APL APOLLO
Tubes for every reason

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

APL APOLLO TUBES LIMITED | ANNUAL REPORT 2011-12

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FASTFORWARD

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FAST FORWARD.

At APL Apollo Tubes, the term 'fast forward' does not necessarily indicate a management desire or corporate performance. It underlines our operating philosophy. How we plan. How we think. How we respond.

The result is that we enhanced capacity by almost 10 times in just six years

Created a robust portfolio of innovative products.

Customised product applications across sectors.

Built a strong pan-India distribution network.

Entered a number of global markets.

Enriched employee skill-sets.

Practised ethical values.

Delivered what our customers wanted.

Invested in environment-friendly processes.

With the objective to be future-ready with speed.

The result is that even as India's steel tubes sector grew moderately in 2011-12, APL Apollo Tubes grew revenues 55.94%.

Foresight pays.

ACROSS THE PAGES

THERE IS A STEEL TUBE IN OUR LIVES, WHEREVER ONE LOOKS.

STRUCTURES OF NEW COMMERCIAL BUILDINGS.
WINDMILLS PROVIDING CLEAN ENERGY.
NEW-AGE BRIDGES SPANNING RIVERS.
TOWERS THAT MAKE MOBILE TELEPHONY POSSIBLE.
PIPES BRINGING WATER TO OUR BATHROOMS.
LOW-FLOOR BUS THAT ONE TAKES TO THE OFFICE.
METRO RAILWAY INFRASTRUCTURE AND BOGIES.
STRUCTURE OF STATE-OF-THE-ART NEW AIRPORTS.
CITY MALLS, ADVENTURE PARKS, HIGH RISE STRUCTURE, AMONG OTHERS.
LAST MILE CONNECTIVITY FOR CITY GAS DISTRIBUTION.
TOLL PLAZA STRUCTURE ON EXPRESSWAYS AND SO ON...

APL Apollo is the fastest growing steel tube manufacturer in India, helping make these a reality.

Lineage

- Established in 1986
- Headed by Mr Sanjay Gupta (Chairman), Mr. Ashok Gupta (Managing Director) and a team of experienced professionals

Location

- The Company is headquartered in NCR, Delhi with five manufacturing facilities – two units in Sikandrabad (UP) and one unit each in Bengaluru (Karnataka), Hosur (Tamilnadu) and Murbad-Mumbai suburb (Maharashtra)
- The Company has created a vast distribution network across India, warehouse-cum-branch offices in 15 Indian cities and an international distribution network in all continents (exporting to more than 35 countries).

Listing

The shares of the Company are listed and traded actively on the Bombay Stock Exchange and National Stock Exchange (market capitalisation of ₹3850 million, as on March 31, 2012).

Line of business

The Company manufactures over 300 varieties of steel tubes in a range of outer diameter sizes of ½" to 14".

Mission statement

To create sustainable value for all stakeholders

To involve all our employees in our overall development

To satisfy customers' requirements by supplying high-quality products at affordable rates

To emerge as a 'one-stop shop' for the entire spectrum of steel tubes and to attain a paramount market position for its quality products.

To achieve revenue worth US$1 bn by 2015

To achieve capacity of one million TPA by 2015

'Fast forward' grows. 'Fast forward' enriches. Here is an evidence.

WE WERE A 80,000 TPA COMPANY IN 2006-07.
WE ARE A 500,000 TPA ORGANISATION TODAY.

WE WERE A ₹2,300.95 MILLION REVENUES COMPANY IN 2006-07.
WE ARE A ₹15,362.63 MILLION ORGANISATION TODAY.

WE WERE A ONE UNIT (MANUFACTURING) COMPANY IN 2006-07.
WE ARE A FIVE-UNIT ORGANISATION TODAY.

WE POSSESSED A PORTFOLIO OF 150-PLUS PRODUCTS IN 2006-07.
WE POSSESS A PORTFOLIO OF 300-PLUS PRODUCTS TODAY.

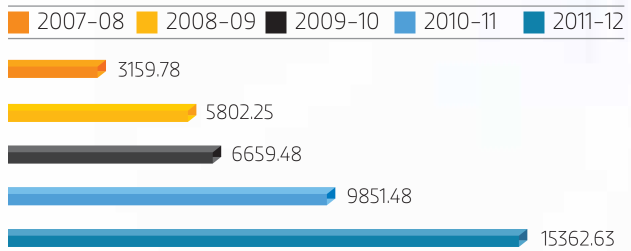
WE WERE A HUNDRED-PLUS EMPLOYEE COMPANY IN 2006-07.
WE ARE A THOUSAND-PLUS EMPLOYEE ORGANISATION TODAY.

THIS IS HOW THE PHILOSOPHY OF 'FAST FORWARD' TRANSLATED INTO A RECORD 2011-12.

