.99	37.54
Total	145.99	37.54
Note : 9 Other current liabilities		
1 Current maturities of long-term debt	35.83	34.46
2 Interest accrued but not due on borrowings	5.05	0.32
3 Unclaimed dividends	0.19	0.23
4 Other payables		
(i) Statutory remittances	9.94	7.35
(ii) Security deposit	0.05	0.05
(iii) Payable on purchase of fixed assets	0.97	1.70
(iv) Advance from customers	11.84	11.20
(v) Forward premium payable	3.79	-
(vi) Excise duty on finished goods	4.13	4.75
Total	71.79	60.06
Note : 10 Short-term provisions		
1 Provision for employee benefits:		
(i) Provision for compensated absences	0.42	0.32
(ii) Provision for gratuity (see note 29.1)	0.09	0.09
2 Provision others:		
(i) Provision for tax (net of advance tax ₹ 32.14 crore)	0.13	-
(ii) Provision for proposed equity dividend	23.44	14.06
(iii) Provision for tax on proposed equity dividend	4.69	2.81
Total	28.77	17.28

Note 11: Fixed Assets (At cost)

(₹ in crore)

Particular	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2015	Addition during the period	Sales/ Transfer during the year	As at 31.03.2016	Upto 31.03.2015	For the year	Adjusted during the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
A. Tangible assets		(see note (ii))	(see note (i))							
Assets taken on lease:										
Leasehold land	5.43 (0.05)	6.19 (5.37)	- -	11.62 (5.42)	- -	0.15 -	- -	0.15 -	11.47 (5.42)	5.43 (0.05)
Owned assets:										
Freehold land	22.70 (17.42)	4.03 (7.72)	19.63 (2.44)	7.10 (22.70)	- -	- -	- -	- -	7.10 (22.70)	22.70 (17.42)
Building	61.78 (50.70)	23.97 (11.08)	6.09 -	79.66 (61.78)	6.28 (4.73)	2.91 (1.56)	0.88 -	8.31 (6.29)	71.35 (55.49)	55.50 (45.97)
Plant and machinery	240.76 (185.81)	41.13 (55.07)	0.78 (0.13)	281.11 (240.75)	36.19 (26.81)	13.69 (9.50)	0.46 (0.13)	49.42 (36.18)	231.69 (204.57)	204.57 (159.00)
Office equipment	2.15 (1.91)	0.34 (0.24)	0.01 -	2.48 (2.15)	0.35 (0.25)	0.80 (0.10)	(0.01) -	1.16 (0.35)	1.32 (1.80)	1.80 (1.66)
Vehicle	4.17 (4.21)	0.67 (0.12)	0.72 (0.16)	4.12 (4.17)	2.00 (1.62)	0.46 (0.40)	0.64 (0.02)	1.82 (2.00)	2.30 (2.17)	2.17 (2.59)
Furniture and fixture	3.01 (2.94)	0.85 (0.06)	(0.01) -	3.85 (3.00)	0.54 (0.24)	0.33 (0.30)	(0.00) -	0.87 (0.54)	2.98 (2.46)	2.47 (2.70)
Computer	0.95 (0.87)	0.53 (0.07)	0.46 -	1.02 (0.94)	0.62 (0.47)	0.01 (0.15)	0.09 -	0.54 (0.62)	0.48 (0.32)	0.33 (0.40)
Zinc (46.142 M.T.)	0.21 (0.21)	- -	0.21 -	- (0.21)	- -	- -	- -	- -	- (0.21)	0.21 (0.21)
Total-tangible assets (A)	341.16 (264.12)	77.71 (79.73)	27.89 (2.73)	390.96 (341.12)	45.98 (34.12)	18.35 (12.01)	2.06 (0.15)	62.27 (45.98)	328.69 (295.14)	295.18 (230.00)
B. Intangible assets										
Computer software	0.08 (0.07)	3.62 (0.00)	(0.06) -	3.76 (0.07)	0.07 (0.06)	0.32 (0.01)	(0.01) -	0.40 (0.07)	3.36 (0.00)	0.01 (0.01)
Total-Intangible assets (B)	0.08 (0.07)	3.62 (0.00)	(0.06) -	3.76 (0.07)	0.07 (0.06)	0.32 (0.01)	(0.01) -	0.40 (0.07)	3.36 (0.00)	0.01 (0.01)
Grand Total (A + B)	341.24 (264.19)	81.33 (79.73)	27.83 (2.73)	394.72 (341.19)	46.05 (34.18)	18.67 (12.02)	2.05 (0.15)	62.67 (46.05)	332.05 (295.14)	295.19 (230.01)

- (i) During the year, freehold land amounting to ₹ 10.85 crore has been transferred to investment in property.
(ii) During the year, investment in property-Guest house of ₹ 10.38 crore has been capitalised and transferred to building.
(iii) Figures in brackets pertains to previous year ended 31 March 2015.

Particulars	(₹ in crore)	
	As at 31 March, 2016	As at 31 March, 2015
Note : 12 Non-current investment		
1 Investment (At cost)		
A. Trade		
(i) Investment in equity instruments:		
- In subsidiary companies (Unquoted)		
(a) 2,711,100 Equity shares of Apollo Metalex Private Limited of ₹ 10/- each fully paid up	7.21	7.21
(b) 5,895,000 Equity shares of Shri Lakshmi Metal Udyog Limited of ₹ 10/- each fully paid up	36.30	36.30
(c) 20,000,000 Equity shares of Lloyds Line Pipes Limited of ₹ 10/- each fully paid up	33.25	33.25
B. Other investments		
(i) Investment in mutual funds (Quoted)		
(a) 49,990 units of Union KBC tax saver growth fund of ₹ 10 each	-	0.05
(ii) Investment in properties		
(a) Investment in property - Shops (see note 11(i))	13.13	0.91
(b) Investment in property - Guest house (see note 11(ii))	-	10.38
Total	89.89	88.10
Aggregate amount of quoted investments	-	0.05
Aggregate market value of listed and quoted investment	-	0.10
Aggregate amount of unquoted investments	89.89	88.05
Note : 13 Long term loans and advances (Unsecured, considered goods)		
1 Capital advances	26.44	18.20
2 Security deposit	2.46	15.40
3 Loans to subsidiary (see note 29.3) (also see note (i) below)	33.00	33.00
4 Loans and advances to employees	0.32	0.11
5 Advance income tax (net of provision year ended 31 March, 2015 ₹ 26,07 crore)	-	1.64
6 MAT credit entitlement	3.65	8.46
7 Balances with government authorities		
(i) VAT credit receivable	1.17	1.22
8 Payment under protest		
(i) Excise	1.19	1.19
(ii) Service tax	0.18	0.18
(iii) VAT	0.23	-
Total	68.64	79.40

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

Name of the Party	(₹ in crore)	
	Amount outstanding as at 31 March, 2016	Maximum balance outstanding during the year
Lloyds Line Pipes Limited	33.00 (33.00)	33.00 (33.00)
Note: Figures in bracket pretains to previous year ended 31 March, 2015		
Particulars	As at 31 March, 2016	As at 31 March, 2015
Note : 14 Other non-current assets		
1 Claim receivable	0.05	0.05
2 Deferred expenditure (see note 28.9)	-	11.49
Total	0.05	11.54
Note : 15 Inventories		
1 Raw material (including stock-in-transit)	117.21	51.25
2 Finished goods (including stock-in-transit)	136.00	123.85
3 Stores and spares	6.77	5.87
4 Rejection and scrap	2.37	2.38
Total	262.35	183.35
Details of stock-in-transit		
Raw material	5.00	-
Finished goods	5.54	-
Note : 16 Trade receivables		
1 Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good :	2.97	1.47
2 Other trade receivables		
(i) Unsecured, considered good :	260.17	114.45
Total	263.14	115.92

Particulars	(₹ in crore)	
	As at 31 March, 2016	As at 31 March, 2015
Note : 17 Cash and cash equivalent		
1 Cash and cash equivalent (as per as 3 cash flow statements)		
(i) Cash balance	0.06	1.02
(ii) Balances with banks		
(a) in current account	0.64	0.08
	0.70	1.10
2 Other bank balances		
(i) In earmarked accounts		
(a) unpaid dividend account	0.19	0.23
(b) in margin money with maturity less than 12 months at inception	0.14	8.12
	0.33	8.35
Total	1.03	9.45
Note : 18 Short terms loans and advances		
Unsecured, considered good		
1 Loans and advance to employee	0.60	0.71
2 Prepaid expenses	1.04	0.74
3 Balances with government authorities:		
(i) Cenvat credit receivable	4.05	6.17
(ii) VAT credit receivable	0.63	1.69
(iii) Service tax credit receivable	1.64	3.59
(iv) Custom duty	0.92	13.99
4 Payment under protest		
(i) Excise duty	3.96	2.73
(ii) Safeguard duty	3.90	-
5 Others		
(i) Advance to suppliers	3.48	4.72
(ii) Mat credit entitlement	2.50	-
Total	22.72	34.34
Note : 19 Other current assets		
1 Claim receivables		
(i) Export incentive	1.04	2.02
(ii) Licence in hand	0.30	0.02
(iii) Other claim receivables	1.35	1.12
2 Deferred expenditure (see note 28.9)	-	6.07
3 Entry tax receivables (see note 28.9)	-	7.72
4 Accrued interest on FDR's and securities	0.07	0.16
Total	2.76	17.11

Particulars	(₹ in crore)	
	Year ended 31 March, 2016	Year ended 31 March, 2015
Note : 20 Revenue from operations		
1 Sale of products (see note (i) below)	3,150.70	2,241.14
2 Other operating revenue (see note (ii) below)	63.13	60.23
Revenue from operations (Gross)	3,213.83	2,301.37
Less: Excise duty	218.23	200.80
Total	2,995.60	2,100.57
(i) Sale of products comprises:		
Manufactured goods		
Black pipe	1,373.54	1,288.68
Galvanized pipes	410.83	387.22
Pre-galvanized pipe	135.71	247.10
Total	1,920.08	1,923.00
Traded goods		
Black pipe	199.62	228.98
Galvanized pipes	13.22	21.72
Pre-galvanized pipe	33.77	13.12
Coils	966.96	29.95
Others	17.05	24.36
Total	1,230.62	318.13
(ii) Other operating revenue comprises		
Sale of scrap	57.69	47.02
Duty drawback and other export incentives	2.22	3.85
Commission	2.27	0.38
Job work	0.95	8.98
Total	63.13	60.23
Note : 21 Other income		
1 Interest income (see note (i) below)	1.59	0.57
2 Dividend income from:		
(i) non-current trade investments	13.56	10.61
3 Net gain on sale of long term investment	0.05	-
4 Net gain on foreign currency transactions	-	0.73
5 Other non-operating income (see note (ii) below)	6.42	0.74
Total	21.62	12.65
(i) Interest income comprises:		
(a) Interest from deposits from banks	0.81	0.45
(b) Other interest	0.78	0.12
Total	1.59	0.57

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
(ii) Other non-operating income comprises:		
(a) Storage and warehousing services	4.87	0.61
(b) Liabilities/provisions not required written back	0.74	-
(c) Profit on sale of fixed assets (net)	0.28	0.09
(d) Profit on purchase of licences	0.52	-
(e) Miscellaneous income	0.01	0.04
Total	6.42	0.74
Note : 22 Cost of material consumed		
1 Raw Material		
Opening Stock	51.25	34.30
Add: Purchases (see note 29.6)	1,536.88	1,537.07
Less: Closing Stock	117.21	51.25
Total	1,470.92	1,520.12
Materials consumed comprise :		
HR coil	1,242.31	1,329.42
CR coil	91.07	-
GP coil	79.39	129.92
Zinc	51.16	49.72
Other items	6.99	11.06
Total	1,470.92	1,520.12
Note : 23 Purchase of stock-in-trade		
Black Pipe	201.00	222.98
Galvanized pipes	12.76	21.46
Pre galvanized pipe	32.83	12.71
Coils (including HR,CR and GP coil)	940.78	23.22
Other items	19.38	14.34
Total	1,206.75	294.71

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Note : 24 Change in inventories		
1 Inventories at the end of the year:		
Finished goods	136.00	123.85
Scrap	2.37	2.38
	138.37	126.23
2 Inventories at the beginning of the year:		
Finished goods	123.85	139.50
Scrap	2.38	3.00
	126.23	142.50
Total	(12.14)	16.27
Note : 25 Employee benefits expense		
1 Salaries and wages (see note 29.6)	31.95	19.93
2 Contribution to provident and other funds	1.53	1.50
3 Gratuity expense	1.21	0.43
4 Staff welfare expenses	0.64	0.72
Total	35.33	22.58
Note : 26 Finance costs		
1 Interest expense (Net of capitalisation): (see note 29.2)		
(i) working capital facilities	27.53	41.48
(ii) term loan	12.50	5.72
(iii) debentures	4.37	-
2 Other borrowing cost	4.33	2.96
Total	48.73	50.16
Note : 27 Other expenses		
1 Consumption of stores and spare parts	16.93	10.22
2 Increase/ (decrease) of excise duty on inventory	(0.63)	0.43
3 Furnace oil	3.32	5.76
4 Power and fuel	21.86	22.78
5 Job work charges	1.20	2.49
6 Security services	0.76	0.75
7 Rent including lease rentals	3.83	4.15

Particulars	(₹ in crore)	
	Year ended 31 March, 2016	Year ended 31 March, 2015
8 Repair and maintenance:		
(i) Building	0.28	0.02
(ii) Plant and machinery (see note 29.6)	1.30	0.98
(iii) Others	0.18	0.16
9 Factory expense	0.74	0.39
10 Vehicle running expenses (see note 29.6)	0.44	0.56
11 Insurance	0.29	0.14
12 Rates and taxes	1.44	1.26
13 Amortisation of premium on forward contract	1.88	-
14 Forward contract cancellation loss	1.52	-
15 Loss on foreign currency transactions (net)	3.46	-
16 Travelling and conveyance (see note 29.6)	2.56	2.16
17 Legal and professional charges (see note (i) to below)	2.22	1.15
18 Donations and contributions	0.01	0.01
19 Loss on sale of investment property	0.55	-
20 Freight outward (see note 29.6)	54.77	50.65
21 Sales commission	6.63	4.28
22 Sales discount	46.17	33.54
23 Advertisement and sales promotion	5.82	8.28
24 Other receivables and advances written off	1.96	-
25 Fixed assets written off	0.11	-
26 Miscellaneous expenses (see note 29.6)	2.27	2.98
Total	181.87	153.14
(i) Payments to the auditors comprise (net of service tax):		
(a) To statutory auditors		
For audit (including quarterly reviews)	0.40	0.08
For taxation matters	-	0.02
For other services	0.17	0.01
Reimbursement of expenses	0.02	-
(b) For tax audit	-	0.02
	0.59	0.13*
(ii) To cost auditors for cost audit	0.01	0.01
Total	0.60	0.14
* Paid to the previous auditors		

Note 28 Additional information to the financial statements

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

Particulars	(₹ in crore)	
	As at 31 March, 2016	As at 31 March, 2015
(i) Contingent liabilities		
(a) Disputed claims/levies in respect of:		
(1) Value added tax	14.65	18.51
(2) Excise duty	7.61	7.61
(3) Service tax	0.18	0.18
	22.44	26.30
No provision has been considered necessary since the Company expects favourable decision in appeals.		
(b) Sales invoice discounted (Under channel financing scheme from banks/institutions to customers for which the Company has given counter guarantee.	-	35.90
(ii) Commitments		
(a) Estimated amount of contracts account and not provided for		
(1) Tangible assets	75.51	12.42
(b) The Company has obtained Advance licenses under the Duty Exemption scheme for importing input materials without payment of customs duty against submission of bonds. The export obligation is to be fulfilled within a period of 18 months from the date of issuance of license. Under this scheme the Company has to achieve both the quantity and FOB value of exports specified in the license. Accordingly the Company is required to export goods of FOB value of at least ₹ 84.29 crore (year ended 31 March 2015 Nil).		
(c) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Lloyds Line Pipes Limited and Shri Lakshmi Metal Udyog Limited for loans and credit facilities taken by them from banks and financial institutions.		
(d) The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.		
(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.		

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

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

28.3 Details on derivative instruments and unhedged foreign currency exposures

(a) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2016

Forward contract outstanding	Buy/Sell	As at 31 March, 2016	As at 31 March, 2015
In USD	Buy	30,329,393	1,490,222
Equivalent amount (₹ in crore)	Buy	201.18	9.48

(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 31 March, 2016	As at 31 March, 2015
USD	318,105	241,743
Equivalent (₹ in crore)	2.11	1.51
Euro	197,216	151
Equivalent in (₹ in crore)	1.48	0.00

(c) Currency swap to hedge against fluctuations in change of exchange rate. Number of contract 2 (year ended 31 March 2015, Nil)

28.4 Value of imports calculated on CIF basis:

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Raw materials	246.47	9.36
Traded goods	650.42	-
Spare parts	0.21	-
Capital goods	4.15	2.84
	901.25	12.20

28.5 Expenditure in foreign currency:

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Travelling	0.55	0.67
Interest	2.20	-
Repair and maintenance	-	0.01
Commission	0.17	0.23
	2.92	0.91

28.6 Details of consumption of imported and indigenous items

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Amount	% of total value	Amount	% of total value
	(₹ in crore)		(₹ in crore)	
Imported				
Raw materials	246.47	16.76%	9.36	0.62%
Spare parts	0.21	1.24%	-	-
	246.68		9.36	
Indigenous				
Raw materials	1,224.44	83.24%	1,510.77	99.39%
Spare parts	16.71	98.76%	10.22	100.00%
	1,241.15		1,520.99	

28.7 Earnings in foreign exchange

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Export of goods calculated on FOB basis	63.98	104.22

28.8 Employee Stock Option Scheme

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

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

28.8 Employee Stock Option Scheme (Continued)

(b) Employee stock options details as on the balance sheet date are as follows:

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
Granted during the year:	724,000	452.60	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed during the year:	-	-	-	-
Options outstanding at the end of the year:	724,000	452.60	-	-
Options available for grant:	724,000	452.60	-	-
The weighted average share price at the date of exercise for stock options exercised during the year	-	-	-	-
Range of exercise price for options outstanding at the end of the year	-	452.60	-	-

Weighted average remaining contractual life for options outstanding as at 31 March, 2016 : 4 Years

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

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Profit (as reported) (₹ in crore)	30.83	31.45
Add / (Less): stock based employee compensation (intrinsic value)	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	-	-
Net Profit (proforma) (₹ in crore)	30.83	31.45
Basic earnings per share (as reported)	13.15	13.42
Basic earnings per share (proforma)	13.15	13.42
Diluted earnings per share (as reported)	13.15	13.42
Diluted earnings per share (proforma)	13.15	13.42

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

Assumptions	Year ended 31 March, 2016	Year ended 31 March, 2015
Risk free interest rate	7.86%	-
Expected life	3.50	-
Expected annual volatility of shares	41.76	-
Expected dividend yield	2.13%	-

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

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

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Amount of dividend remitted in foreign currency (₹ in crore)	1.80	1.50
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of shares held by them on which dividend was due	3,000,000	3,000,000
Year to which the dividend relates	2014-15	2013-2014

Note 29 : Disclosures under Accounting standards

29.1 Employee benefit obligations

(a) Defined contribution plans:

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1.19 crore (Year ended 31 March, 2015 ₹ 1.14 crore) for Provident Fund contributions, and ₹ 0.35 crore (Year ended 31 March, 2015 ₹ 0.36 crore) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plans

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

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹ 0.10 crore (year ended 31 March, 2015 ₹ 0.10 crore). Vesting occurs upon completion of 5 years of service.

i. Gratuity (included as part of (state line item) in note 25 Employee benefits expense)

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(i) Movement in net liability:		
Present value of DBO at beginning of the year	1.28	0.96
Current service cost	0.45	0.24
Interest cost	0.10	0.08
Actuarial (gains) / losses	0.61	0.10
Benefits paid	(0.21)	(0.10)
Present value of DBO at the end of the year	2.27	1.28
Present value of unfunded obligation	2.27	1.28
Amounts in the Balance Sheet		
(a) Liabilities	(2.27)	(1.28)
(b) Assets		
(c) Net asset / (liability) recognised in the Balance Sheet	(2.27)	(1.28)
Current liability	2.18	1.19
Non-current liability	0.09	0.09

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

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Components of employer's expense		
Current service cost	0.49	0.24
Interest cost	0.10	0.08
Actuarial losses	0.61	0.10
Total expense recognised in the Statement of Profit and Loss	1.20	0.42
Actual contribution and benefit payments for the year		
Actual benefit payments	0.21	0.10
Actual contributions	-	-
(iii) Principal Actuarial assumptions for Gratuity		
Discount rate	7.98%	7.83%
Salary escalation	8.00%	4.50%
Retirement age	60 Years	60 Years
Mortality tables	IALM (2006-08)	IALM (2006-08)
Estimate of amount of contribution in the immediate next year	Nil	Nil

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

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

(iv) Experience adjustments

(₹ in crore)

	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO	2.21	1.28	0.96	0.63	0.42
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]	-	-	-	-	-
Experience gain / (loss) adjustments on plan liabilities	0.03	(0.19)	(0.09)	(0.07)	0.06
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

29.2 Details of borrowing costs capitalised

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work-in-progress	0.49	5.46
	0.49	5.46

29.3 Related party transactions

**Details of related parties:
Description of relationship**

(i) Subsidiaries

(ii) Key Management Personnel (KMP)

(iii) Relatives of KMP

(iv) Enterprises over which any person described in (i) to (iii) above is able to exercise significant influence

Names of related parties

Apollo Metalex Private Limited
Lloyds Line Pipes Limited
Shri Lakshmi Metal Udyog Limited

Shri Sanjay Gupta (Chairman)
Shri Ashok Kumar Gupta (Managing Director)
Shri Vinay Gupta (Director)
Shri Sameer Gupta (Director)