Financials

- Gross sales increased 55.95% from ₹9,851.48 million in 2010-11 to ₹15362.63 million
- EBIDTA increased 26.19% from ₹914.50 million in 2010-11 to ₹1153.99 million
- Net profit enhanced 13.83% from ₹430.94 million in 2010-11 to ₹490.55 million
- Cash profit increased 18.45% from ₹492.84 million in 2010-11 to ₹583.77 million

Gross sales (₹ million)

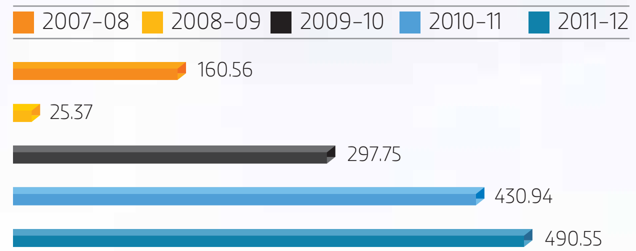


Revenue growth

55.94% over 2010-11

36.95% five-year CAGR

Post tax profit (₹ million)

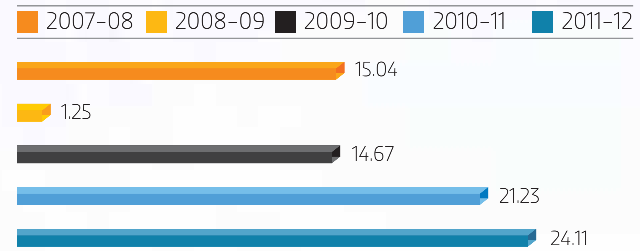


Post tax profit growth

13.83% over 2010-11

25.03% five-year CAGR

Earning per share (₹)

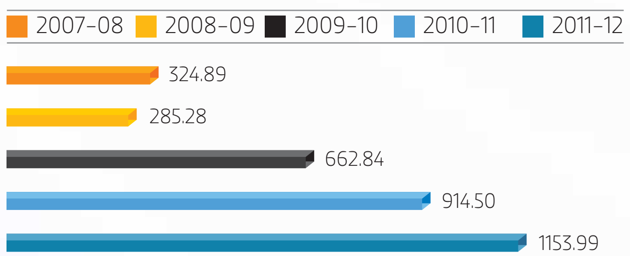


EPS growth

13.57% over 2010-11

60.31% over 2007-08

EBIDTA (₹ million)

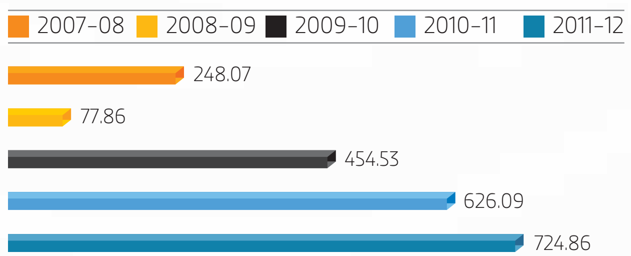


EBIDTA growth

26.19% over 2010-11

28.95% five-year CAGR

PBT (₹ million)

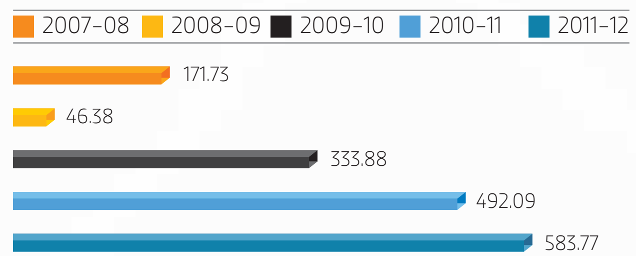


PBT growth

15.78% over 2010-11

23.92% five-year CAGR

Cash profit (₹ million)

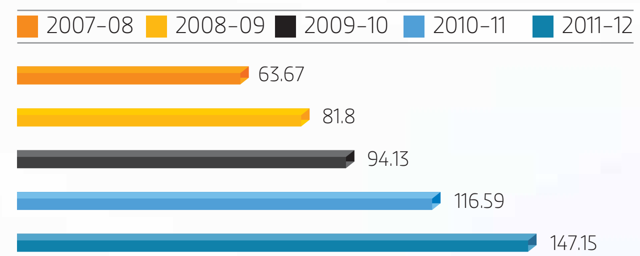


Cash profit growth

18.45% over 2010-11

27.72% five-year CAGR

Book value per share (₹)



Book value growth

26.20% over 2010-11

131.11% over 2007-08

CHAIRMAN'S STATEMENT

"'FAST FORWARD' AT OUR COMPANY MEANS US$1 BN REVENUES BY 2015"

In the competitive business of steel tubes manufacturing and marketing, sustainable success is inevitably drawn from four key drivers.

Attractive scale, cutting-edge technology, wide portfoli and a dedicated team.