Mrs. Saroj Rani Gupta (Mother of Director)
Mrs. Neera Gupta (Wife of Shri Sanjay Gupta)
Mrs. Vandana Gupta (Wife of Shri Vinay Gupta)
Mrs. Meenakshi Gupta (Wife of Shri Sameer Gupta)
Shri Rahul Gupta (Son of Shri Sanjay Gupta)

APL Infrastructure Private Limited
Apollo Pipes Limited
V.S. Exim Private Limited
Assawa Associates Private Limited

Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which as mentioned above able to exercise significant influence	Total
Purchase of goods					
Apollo Metalex Private Limited	96.72	-	-	-	96.72
	(44.81)	-	-	-	(44.81)
Lloyds Line Pipes Limited	111.31	-	-	-	111.31
	(192.76)	-	-	-	(192.76)
Shri Lakshmi Metal Udyog Limited	130.83	-	-	-	130.83
	(71.37)	-	-	-	(71.37)
Apollo Pipes Limited	-	-	-	0.15	0.15
	-	-	-	-	-
	388.86	-	-	0.15	339.01
	(308.94)	-	-	-	(308.94)
Purchase of scrap					
Apollo Metalex Private Limited	3.46	-	-	-	3.46
	(3.65)	-	-	-	(3.65)
Lloyds Line Pipes Limited	6.97	-	-	-	6.97
	(10.69)	-	-	-	(10.69)
Shri Lakshmi Metal Udyog Limited	5.20	-	-	-	5.20
	(5.48)	-	-	-	(5.48)
	15.63	-	-	-	15.63
	(19.82)	-	-	-	(19.82)
Sale of goods					
Apollo Metalex Private Limited	120.45	-	-	-	120.45
	(27.09)	-	-	-	(27.09)
Lloyds Line Pipes Limited	190.64	-	-	-	190.64
	(1.40)	-	-	-	(1.40)
Shri Lakshmi Metal Udyog Limited	41.81	-	-	-	41.81
	(0.17)	-	-	-	(0.17)
APL Infrastructure Private Limited	-	-	-	0.06	0.06
	-	-	-	-	-
Apollo Pipes Limited	-	-	-	0.25	0.25
	-	-	-	-	-
	352.90	-	-	0.31	353.21
	(28.66)	-	-	-	(28.66)

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which as mentioned above able to exercise significant influence	Total
Sale of scrap					
Apollo Metalex Private Limited	1.36	-	-	-	1.36
	-	-	-	-	-
Shri Lakshmi Metal Udyog Limited	0.01	-	-	-	0.01
	-	-	-	-	-
	1.37	-	-	-	1.37
	-	-	-	-	-
Purchase of fixed assets					
Apollo Metalex Private Limited	1.21	-	-	-	1.21
	(0.05)	-	-	-	(0.05)
Lloyds Line Pipes Limited	0.08	-	-	-	0.08
	-	-	-	-	-
V.S. Exim Private Limited	-	-	-	-	-
	-	-	-	(6.01)	(6.01)
	1.29	-	-	-	1.29
	(0.05)	-	-	(6.01)	(6.06)
Sale of fixed assets					
Apollo Metalex Private Limited	0.03	-	-	-	0.03
	(29.47)	-	-	-	(29.47)
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(0.01)	-	-	-	(0.01)
Lloyds Line Pipes Limited	0.25	-	-	-	0.25
	-	-	-	-	-
	0.28	-	-	-	0.28
	(29.48)	-	-	-	(29.48)
Purchase of stores and consumables					
Apollo Metalex Private Limited	0.03	-	-	-	0.03
	-	-	-	-	-
Lloyds Line Pipes Limited	0.01	-	-	-	0.01
	-	-	-	-	-
Apollo Pipes Limited	-	-	-	1.44	1.44
	-	-	-	(1.04)	(1.04)
	0.04	-	-	1.44	1.48
	-	-	-	(1.04)	(1.04)

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which as mentioned above able to exercise significant influence	Total
Rent paid					
APL Infrastructure Private Limited	-	-	-	0.54	0.54
	-	-	-	(0.51)	(0.51)
V.S. Exim Private Limited	-	-	-	-	-
	-	-	-	(0.18)	(0.18)
Mrs. Saroj Rani Gupta	-	-	0.36	-	0.36
	-	-	(0.36)	-	(0.36)
Mrs. Neera Gupta	-	-	0.30	-	0.30
	-	-	(0.30)	-	(0.30)
Mrs. Vandana Gupta	-	-	0.30	-	0.30
	-	-	(0.30)	-	(0.30)
Mrs. Meenakshi Gupta	-	-	0.30	-	0.30
	-	-	(0.30)	-	(0.30)
	-	-	1.26	0.54	1.80
	-	-	(1.26)	(0.69)	(1.95)
Commission received					
Apollo Metalex Private Limited	0.63	-	-	-	0.63
	(0.37)	-	-	-	(0.37)
Lloyds Line Pipes Limited	0.90	-	-	-	0.90
	-	-	-	-	-
Shri Lakshmi Metal Udyog Limited	0.73	-	-	-	0.73
	(0.01)	-	-	-	(0.01)
	2.26	-	-	-	2.26
	(0.38)	-	-	-	(0.38)
Commission paid					
Lloyds Line Pipes Limited	0.96	-	-	-	0.96
	-	-	-	-	-
	0.96	-	-	-	0.96
	-	-	-	-	-
Job work receipts					
Apollo Metalex Private Limited	0.95	-	-	-	0.95
	(8.61)	-	-	-	(8.61)
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(0.04)	-	-	-	(0.04)
	0.95	-	-	-	0.95
	(8.65)	-	-	-	(8.65)

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which as mentioned above able to exercise significant influence	Total
Job work expenses					
Apollo Metalex Private Limited	0.26	-	-	-	0.26
	(1.14)	-	-	-	(1.14)
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-
	(0.13)	-	-	-	(0.13)
	0.26	-	-	-	0.26
	(1.27)	-	-	-	(1.27)
Handling charges					
APL Infrastructure Private Limited	-	-	-	0.97	0.97
	-	-	-	(0.57)	(0.57)
	-	-	-	0.97	0.97
	-	-	-	(0.57)	(0.57)
Freight expenses					
Shri Lakshmi Metal Udyog Limited	0.02	-	-	-	0.02
	-	-	-	-	-
	0.02	-	-	-	0.02
	-	-	-	-	-
Rebate and discount					
Apollo Metalex Private Limited	0.05	-	-	-	0.05
	-	-	-	-	-
	0.05	-	-	-	0.05
	-	-	-	-	-
Sale of licenses					
Lloyds Line Pipes Limited	1.31	-	-	-	1.31
	-	-	-	-	-
	1.31	-	-	-	1.31
	-	-	-	-	-
Payments made on behalf of					
Lloyds Line Pipes Limited	90.00	-	-	-	90.00
	-	-	-	-	-
	90.00	-	-	-	90.00
	-	-	-	-	-

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which as mentioned above able to exercise significant influence	Total
Dividend Received					
Shri Lakshmi Metal Udyog Limited	13.56	-	-	-	13.56
	(10.61)	-	-	-	(10.61)
	13.56	-	-	-	13.56
	(10.61)	-	-	-	(10.61)
Salary					
Shri Sanjay Gupta	-	2.40	-	-	2.40
	-	(2.40)	-	-	(2.40)
Shri Ashok Kumar Gupta	-	0.16	-	-	0.16
	-	(1.13)	-	-	(1.13)
Shri Rahul Gupta	-	-	0.12	-	0.12
	-	-	-	-	-
	-	2.56	0.12	-	2.68
	-	(3.53)	-	-	(3.53)
Director's sitting fees					
Shri Vinay Gupta	-	0.04	-	-	0.04
	-	(0.02)	-	-	(0.02)
Shri Sameer Gupta	-	0.02	-	-	0.02
	-	(0.02)	-	-	(0.02)
	-	0.06	-	-	0.06
	-	(0.04)	-	-	(0.04)
Balances outstanding at the end of the year					
Trade receivables					
Apollo Metalex Private Limited	32.13	-	-	-	32.13
	-	-	-	-	-
Lloyds Line Pipes Limited	99.20	-	-	-	99.20
	-	-	-	-	-
	131.33	-	-	-	131.33
	-	-	-	-	-
Loans given					
Lloyds Line Pipes Limited	33.00	-	-	-	33.00
	(33.00)	-	-	-	(33.00)
	33.00	-	-	-	33.00
	(33.00)	-	-	-	(33.00)

(₹ in crore)

Particulars	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which as mentioned above able to exercise significant influence	Total
Trade payables					
Shri Lakshmi Metal Udyog Limited	40.99	-	-	-	40.99
	-	-	-	-	-
APL Infrastructure Private Limited	-	-	-	0.08	0.08
	-	-	-	-	-
Apollo Pipes Limited	-	-	-	0.40	0.40
	-	-	-	-	-
V.S. Exim Private Limited	-	-	-	0.06	0.06
	-	-	-	-	-
Shri Sanjay Gupta	-	-	-	0.20	0.20
	-	-	-	-	-
Shri Rahul Gupta	-	-	(0.01)	-	(0.01)
	-	-	-	-	-
	40.99	-	(0.01)	0.74	41.72
	-	-	-	-	-

(i) V. S. Exim Private Limited, a company under significant influence of directors, has also given corporate guarantee for credit facilities taken by the Company from banks. (see note 7 (i)) for credit facilities from bank outstanding as at 31 March 2016 is ₹ 82.95 crore (year ended 31 March, 2015 ₹ 222.04 crore)

(ii) The term loan and other credit facilities of the Company are also secured by personal guarantee of Shri Sanjay Gupta, Shri Vinay Gupta and Shri Sameer Gupta, Directors of the Company (see note 4 (ii) and 7 (i)).

29.4 Earning per share

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
(a) Profit for the year after tax (₹ in crore)	30.83	31.45
(b) Weighted average no. of ordinary shares for basic and diluted EPS	30.83	31.45
(c) Nominal value per ordinary share	23,438,636	23,438,636
(d) Basic earnings per ordinary share	10.00	10.00
(e) Diluted earnings per ordinary share	13.15	13.42
	13.15	13.42

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

29.6 Prior period items include:-

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Prior period expenses:		
Employee benefits expense	1.32	-
Entry tax expenses - Cost of material consumed	0.19	-
Repair and maintenance - Plant and machinery	0.02	-
Travelling and conveyance	0.01	-
Vehicle running expenses	0.01	-
Miscellaneous expenses	0.14	-
Freight outward	0.95	-
	2.64	-
Prior period Income:		
Interest income from deposit from banks	0.34	-
	0.34	-

30 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its specified domestic transactions. The Company will further update above information and records and expects these to be in existence latest by due date of the filing of return, as required under law. The management is of the opinion that all above transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

31 Expenditure on corporate social responsibility

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Gross amount required to be spent by Company during the year ended 31 March, 2016 / 31 March, 2015	0.98	0.96
Amount spent during the year on purposes other than Construction/acquisition of any asset	NIL	NIL

32 The previous year financials were audited by M/s. VAPS & Co, another firm of Chartered Accountants.

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

For and on behalf of the Board of Directors

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Ghaziabad
Date : 30 May, 2016

Deepak Goyal
Chief Financial Officer

Adhish Swaroop
Company Secretary

**CONSOLIDATED
FINANCIAL
STATEMENTS**



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF APL APOLLO TUBES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **APL APOLLO TUBES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to "the Group"), comprising the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors of the Holding Companies and the subsidiary companies incorporated in India as on 31 March, 2016 and taken on record by the Board of Directors of the Holding Company and the subsidiary companies incorporated in India, none of the directors of the Holding Company and the subsidiary companies incorporated in India, are disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and the subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and the subsidiary's companies incorporated in India, internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigation on its financial position in its consolidated financial statements; (see note 28.1(i) of the consolidated financial statements)
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. (see note 28.1.(ii)(d) of the consolidated financial statements)
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies (see note 28.1.(iii) of the consolidated financial statements)

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

RASHIM TANDON
Partner
(Membership No. 95540)

Place: Ghaziabad
Dated: 30 May, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of consolidated financial statements of **APL APOLLO TUBES LIMITED** ("the Company") as of and for the year March 31, 2016, we have audited the internal financial controls over financial reporting of APL APOLLO TUBES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to "the Group") incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding company and its subsidiaries incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

RASHIM TANDON
Partner
(Membership No. 95540)

Place: Ghaziabad
Dated: 30 May, 2016

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2016

(₹ in crore)

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	23.44	23.44
(b) Reserves and surplus	3	544.11	471.66
		567.55	495.10
(2) Non-current liabilities			
(a) Long-term borrowings	4	187.59	140.62
(b) Deferred tax liabilities (net)	5	85.90	74.46
(c) Other Long Term Liabilities	6	1.04	1.06
(d) Long-term provisions	7	5.07	2.92
		279.60	219.06
(3) Current liabilities			
(a) Short-term borrowings	8	410.91	292.56
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		254.00	204.54
(c) Other current liabilities	10	104.11	86.76
(d) Short-term provisions	11	43.97	24.70
		812.99	608.56
Total		1,660.14	1,322.72
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		619.94	571.14
(ii) Intangible assets		3.34	0.04
(iii) Capital work-in-progress		31.99	20.35
(iv) Intangible assets under development		-	3.62
		655.27	595.15
(b) Goodwill on Consolidation		42.90	42.90
(c) Non-current investments	13	13.13	19.06
(d) Long term loans and advances	14	59.22	50.76
(e) Other non-current assets	15	0.07	11.56
		72.42	81.38
(2) Current assets			
(a) Inventories	16	594.37	319.56
(b) Trade receivables	17	219.86	175.25
(c) Cash and cash equivalents	18	1.35	18.82
(d) Short-term loans and advances	19	69.22	70.37
(e) Other current assets	20	4.75	19.29
		889.55	603.29
Total		1,660.14	1,322.72

See accompanying notes forming part of the financial statements

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In terms of our report attached

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

For and on behalf of the Board of Directors

Rashim Tandon
Partner

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Ghaziabad
Date : 30 May, 2016

Deepak Goyal
Chief Financial Officer

Adhish Swaroop
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2016

(₹ in crore)

Particulars	Note No.	Year ended 31 March, 2016	Year ended 31 March, 2015
I Revenue from operations (Gross)	21	4,656.36	3,481.73
Less: Excise Duty		442.77	343.46
Revenue from operations (net)		4,213.59	3,138.27
II Other Income	22	10.27	4.51
III Total revenue (I + II)		4,223.86	3,142.78
IV Expenses			
(a) Cost of materials consumed	23	2,815.66	2,675.81
(b) Purchase of stock-in-trade (traded goods)		764.32	9.82
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(21.12)	(4.94)
(d) Employee benefits expense	25	63.10	41.20
(e) Finance costs	26	69.51	66.44
(f) Depreciation and amortisation expense	11	34.10	22.01
(g) Other expenses	27	309.97	234.77
Total expenses		4,035.54	3,045.11
V Profit before exceptional items and tax (III-IV)		188.32	97.67
VI Exceptional items (see note 28.9)		25.33	-
VII Profit before tax (V - VI)		162.99	97.67
VIII Tax expense:			
(a) Current tax		49.70	22.40
(b) Mat credit entitlement		0.00	(10.87)
(c) Income tax of earlier year		1.28	0.05
(d) Deferred tax charge	5	11.44	22.34
Net tax expense		62.42	33.92
IX Profit after tax (VII-VIII)		100.57	63.75
X Earnings per equity share of ₹ 10 each:			
(a) Basic (see note 29.4)		42.91	27.20
(b) Diluted		42.91	27.20

See accompanying notes forming part of the financial statements

1-33

In terms of our report attached

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

For and on behalf of the Board of Directors

Rashim Tandon
Partner

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Ghaziabad
Date : 30 May, 2016

Deepak Goyal
Chief Financial Officer

Adhish Swaroop
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2016

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
A. Cash flow from operating activities		
Profit before tax	162.99	97.67
Adjustments for:		
Depreciation and amortisation expense	34.10	22.01
(Profit)/loss on sale of assets	(0.28)	0.05
Finance costs	69.51	66.44
Interest income	(2.63)	(1.44)
Net loss on sale of investments	0.50	-
Liabilities / provisions no longer required written back	(0.77)	(0.04)
Other loans and advances written off	2.39	0.07
Amortisation of premium on forward contract	2.90	-
Fixed Assets written off	0.41	-
Security deposit written back	(0.57)	-
Brand image expenses written off	11.49	0.08
Claim receivable entry tax written off	7.72	-
Net unrealised exchange loss	0.22	-
	124.99	87.17
Operating profit before working capital changes	287.98	184.84
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(274.81)	(31.07)
Trade receivables	(44.61)	74.17
Short-term loans and advances	(8.53)	(2.10)
Long-term loans and advances	18.03	(12.02)
Other current assets	14.19	(7.04)
Other non-current assets	-	0.09
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	49.68	80.36
Other current liabilities	10.20	43.89
Short-term provisions	0.25	(11.13)
Other non-current liabilities	(0.02)	0.96
Long-term provisions	2.15	0.55
	(233.47)	136.66
Cash generated from operations	54.51	321.50
Net income tax (paid)	(43.21)	(6.70)
Net cash flow from operating activities (A)	11.30	314.80
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(125.64)	(183.90)
Proceeds from sale of fixed assets	14.85	2.67

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Bank balances not considered as Cash and cash equivalents		
- Matured	16.97	(9.14)
Purchase of long-term investments		
- Others	(4.02)	(1.50)
Proceeds from sale of long-term investments		
- Others	2.20	-
Interest received		
- Others	2.96	0.99
Net cash flow (used in) investing activities (B)	(92.68)	(190.88)
C. Cash flow from financing activities		
Proceeds/(repayment) from long-term borrowings	46.97	3.44
Proceeds from other short-term borrowings	120.29	(47.70)
Finance costs	(69.51)	(66.44)
Dividends paid	(14.06)	(11.72)
Tax on dividend	(2.81)	(1.90)
Net cash flow from / (used in) financing activities (C)	80.88	(124.32)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(0.50)	(0.40)
Cash and cash equivalents at the beginning of the year	1.52	1.92
Cash and cash equivalents at the end of the year	1.02	1.52
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (see note 18)	1.35	18.82
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In other deposit accounts		
- original maturity more than 3 months	0.14	17.07
(ii) In earmarked accounts		
- Unpaid dividend accounts	0.19	0.23
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in note 18	1.02	1.52

In terms of our report attached

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

Rashim Tandon
Partner

Place : Ghaziabad
Date : 30 May, 2016

For and on behalf of the Board of Directors

Sanjay Gupta
Chairman

Deepak Goyal
Chief Financial Officer

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Vinay Gupta
Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Significant accounting policies

A. General Information

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

B. Significant accounting policies

(i) Basis of preparation of financial statement

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

(ii) Principles of consolidation

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

- The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.
- The financial statements of the Company and its

subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

- The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' is determined separately for each subsidiary company and such amounts are not set off between different entities.
- Goodwill arising on consolidation is not amortised but tested for impairment.
- Following wholly owned Indian subsidiaries have been considered in the preparation of consolidated financial statements:
 - Apollo Metalex Private Limited
 - Shri Lakshmi Metal Udyog Limited
 - Lloyds Line Pipes Limited

(iii) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of income and expenses during the year. The Management believes that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions

are reviewed at each balance sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known/materialise.

(iv) Inventories

Inventories 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.

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

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

(vi) Cash flow statement

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

(vii) Depreciation and amortisation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of the certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the

estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

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

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

- Computer software - 3 to 6 years

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

(viii) Revenue recognition

Sale of goods:

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

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

(ix) Other income

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

(x) Fixed assets (Tangible/Intangible)

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

Capital work-in-progress:

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

(xi) Foreign exchange transactions

Initial recognition:

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

Measurement at the balance sheet date:

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

Treatment of exchange differences:

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

Accounting for forward contracts:

Premium / discount on forward exchange contracts,

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

(xii) Investments / Investment property

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

(xiii) Employee benefits

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

Defined contribution plans:

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

Defined benefit plans:

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

Short-term employee benefits:

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

(xiv) Employee share based payment

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

(xv) Borrowing cost

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of

Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xvi) Leases

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

(xvii) Earnings per share

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

(xviii) Taxes on income

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

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

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

(xix) Impairment of assets

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

decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(xx) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(xxi) Contingent liabilities

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

(xxii) Operating cycle

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

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

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of Shares	Amount	Number of Shares	Amount
		(₹ in crore)		(₹ in crore)
Note : 2 Share capital				
1 Authorised capital				
Equity shares of ₹ 10/- each with voting rights	25,000,000	25.00	25,000,000	25.00
	25,000,000	25.00	25,000,000	25.00
2 Issued capital				
Equity shares of ₹ 10/- each with voting rights	23,438,636	23.44	23,438,636	23.44
	23,438,636	23.44	23,438,636	23.44
3 Subscribed and fully paid up capital				
Equity shares of ₹ 10/- each with voting rights	23,438,636	23.44	23,438,636	23.44
	23,438,636	23.44	23,438,636	23.44

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

Particulars	Number of Shares		Amount	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
			(₹ in crore)	(₹ in crore)
Equity shares with voting rights				
Outstanding at the beginning of the year	23,438,636	23,438,636	23.44	23.44
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	23,438,636	23,438,636	23.44	23.44

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

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

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

Class of shares/ Name of Shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
APL Infrastructure Private Limited	8,025,187	34.24	8,025,187	34.24
Kitara PIN	3,000,000	12.80	3,000,000	12.80
IDFC Premier Equity Fund	1,586,500	6.77	1,586,500	6.77
Ashok Kumar Gupta	1,500,000	6.40	1,500,000	6.40

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Note : 3 Reserve and Surplus		
1 Security premium		
Opening balance	187.37	187.37
Add: Additions	-	-
Closing balance	187.37	187.37
2 Debenture redemption reserve		
Opening balance	-	-
Add: Transferred from surplus in statement of profit and loss	18.75	-
Closing balance	18.75	-
3 General reserve		
Opening balance	27.02	20.52
Add: Transferred from surplus in statement of profit and loss	0.50	6.50
Closing balance	27.52	27.02
4 Surplus (Statement of profit and loss)		
Opening balance	257.27	216.89
Add: Profit for the period	100.57	63.75
Less: Dividend proposed to be distributed to equity shareholders (see note (i) and (ii))	23.44	14.06
Less: Tax on proposed dividend	4.68	2.81
Less: Transfer to general reserve	0.50	6.50
Less: Transfer to debenture redemption reserve	18.75	-
Closing balance	310.47	257.27
Total	544.11	471.66

- (i) The Board of Directors recommended a Final Dividend of ₹ 10 per share (on equity share of par value of ₹ 10 each) at their Board meeting held on 30 May, 2016. The final payment is subject to the approval of the shareholders at the ensuing Annual General meeting.
- (ii) The Board of Directors, at their meeting held on 09 May 2015 had declared a Dividend of ₹ 6 per share for the year ended 31 March 2015 which was approved by the shareholders in Annual General Meeting held on 28 August 2015.
- (iii) Inadvertently the goodwill arising on purchase of a subsidiary in earlier years aggregating to ₹ 23.00 crore was netted with security premium which has now been reinstated.

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Note : 4 Long term borrowings		
1 Debentures:		
(i) Secured (see note (i) below)	75.00	-
2 Term Loan:		
- From bank		
(i) Secured (see note (ii) below)	101.47	125.56
- From Others		
(i) Secured (Refer note (ii) below)	10.76	14.34
3 Vehicle Loan:		
- From others		
(i) Secured by way of hypothecation of vehicles	0.36	0.72
Total	187.59	140.62

(i) Details of debentures issued by the company

- 11.50 % Secured, listed, Non-Convertible redeemable debentures of ₹10 Lacs each
- The debenture are secured by Hypothecation of on current assets and movable assets of the Company (both present and future)
- Further subsequent to year end, these have been secured by hypothecation of immovable property situated at A 19 and A 20, Industrial Area, Sikandrabad, UP and 332-338, Alur Village, Perandapalli, Hosur (Tamilnadu)
- These debentures are redeemable at face value in one single installment on 28 September, 2019

(₹ in crore)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Long - Term Debts	Current Maturities of Long - Term Debt	Long - Term Debts	Current Maturities of Long - Term Debt
(ii) Term loan from banks are secured as follows:	40.40	9.60	-	-

- By first Pari Passu charge on fixed assets of the Company (both present and future) and charge on all current assets (both present and future) of the Company. The loan is further guaranteed by personal guarantee of director of the Company i.e., Shri Sanjay Gupta. The Loan outstanding as at balance sheet is repayable in 16 quarterly installments commencing from September 2016 and ending in June 2020 out of which 15 installments will be of ₹ 3.2 crore each and last will be of ₹ 2 crore. Applicable rate of interest is in the range of 10.50%-10.15%.

(₹ in crore)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Long-Term Debts	Current Maturities of Long - Term Debt	Long-Term Debts	Current Maturities of Long - Term Debt
By first Pari Passu charge on E-11, Land-2, Estate Home, Jaypee Greens, Greater Noida. The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 171 monthly installments commencing from April 2016 and ending in June 2030 of ₹ 3.62 Lacs each including interest. Applicable rate of interest is in the range of 9.85%-9.50%.	3.21	0.11	3.21	0.16
By first Pari Passu charge on fixed assets of the Company (existing and proposed) and charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 5 quarterly installments commencing from June 2016 and ending in June 2017 out of which 4 installments will be of ₹ 3 crore each and last will be of ₹ 24 crore. Applicable rate of interest is 10.25%.	24.00	12.00	36.00	12.00
By first Pari Passu charge on fixed assets of the Company (existing and proposed) and charge on all current assets of the Company. The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 4 quarterly installments commencing from June 2016 and ending in March 2017 of ₹ 3.5 crore each. Applicable rate of interest is 10.25%.	-	14.00	14.00	12.00
By first Pari Passu charge on current assets and fixed assets (present and future) of the Company. The loan is further guaranteed by personal guarantee of Shri Sanjay Gupta (Director). Applicable rate of interest is in the range of 11.75%-11%.	-	-	15.00	5.00
By first Pari Passu charge on current assets and movable fixed assets (present and future) of the Company and first pari passu charge on A-19 and A-20, Industrial Area, Sikandrabad, UP and 332-338, Village Alur, Hosur. The loan is guaranteed by personal guarantee of directors of	-	-	15.00	5.00

(₹ in crore)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Long-Term Debts	Current Maturities of Long - Term Debt	Long-Term Debts	Current Maturities of Long - Term Debt
the Company i.e., Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. Applicable rate of interest is in the range of 11.75%-11%.				
By first Pari Passu charge on current assets, fixed 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., Shri Sanjay Gupta, Shri Sameer Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 8 quarterly installments commencing from June 2016 and ending in March 2018 of ₹ 56.25 Lacs each. Applicable rate of interest is in the range of 12.40%-11.70%.	2.25	2.25	4.50	2.25
By first Pari Passu charge on all plant and machinery (including sheds) of the Company and factory land and building at A-2, 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 Industrial Area, UP. The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta, Shri Vinay Gupta and Shri Sameer Gupta. The loan outstanding as at balance sheet is repayable in 16 quarterly installments commencing from June 2016 and ending in March 2020 of ₹ 35 Lacs each. Applicable rate of interest is in the range of 11.35%- 10.80%.	4.20	1.40	-	-
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 directors of the Company i.e., Shri Sanjay Gupta, Shri Vinay Gupta and Shri Sameer Gupta. The loan outstanding as at balance sheet is repayable in 171 monthly installments commencing from April 2016 and ending in June 2030 of ₹ 3.19 Lacs each including interest. Applicable rate of interest is 9.85%.	2.83	0.10	2.86	0.12
By first Pari Passu charge on fixed assets of the Company (Present and future) situated at Murbad, Thane and second Pari Passu charge on all current assets (present	8.79	4.00	13.80	3.00

(₹ in crore)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Long-Term Debts	Current Maturities of Long - Term Debt	Long-Term Debts	Current Maturities of Long - Term Debt

and future) of the Company. The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 5 quarterly installments commencing from June 2016 and ending in June 2017 out of which 4 installments will be of ₹ 1 crore each and last will be of ₹ 8.79 crore. Applicable rate of interest is in the range of 10.25%.

By First Pari Passu charge on fixed assets of the Company (existing and proposed) situated at Murbad, Thane and second pari passu charge on all current assets of the company. The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta and Shri Vinay Gupta. The loan outstanding as at balance sheet is repayable in 5 quarterly installments commencing from June 2016 and ending in June 2017 out of which 4 installments will be of ₹ 60 Lacs each and last will be of ₹ 9.19 crore. Applicable rate of interest is 10.25%.

By First Pari Passu charge on fixed assets and current assets of the Company (present and future).The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta, Shri Vinay Gupta and Shri Sameer Gupta. The loan outstanding as at balance sheet is repayable in 15 quarterly installments commencing from May 2016 and ending in November 2019 of ₹ 60 Lacs each. Applicable rate of interest is in the range of 11.35%-10.80%.

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

By First Pari Passu charge on Industrial Land and Building including entire fixed assets at A-25, Sikandarabad, UP. The loan is further guaranteed by personal guarantee of directors of the Company i.e., Shri Sanjay Gupta, Shri Vinay Gupta and Shri Sameer Gupta. The loan outstanding as at balance sheet is repayable in 16 quarterly installments commencing from May 2016 and ending in Feb 2020 of ₹ 89.63 Lacs each. Applicable rate of interest is in the range of 11.50%-10.25%

9.19 2.40 12.19 0.60

6.60 2.40 9.00 4.90

10.76 3.59 14.34 3.59

(₹ in crore)

Particulars	Opening as at 1 April, 2015	(Debited)/Created during the year*	Closing as at 31 March, 2016
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Note : 5 Deferred tax liabilities (Net)

1 Tax effect of items constituting deferred tax liabilities

(i) On difference between book balance and tax balance of fixed assets	70.65	17.08	87.73
(ii) On expenditure deferred in the books but allowable for tax purposes	5.00	(5.00)	-

2 Tax effect of items constituting deferred tax assets

(i) Provision for compensated absences, gratuity and other employee benefits	1.19	0.64	1.82
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Total **74.46** **11.44** **85.90**

*Including prior period charge for ₹ 0.64 crore (year ended 31 March 2015, Nil)

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
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Note : 6 Other long-term liabilities

1 Others

(i) Security	-	0.02
(ii) Deferred payment liabilities	1.04	1.04

Total **1.04** **1.06**

Note : 7 Long-term provisions

1 Provisions for employee benefits:

Provision for compensated absences (see note29.1)	0.50	0.48
Provision for gratuity (see note29.1)	4.57	2.44

Total **5.07** **2.92**

Note : 8 Short-term borrowings

1 Loan repayable on demand

- From bank		
(i) Secured		
(a) Cash credit (see note (i) below)	144.14	242.56
(b) Buyer's credit (see note (i) and (ii) below)	216.77	-
- From other parties		
(ii) Unsecured		
(a) Commercial paper	50.00	50.00
	-	-

Total **410.91** **292.56**

Nature of security

- (i) Working capital facilities from banks are secured by first Pari Passu charge on current assets, movable fixed assets, present and future, of the Company and further secured by equitable mortgage on the Company's land and building situated at A-19 and A-20 Industrial Area, Sikandarabad, U.P., at 332-338, Alur-Village, Perandapalli - Hosur, at KIADB, Industrial area, Plot No-9 to 11 Balagaranahalli Village, Attibele, Bangalore, at A-2, Industrial Area, Sikandrabad, UP, and at Company's land and building situated at Murbad, Thane, Maharashtra on first Pari Passu basis and second pari passu charge on fixed assets of the Company locate at A-25, Industrial Area, Sikanrabad, UP. Working capital limit for certain banks have been arranged against the security of all present and future movable fixed assets and current assets on first pari passu charge basis (these working capital limit do not have any charge on immovable fixed assets of the company and collaterals). Further working capital limit for one bank has only second pari passu charge on moveable and immovable fixed assets of the Company. These credit facilities are further collaterally secured by personal guarantee of director of the Company i.e. Shri Sameer Gupta, Shri Vinay Gupta and Shri Sanjay Gupta. However for working capital facilities of certain banks, these are only secured by personal guarantee of Shri Sanjay Gupta. Also in case of working capital limit from one bank, these are further secured by corporate guarantee of V.S. Exim Private Limited, a Company under significant influence of the directors.
- (ii) Further for buyer credit facilities from certain banks, these are further secured by hypothecation of imported inventories.

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
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Note : 9 Trade payable

1 Total outstanding dues of micro enterprises and small enterprises (see note 28.2)	-	-
2 Total outstanding dues of creditors other than micro enterprises and small enterprises	254.00	204.54
Total	254.00	204.54

Note : 10 Other current liabilities

1 Current maturities of long-term debt	52.05	49.00
2 Interest accrued but not due on borrowings	5.93	1.03
3 Unclaimed dividends	0.19	0.23
4 Other payables		
(i) Statutory remittances	13.96	10.92
(ii) Security deposit	0.05	0.05
(iii) Payable on purchase of fixed assets	3.86	1.77
(iv) Advance from customers	14.58	13.94
(v) Forward premium payable	5.37	-
(vi) Excise duty on finished goods	8.12	9.82
Total	104.11	86.76

Note : 11 Short-term provisions

1 Provision for employee benefits:		
(i) Provision for compensated absences (see note 29.1)	0.63	0.41
(ii) Provision for gratuity (see note 29.1)	0.15	0.13
2 Provision others:		
(i) Provision for tax (net of advance tax ₹ 51.80 crore year ended 31 March, 2015 ₹ 40.80 crore)	15.06	7.29
(ii) Provision for proposed equity dividend	23.44	14.06
(iii) Provision for tax on proposed equity dividend	4.69	2.81
Total	43.97	24.70

Note 12: Fixed Assets (At cost)

(₹ in crore)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition during the period	Sales/ Transfer during the period	As at 31.03.2016	Upto 31.03.2015	For the period	Adjusted during the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
A. Tangible assets										
Assets taken on lease:										
Leasehold land	15.93 (2.39)	6.19 (13.54)	0.18 -	21.94 (15.93)	- -	0.65 -	- -	0.65 -	21.29 (15.93)	15.93 (2.39)
Owned assets:										
Freehold land	30.60 (25.32)	4.03 (7.72)	19.63 (2.44)	15.00 (30.60)	- -	- -	- -	- -	15.00 (30.60)	30.60 (25.32)
Building	123.05 (94.32)	36.70 (28.73)	6.12 -	153.63 (123.05)	11.57 (8.55)	5.31 (3.01)	0.88 -	16.00 (11.56)	137.63 (111.49)	111.48 (85.76)
Plant and machinery	464.22 (319.92)	61.00 (146.33)	4.72 (2.03)	520.50 (464.22)	59.77 (42.48)	25.89 (17.46)	2.67 (0.16)	82.99 (59.78)	437.51 (404.44)	404.45 (277.45)
Office equipment	2.70 (2.39)	0.38 (0.31)	(0.00) -	3.08 (2.70)	0.58 (0.32)	0.95 (0.26)	(0.02) -	1.55 (0.58)	1.53 (2.12)	2.12 (2.07)
Vehicle	5.73 (5.40)	0.73 (0.84)	1.03 (0.51)	5.43 (5.73)	2.44 (2.07)	0.64 (0.55)	0.84 (0.17)	2.24 (2.45)	3.19 (3.28)	3.29 (3.33)
Furniture and fixture	3.48 (3.39)	0.89 (0.09)	(0.00) -	4.37 (3.48)	0.84 (0.38)	0.29 (0.45)	(0.00) -	1.13 (0.83)	3.24 (2.65)	2.64 (3.01)
Computer	1.35 (1.21)	0.56 (0.13)	0.53 -	1.38 (1.35)	0.93 (0.68)	0.06 (0.25)	0.16 -	0.83 (0.93)	0.55 (0.42)	0.42 (0.53)
Zinc (46.142 M.T.)	0.21 (0.21)	- -	0.21 -	- (0.21)	- -	- -	- -	- -	- (0.21)	0.21 (0.21)
Total-tangible assets (A)	647.27 (454.55)	110.48 (197.69)	32.42 (4.98)	725.33 (647.27)	76.13 (54.48)	33.79 (21.98)	4.53 (0.33)	105.39 (76.13)	619.94 (571.14)	571.14 (400.07)
B. Intangible assets										
Computer software	0.14 (0.13)	3.62 (0.01)	(0.01) -	3.75 (0.14)	0.10 (0.08)	0.32 (0.02)	0.01 -	0.41 (0.10)	3.34 (0.04)	0.04 (0.05)
Total-Intangible assets (B)	0.14 (0.13)	3.62 (0.01)	(0.01) -	3.75 (0.14)	0.10 (0.08)	0.32 (0.02)	0.01 -	0.41 (0.10)	3.34 (0.04)	0.04 (0.05)
Grand Total (A + B)	647.41 (454.68)	114.10 (197.70)	32.41 (4.98)	729.08 (647.41)	76.23 (54.56)	34.11 (22.00)	4.54 (0.33)	105.80 (76.23)	623.28 (571.18)	571.18 (400.12)

- (i) During the year, freehold land amounting to ₹ 10.85 crore has been transferred to investment in property.
- (ii) During the year, investment in property-Guest house of ₹ 18.11 crore has been capitalised and transferred to building.
- (iii) Figures in brackets pertain to previous year ended 31 March, 2015.

Particulars	(₹ in crore)	
	As at 31 March, 2016	As at 31 March, 2015
Note : 13 Non-current investment		
1 Investment (At cost)		
Other investments:		
(i) Investment in mutual funds (Quoted)		
(a) 49,990 units of Union KBC tax saver growth fund of ₹ 10 each	-	0.05
(ii) Other investments		
(a) Investment in property - Shops (see note 11(i))	13.13	0.90
(b) Investment in property - Guest house (see note 11(ii))	-	18.11
Total	13.13	19.06
Aggregate amount of quoted investments	-	0.05
Aggregate market value of listed and quoted investment	-	0.10
Aggregate amount of unquoted investments	13.13	19.06
Note : 14 Long term loans and advances (Unsecured, considered goods)		
1 Capital advances	45.10	19.18
2 Security deposit	5.36	17.86
3 Loans and advances to employees	0.32	0.11
4 MAT credit entitlement	3.65	8.46
5 Balances with government authorities		
(i) VAT credit receivable	2.32	2.74
6 Payment under protest		
(ii) VAT	0.89	0.88
(ii) Excise	1.40	1.35
(iii) Service tax	0.18	0.18
Total	59.22	50.76

Particulars	(₹ in crore)	
	As at 31 March, 2016	As at 31 March, 2015
Note : 15 Other non-current assets		
1 Claim receivable	0.07	0.07
2 Deferred expenditure (see note 28.9)	-	11.49
Total	0.07	11.56
Note : 16 Inventories		
1 Raw material (including stock-in-transit)	364.69	115.89
2 Finished goods (including stock-in-transit)	208.81	185.94
3 Stores and spares	16.48	11.59
4 Rejection and scrap	4.39	6.14
Total	594.37	319.56
Details of stock-in-transit		
Raw material	27.19	-
Finished goods	13.73	-
Note : 17 Trade receivables		
1 Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good :	2.98	1.75
2 Other trade receivables		
(i) Unsecured, considered good :	216.88	173.50
Total	219.86	175.25
Note : 18 Cash and cash equivalent		
1 Cash and cash equivalent (as per as 3 cash flow statements)		
(i) Cash balance	0.21	1.42
(ii) Balances with banks		
(a) in current accounts	0.81	0.10
Total	1.02	1.52
2 Other bank balances		
(i) In earmarked accounts		
(a) unpaid dividend account	0.19	0.23
(b) In margin money with maturity less than 12 months at inception	0.14	17.07
	0.33	17.30
Total	1.35	18.82

Particulars	(₹ in crore)	
	As at 31 March, 2016	As at 31 March, 2015
Note : 19 Short terms loans and advances		
Unsecured, considered good		
1 Loans and advance to		
- Director	0.40	-
- Employees	0.99	1.08
2 Security Deposit	0.01	0.01
3 Prepaid expenses	1.56	0.87
4 Balances with Government authorities:		
(i) Cenvat credit receivable	22.64	15.31
(ii) VAT credit receivable	9.78	10.46
(iii) Service tax credit receivable	2.92	4.81
(iv) Custom duty	0.92	13.99
5 Payment under protest		
(i) Excise duty	6.67	4.61
(ii) Safeguard duty	3.90	-
6 Others		
(i) Advance to suppliers	11.36	8.37
(ii) MAT credit entitlement	8.07	10.86
Total	69.22	70.37
Note : 20 Other current assets		
1 Claim receivables		
(i) Export incentive	1.95	2.95
(ii) Licence in hand	0.71	0.12
(iii) Duty draw back receivable	0.36	0.48
(iv) Other claim receivables	1.46	1.31
2 Deferred expenditure (see note 28.9)	-	6.11
3 Entry tax receivables (see note 28.9)	-	7.72
4 Accrued interest on FDR's and securities	0.27	0.60
Total	4.75	19.29

Particulars	(₹ in crore)	
	Year ended 31 March, 2016	Year ended 31 March, 2015
Note : 21 Revenue from operations		
1 Sale of products (see note (i) below)	4,545.90	3,372.87
2 Other operating revenue (see note (ii) below)	110.46	108.86
Revenue from operations (Gross)	4,656.36	3,481.73
Less: Excise duty	442.77	343.46
Total	4,213.59	3,138.27
(i) Sales of products comprises		
Manufactured goods	3,746.12	3,361.74
Traded goods	799.79	11.13
Total	4,545.91	3,372.87
(ii) Other operating revenue comprises		
Sale of scrap	105.49	100.70
Duty drawback and other export incentives	4.58	7.95
Job work	0.39	0.21
Total	110.46	108.86
Note : 22 Other income		
1 Interest income (see note (i) below)	2.63	1.44
2 Net gain on sale of long term investment	0.05	-
3 Net gain on foreign currency transactions	-	1.87
4 Other non-operating income (see note (ii) below)	7.59	1.20
Total	10.27	4.51
(i) Interest income comprises:		
(a) Interest from deposits from banks	1.09	0.56
(b) Other interest	1.54	0.88
Total	2.63	1.44
(ii) Other non-operating income comprises:		
(a) Storage and warehousing services	4.87	0.61
(b) Liabilities/provisions not required written back	0.77	0.04
(c) Profit on sale of fixed assets	0.28	-
(d) Security deposit written back	0.57	-
(e) Profit on purchase of license	0.93	-
(f) Miscellaneous income	0.17	0.55
Total	7.59	1.20

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Note : 23 Cost of material consumed		
1 Raw Material		
Opening Stock	115.89	92.06
Add: Purchases (see note 29.6)	3,064.46	2,699.64
Less: Closing Stock	364.69	115.89
Total	2,815.66	2,675.81
Note : 24 Change in inventories		
1 Inventories at the end of the year:		
Finished goods	208.81	185.94
Scrap	4.39	6.14
	213.20	192.09
2 Inventories at the beginning of the year:		
Finished goods	185.94	182.15
Scrap	6.14	4.99
	192.08	187.14
Total	(21.12)	4.94
Note : 25 Employee benefits expense		
1 Salaries and wages (see note 29.6)	56.11	36.57
2 Contribution to provident and other funds	2.74	2.46
3 Gratuity expense	2.41	0.67
4 Staff welfare expenses	1.84	1.50
Total	63.10	41.20
Note :26 Finance costs		
1 Interest expense (Net of capitalisation): (see note 29.2)		
(i) working capital facilities	37.92	51.65
(ii) term loan	20.13	9.36
(iii) vehicle loan	0.04	0.04
(iv) debentures	4.37	-
2 Other borrowing cost	7.05	5.39
Total	69.51	66.44

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Note : 27 Other expenses		
1 Consumption of stores and spare parts	35.86	21.71
2 Increase/ (decrease) of excise duty on inventory	(3.84)	2.76
3 Furnace oil	8.68	10.89
4 Power and fuel	44.07	35.50
5 Job work charges	1.18	0.98
6 Security services	1.19	1.08
7 Rent including lease rentals	4.07	4.44
8 Repair and maintenance:		
(i) Building	0.46	0.10
(ii) Plant and machinery (see note 29.6)	2.70	1.26
(iii) Others	0.52	0.16
9 Factory expense	0.93	0.88
10 Vehicle running expenses (see note 29.6)	0.77	0.69
11 Insurance	0.50	0.21
12 Rates and taxes	2.17	1.66
13 Amortisation of premium on forward contract	2.90	-
14 Forward contract cancellation loss	1.71	-
15 Net gain on foreign currency transactions	5.07	-
16 Travelling and conveyance (see note 29.6)	3.13	2.30
17 Legal and professional charges (see note (i) below)	2.95	1.57
18 Donations and contributions	0.02	0.02
19 Loss on sale of investment property	0.55	-
20 Loss on sale of fixed assets	-	0.05
21 Freight outward (see note 29.6)	108.71	79.98
22 Sales commission	7.19	5.66
23 Sales discount	59.84	48.70
24 Sales promotion	12.97	10.77
25 Other receivables and advances written off	2.39	0.07
26 Fixed assets written off	0.41	-
27 Miscellaneous expenses (see note 29.6)	2.87	3.33
Total	309.97	234.77

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
(i) Payments to the auditors comprise (net of service tax):		
(a) To statutory auditors		
For audit	0.75	0.14
For taxation matters	-	0.02
For other services	0.17	0.01
Reimbursement of expenses	0.02	-
(b) For tax audit	-	0.03
	0.94	0.19*
(ii) To cost auditors for cost audit	0.02	0.03
Total	0.96	0.22
* Paid to the previous auditors		

Note 28 Additional information to the financial statements

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

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(i) Contingent liabilities		
(a) Disputed claims/levies in respect of:		
(1) Sales tax	15.81	20.63
(2) Excise duty	27.10	27.09
(3) Service tax	0.17	0.17
	43.08	47.89
(b) Sales invoice discounted (Under channel financing scheme from banks/institutions to customers for which the Company has given counter guarantee. No provision has been considered necessary since the Group expects favourable decision in appeals.	-	35.90
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
(1) Tangible assets	145.35	13.77
(b) The Group 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 Group has to achieve both the quantity and FOB value of exports specified in the license. Accordingly the Group is required to export goods of FOB value of at least ₹ 15.00 crore (year ended 31 March, 2015 Nil).		

- (c) The Company has given corporate guarantees on behalf of its three subsidiaries for loans and credit facilities taken by them from banks and financial institutions.
- (d) The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Group does not have any long term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies.

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

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

28.3 Details on derivative instruments and unhedged foreign currency exposures

- (a) Outstanding forward exchange contracts entered into by the Group as on 31 March, 2016

Forward contract outstanding	Buy/Sell	As at 31 March, 2016	As at 31 March, 2015
In USD	Buy	55,840,092	1,965,222
Equivalent amount in (₹ in crore)	Buy	369.56	12.48
Euro	Buy	-	808,009
Equivalent in (₹ in crore)	Buy	-	5.64

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

Currency (Receivable)	As at 31 March, 2016	As at 31 March, 2015
USD	1,342,561	1,199,725
Equivalent in (₹ in crore)	8.91	7.51
Euro	197,216	151
Equivalent in (₹ in crore)	1.48	0.00

- (c) Currency swap to hedge against fluctuations in change of exchange rate. Number of contract 4 (year ended 31 March 2015, Nil)

28.4 Value of imports calculated on CIF basis:

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Raw materials	619.70	9.36
Spare parts	0.67	-
Capital goods	24.50	2.84
Traded goods	650.42	-
	1,295.29	12.20

28.5 Expenditure in foreign currency:

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Travelling	0.68	0.67
Interest	4.00	-
Repair and maintenance	-	0.01
Commission	0.67	0.92
	5.35	1.60

28.6 Details of consumption of imported and indigenous items

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Amount (₹ in crore)	% of total value	Amount (₹ in crore)	% of total value
Imported				
Raw materials	508.18	18.05%	9.36	0.34%
Spare parts	0.63	1.75%	-	-
	508.81		9.36	
Indigenous				
Raw materials	2,307.62	81.95%	2,720.27	99.66%
Spare parts	35.24	98.25%	21.71	100.00%
	2,342.86		2,741.98	

28.7 Earnings in foreign exchange

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Export of goods calculated on FOB basis	159.92	201.92

28.8 Employee Stock Option Scheme

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

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

(b) Employee stock options details as on the balance sheet date are as follows:

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
Granted during the year:	724,000	452.60	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed during the year:	-	-	-	-
Options outstanding at the end of the year:	724,000	452.60	-	-
Options available for grant:	724,000	452.60	-	-
The weighted average share price at the date of exercise for stock options exercised during the year	-	-	-	-
Range of exercise price for options outstanding at the end of the year	-	452.60	-	-

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

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Profit / (Loss) (as reported) (₹ in crore)	100.57	63.75
Add / (Less): stock based employee compensation (intrinsic value)	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	-	-
Net Profit / (Loss) (proforma) (₹ in crore)	100.57	63.75
Basic earnings per share (as reported)	42.91	27.20
Basic earnings per share (proforma)	42.91	27.20
Diluted earnings per share (as reported)	42.91	27.20
Diluted earnings per share (proforma)	42.91	27.20

(d) The fair value of the options has been determined under the Black-Scholes model.

The assumptions used in this model for calculating fair value are as below:

Assumptions	Year ended 31 March, 2016	Year ended 31 March, 2015
Risk free interest rate	7.86%	-
Expected life	3.50	-
Expected annual volatility of shares	41.76	-
Expected dividend yield	2.13%	-

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

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

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Amount of dividend remitted in foreign currency (₹ in crore)	1.80	1.50
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of shares held by them on which dividend was due	3,000,000	3,000,000
Year to which the dividend relates	2014-15	2013-2014

Note 29 : Disclosures under Accounting standard

29.1 Employee benefit obligations

(a) Defined contribution plans:

The Group makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 2.11 crore (Year ended 31 March, 2015 ₹ 1.87 crore) for Provident Fund contributions, and ₹ 0.63 crore (year ended 31 March, 2015 ₹ 0.54 crore) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(b) Defined benefit plans

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

The Group has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹ 0.10 crore (year ended 31 March, 2015 ₹ 0.10 crore). Vesting occurs upon completion of 5 years of service.

i. Gratuity (included as part of (state line item) in note 25 Employee benefits expense)

(₹ in crore)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(i) Movement in net liability:		
Present value of DBO at beginning of the year	2.57	2.02
Current service cost	0.86	0.42
Interest cost	0.20	0.16
Actuarial (gains) / losses	1.40	0.07
Benefits paid	(0.31)	(0.10)
Present value of DBO at the end of the year	4.72	2.57
Present value of unfunded obligation	4.72	2.57
Amounts in the Balance Sheet		
(a) Liabilities	(4.72)	(2.57)
(b) Assets	-	-
(c) Net asset / (liability) recognised in the Balance Sheet	(4.72)	(2.57)
Current liability	4.57	2.44
Non-current liability	0.15	0.13

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

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Components of employer's expense		
Current service cost	0.86	0.42
Interest cost	0.20	0.16
Actuarial losses	1.40	0.07
Total expense recognised in the Statement of Profit and Loss	2.46	0.65
Actual contribution and benefit payments for the year		
Actual benefit payments	0.31	0.10
Actual contributions	-	-
(iii) Principal Actuarial assumptions for Gratuity		
Discount rate	7.98%	7.77% - 7.86%
Salary escalation	8.00%	4.50 - 4.56%
Retirement age	60 Years	60 Years
Mortality tables	IALM (2006-08)	IALM (2006-08)
Estimate of amount of contribution in the immediate next year	Nil	Nil

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

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

(iv) Experience adjustments

(₹ in crore)

	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO	3.68	2.32	2.02	1.88	2.15
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]					
Experience gain / (loss) adjustments on plan liabilities	(0.41)	(0.35)	(0.17)	(0.38)	(0.16)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

(c) Actuarial assumptions for long-term compensated absences

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Discount rate	7.99%	7.99%
Expected return on plan assets	-	-
Salary escalation	8.00%	8.00%
Attrition	1%-3%	1%-3%

29.2 Details of borrowing costs capitalised

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work-in-progress	0.49	5.46
	0.49	5.46

29.3 Related party transactions

Details of related parties:

Description of relationship

(i) Key Management Personnel (KMP)

Names of related parties

Shri Sanjay Gupta (Chairman)
Shri Ashok Kumar Gupta (Managing Director)
Shri Vinay Gupta (Director)
Shri Sameer Gupta (Director)

(ii) Relatives of KMP

Mrs. Saroj Rani Gupta (Mother of Director)
Mrs. Neera Gupta (Wife of Shri Sanjay Gupta)
Mrs. Vandana Gupta (Wife of Shri Vinay Gupta)
Mrs. Meenakshi Gupta (Wife of Shri Sameer Gupta)
Shri Rahul Gupta (Son of Shri Sanjay Gupta)

(iii) Enterprises over which persons able to exercise significant influence

APL Infrastructure Private Limited
Apollo Pipes Limited
V.S. Exim Private Limited
Assawa Associates Private Limited

Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:

(₹ in crore)

Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Purchase of goods				
Apollo Pipes Limited	-	-	1.17	1.17
	-	-	(0.61)	(0.61)
	-	-	1.17	1.17
	-	-	(0.61)	(0.61)
Sale of goods				
APL Infrastructure Private Limited	-	-	0.06	0.06
	-	-	-	-
Apollo Pipes Limited	-	-	0.25	0.25
	-	-	-	-
	-	-	0.31	0.31
	-	-	-	-
Purchase of fixed assets				
V.S. Exim Private Limited	-	-	-	-
	-	-	(6.01)	(6.01)
	-	-	-	-
	-	-	(6.01)	(6.01)
Purchase of stores and consumables				
Apollo Pipes Limited	-	-	1.68	1.68
	-	-	(1.04)	(1.04)
	-	-	1.68	1.68
	-	-	(1.04)	(1.04)
Rent paid				
APL Infrastructure Private Limited	-	-	0.54	0.54
	-	-	(0.51)	(0.51)
V.S. Exim Private Limited	-	-	-	-
	-	-	(0.18)	(0.18)
Assawa Associates Private Limited	-	-	0.09	0.09
	-	-	(0.09)	(0.09)
Mrs. Saroj Rani Gupta	-	0.51	-	0.51
	-	(0.51)	-	(0.51)
Mrs. Neera Gupta	-	0.30	-	0.30
	-	(0.30)	-	(0.30)

(₹ in crore)

Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Mrs. Vandana Gupta	-	0.30	-	0.30
	-	(0.30)	-	(0.30)
Mrs. Meenakshi Gupta	-	0.30	-	0.30
	-	(0.30)	-	(0.30)
	-	1.41	0.63	2.04
	-	(1.41)	(0.78)	(2.19)
Handling charges				
APL Infrastructure Private Limited	-	-	0.97	0.97
	-	-	(0.57)	(0.57)
	-	-	0.97	0.97
	-	-	(0.57)	(0.57)
Salary				
Shri Sanjay Gupta	2.40	-	-	2.40
	(2.40)	-	-	(2.40)
Shri Ashok Kumar Gupta	0.16	-	-	0.16
	(1.13)	-	-	(1.13)
Shri Rahul Gupta	-	0.12	-	0.12
	-	-	-	-
Shri Vinay Gupta	-	0.84	-	0.84
	-	(0.82)	-	(0.82)
	2.56	0.96	-	3.52
	(3.53)	(0.82)	-	(4.35)
Directors' sitting fees				
Shri Vinay Gupta	0.04	-	-	0.04
	(0.02)	-	-	(0.02)
Shri Sameer Gupta	0.02	-	-	0.02
	(0.02)	-	-	(0.02)
	0.06	-	-	0.06
	(0.04)	-	-	(0.04)
Legal and professional charges				
Shri Rahul Gupta	-	0.06	-	0.06
	-	(0.17)	-	(0.17)
	-	0.06	-	0.06
	-	(0.17)	-	(0.17)

(₹ in crore)

Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which persons mentioned above able to exercise significant influence	Total
Trade payables				
APL Infrastructure Private Limited	-	-	0.08	0.08
	-	-	-	-
Apollo Pipes Limited	-	-	0.76	0.76
	-	-	-	-
V.S. Exim Private Limited	-	-	0.06	0.06
	-	-	-	-
Shri Sanjay Gupta	-	-	0.20	0.20
	-	-	-	-
Shri Rahul Gupta	-	(0.01)	-	(0.01)
	-	-	-	-
	-	(0.01)	1.10	1.09
	-	-	-	-

29.4 Earning per share

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
(a) Profit for the year after tax (₹ in crore)	100.57	63.75
	100.57	63.75
(b) Weighted average no. of ordinary shares for basic and diluted EPS	23,438,636	23,438,636
(c) Nominal value per ordinary share	10.00	10.00
(d) Basic earnings per ordinary share	42.91	27.20
(e) Diluted earnings per ordinary share	42.91	27.20

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

29.6 Prior period items include:-

(₹ in crore)

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Prior period expenses:		
Employee benefits expenses	1.32	-
Entry tax expenses - Cost of material consumed	0.19	-
Repair and Maintenance - Plant and machinery	0.02	-
Traveling and conveyance	0.01	-
Vehicle running expenses	0.01	-
Miscellaneous expenses	0.14	-
Freight outward	1.39	-
	3.08	-
Prior period Income:		
Interest income from deposit from banks	0.34	-

30 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in crore)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Parent				
APL Apollo Tubes Limited	33.48	190.03	(21.94)	(22.07)
Subsidiaries				
Indian				
1 Apollo Metalex Private Limited	18.48	104.87	45.08	45.34
2 Shri Lakshmi Metal Udyog Limited	8.12	46.09	(68.62)	(69.02)
3 Lloyds Line Pipes Limited	39.92	226.57	145.49	146.32
Total	100.00	567.56	100.00	100.57

31 Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its specified domestic transactions. The Group will further update above information and records and expects these to be in existence latest by due date of the filing of return, as required under law. The management is of the opinion that all above transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

32 The previous year financials were audited by VAPS & Co, another firm of Chartered accountants.

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

For and on behalf of the Board of Directors

Sanjay Gupta
Chairman

Ashok K. Gupta
Managing Director

Vinay Gupta
Director

Place : Ghaziabad
Dated : 30 May, 2016

Deepak Goyal
Chief Financial Officer

Adhish Swaroop
Company Secretary

CORPORATE INFORMATION

CHAIRMAN

Shri Sanjay Gupta (DIN : 00233788)

MANAGING DIRECTOR

Shri Ashok K. Gupta (DIN : 01722395)

DIRECTORS

Shri Abhilash Lal (DIN : 03203177)

Shri Anil Kumar Bansal (DIN : 06752578)

Ms. Neeru Abrol (DIN : 01279485)

Shri Sameer Gupta* (DIN : 00005209)

*Resigned w.e.f. 30 May, 2016

Shri S T Gerela (DIN : 01565534)

Shri Vinay Gupta (DIN : 00005149)

Shri Romi Sehgal** (DIN : 03320454)

**Appointed w.e.f. 13 August, 2016

CFO

Shri Deepak Goyal

COMPANY SECRETARY

Shri Adhish Swaroop

REGISTERED OFFICE

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

CORPORATE OFFICE

36, Kaushambi, Near Anand Vihar Terminal,
Ghaziabad – 201010, Uttar Pradesh

REGISTRAR & SHARE TRANSFER AGENT

Abhipra Capital Limited

A387, Dilkush Industrial Area, G.T. Karnal Road

Azadpur, Delhi - 110 033

BANKERS

State Bank of India

Union Bank of India

HDFC Bank Limited

HSBC Bank Limited

DBS Bank Limited

Yes Bank Limited

Axis Bank Limited

Bank of Bahrain and Kuwait

AUDITORS

Deloitte Haskins & Sells LLP

7th Floor, Building 10, Tower B, DLF Cyber City Complex,

DLF City Phase-II, Gurgaon – 122002, Haryana

WORKS

Unit-1

A-19 & A-20, UPSIDC Industrial Area, Sikandrabad,

District - Bulandshahr - 203205, Uttar Pradesh

Unit-2

No. 332-338, Alur Village, NH-7, Perandapalli

Hosur - 635109, Tamil Nadu

Unit-3

Village - Bendri, Near to Urla Industrial Area

Raipur - 493661, Chhattisgarh

WHOLLY-OWNED SUBSIDIARIES

Apollo Metalex Private Limited

A-1/A & A-2 & A-25 UPSIDC Industrial Area

Sikandrabad, District- Bulandshahr - 203205

Uttar Pradesh

Shri Laxmi Metal Udyog Limited

No. - 9 to 11, KIADB Industrial Area, Balagaranahalli,

Anekal Taluk, Attibele, Bangalore - 562107, Karnataka

Lloyds Line Pipes Limited

Plot No:- M-1, Additional M.I.D.C Area, Kudavali,

Murbad, Thane - 421401, Maharashtra

BRANCHES CUM WAREHOUSES

NORTH REGION

Chandigarh

SCO-246, Pocket No.-1,

Manimajara, Chandigarh - 160101

Dehradun (Uttarakhand)

Behind Hyundai Service Centre, Saharapur Road,

Subhash Nagar, Dehradun - 248001

Faridabad (Haryana)

Khasra No. 12-13, Sahpur Road, Sikri, Ballabgarh

Faridabad - 121004, Haryana

Ghaziabad (Uttar Pradesh)

103, Prakash Industrial Estate, P.O. - Chikambarpur

Ghaziabad - 201006, Uttar Pradesh

Jammu (Jammu & Kashmir)

Near Railway Bridge, Permandal Morh

Birpur Road, Jammu - 180010, Jammu & Kashmir

Jaipur (Rajasthan)

Sikar Road, Rajawas, Near Bus Stand,

Jaipur - 302 021, Rajasthan

Kala Amb (Himachal Pradesh)

Trilokpur Road,

Kala Amb, Sirmour - 173030, Himachal Pradesh

Kanpur (Uttar Pradesh)

192-B, Dada Nagar, Industrial Area

Kanpur - 208022, Uttar Pradesh

Karnal (Haryana)

Opp. Bansal Rice Mill, New Grain Market, GT Road

Karnal - 132001, Haryana

Loha Mandi (Uttar Pradesh)

14/1, SS G.T. Road, Industrial Area

Ghaziabad - 201009

Ludhiana (Punjab)

41, Vill: Khakat, G.T. Road

Sahnewal, Ludhiana - 141120, Punjab

Mandi Gobindgarh (Punjab)

Plot Number: 6, Sec-18, Near Vimal Kanda,

Opp. Modern Steel, Mandi Gobindgarh - 147301, Punjab

New Delhi

Shop-2, Plot -211, Khasra-584, Karkardooma Village

New Delhi - 110092

Rudrapur (Uttarakhand)

Khasra No.194, Vill - Bhurarani

Distt. - U. S. Nagar, Rudrapur - 263153, Uttarakhand

WEST REGION

Ahmedabad (Gujarat)

B.O.Block No.240, Mouje, Navapura

TalukaSanand, Ahmedabad -382 210, Gujarat

Goa

Survey No -203/1, Plot No - 7, NH-17 Highway

Mushir Wada, ColvaleBardez, Goa - 403513

Gwalior (Madhya Pradesh)

Survey No. - 845&847, A.B. Road,

Near Sacheti Petrol Pump, Transport Nagar

Gwalior - 474010, Madhya Pradesh

Indore (Madhya Pradesh)

13-A, Udyog Nagar, Behind Old Lakhani Factory,

Nemawar Road, Palda, Indore - 452001, Madhya Pradesh

Mumbai (Maharashtra)

KWC - Plot No. 1697, 1698, Road No.21 & 22,

Steel Market, Kalamboli, Navi Mumbai, Maharastra

Nagpur (Maharashtra)

S.No.-130, Lawa to Bodhada Road

Lawa, Nagpur - 440023, Maharashtra

Pune (Maharashtra)

S. No. 312/1/11, Opp. Indian Oil Petrol, Handewadi Road

Village Devachi & Uruli, Pune - 412308, Maharastra

SOUTH REGION

Anantapur (Andhra Pradesh)

21/1B, UMA Estates, Behind Nalanda Education Institute,

Gooty Road, Anantapur - 515004, Andhra Pradesh

Bangalore (Karnataka)

77-RE SY No.77/1,SY No.76, Hommadevanahalli Village

B.G. Road, Bengaluru South - 560083, Karnataka

Hubli (Karnataka)

R S No. 603/1+2, Unkal Village,

Distt. Dharwad, Hubli, Karnataka

Hyderabad (Telangana)

Survey No.154, Doolapally, Qutubullapur,

Mandal, Rangareddy, Hyderabad - 500014, Telangana

Kochi (Kerala)

33/2361-B-1(a), Chalikavattom, Near IDBI Bank

Vyttila Bye-Pass, Ernakulam, Kochi - 682019, Kerala

Vijayawada (Andhra Pradesh)

R.S. 48/1, 48/3, 26/1, Bhavaanipuram Bypass

Besides Reliance Super Market,

Vijayawada - 520012, Andhra Pradesh

NOTES

Disclaimer:

In this annual report we have disclosed forward-looking information to enable investor to comprehend our prospects and take informed investment decisions. This report & other statements - written and oral - that we periodically make content forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

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

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





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37, Hargobind Enclave, Vikas Marg, Delhi - 110092

CIN : L74899DL1986PLC023443

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