It is our conviction that when a company possesses these competences – as we do – the result is a fast-forwarding of prospects that makes it possible for players to be future-ready.

It is a measure of the deep prospects in India that despite the infrastructural slowdown of the last couple of years, the country continues to remain one of the most attractive global steel tube sector opportunities. This opportunity is based on a simple reality: that when a large country steps out of decades of under-investment, a sharp increase in the country's appetite is bound to happen based on market growth at one level and demand sophistication at the other. The result is not just a linear increase in the size of the country's steel tubes market but a concurrent graduation to quality, benchmarked with demanding standards the world over. Inevitably, what was for long seen as a relatively vanilla steel tubes market, has broadened out to a multitude of sectors, products, grades and sizes.

There is another reason why the Indian market is creating global excitement: the sheer scale of the opportunity. India's per capita consumption of steel tubes compares quite weakly with the global per capita average. While this under-penetration indicates the extent of latent potential within the country on the one hand, the fact that the country's steel tubes market is growing at a faster pace than the global average indicates that India has possibly hit its inflection point in steel tubes consumption.

There is evidence to support this conviction. Just take one sector as an instance of the country's potential: with India rapidly urbanising and cities growing larger, there is a growing emphasis on the need to connect fringe areas with city centres. For decades, the conventional road network connected the dispersed points; with mass rapid transport emerging as the only feasible solution, there is a growing preference for metro rail linkages across cities.

That the country has embraced this form of transportation is evident: the upcoming metro railway services in Hyderabad, Mumbai and Bengaluru, in addition to the increasing investments going into Delhi and Kolkata, are part of a trend where metro services will eventually move down to Tier-II Indian cities. This single downstream sector is expected to keep growing for the next few decades, growing the demand for steel tube products in a robust and sustainable way. APL Apollo Tubes revenues from this vertical are growing with the growing country's metro network; we see this proportion rising as the country increases its investments in its metro network and we continue to remain a preferred supplier for these projects.

At APL Apollo Tubes, the basis of optimism is that this significant impact on our financials is not only based on the growth coming out of one sector; the Company addressed the need of several new sectors during the year under review, each of which is going to invest significantly over the foreseeable future. As a result, even as shareholders are delighted with the 36.95% annual growth (compounded) in revenues over the five years leading to 2011-12, the reality is that this growth is barely indicative of the Company's true potential.

The staggering prospects facing our industry are not just on account of the significant growth from within; USA, Brazil, Canada and some European countries imposed anti-dumping duties on Chinese tubes and pipes, creating an unprecedented international opportunity for Indian manufacturers.

It is this background which is creating an internal challenge at APL Apollo Tubes - expand capacity, broaden the product mix, raise operating efficiency – to not just grow with the opportunity but to proactively emerge as the largest Indian steel tube manufacturer by 2015.

The Company is doubling its installed capacity from 500,000 TPA in 2011-12 to 1,000,000 TPA by 2015. The Company is investing in swing capacity to address diverse needs. These capacities are being dispersed across India to be able to respond to regional demand in the shortest time and competitive cost. The Company is plugging product gaps through innovation. The Company is not merely intending to address an existing demand but to create new markets. The Company is committed to grow its international presence through its Murbad facility (Western India). The Company is reinforcing its technology edge leading to superior efficiency.

At APL Apollo, the excitement is not just about what we expect to achieve in the future but also in what we accomplished in 2011-12. Despite a high cost of debt, delayed policy decisions and slowed infrastructure investments, the Company recorded impressive numbers:

- Gross sales grew 55.95% over 2010-11
- EBIDTA grew 26.19% over 2010-11
- Net profit grew 13.83% over 2010-11

There were some sound reasons why APL Apollo Tubes countered the industry slowdown:

- The Company continued to create products with applications beyond traditional sectors, extending its risk across a larger sectoral spread
- The Company's nation-wide presence helped reach customers quicker than competitors
- The Company invested in brand building, resulting in a consumer pull
- The Company extended from retail to institutional sales
- The Company leveraged its various certifications and client approvals to enhance project penetration
- The Company's enhanced scale translated into superior economies of scale
- The large scale translated into stronger negotiation with raw material suppliers

APL Apollo Tubes is investing in its capacities and capabilities to achieve US$1 bn revenue by 2015, enhancing value for all those who hold shares in the Company.

Sanjay Gupta
Chairman

fast forwarding through...

CAPACITY GROWTH

APL Apollo Tubes is one of the largest steel tubes players in India today. The Company intends to add another 0.5 mn TPA capacity and emerge as India's largest tubes player by 2015.

The world needs an economically buoyant India. India needs growth. This growth needs infrastructural investment. This infrastructural investment needs diverse high quality steel tubes.

Keeping this linkage in mind, APL Apollo Tubes invested in the following initiatives:

- Stabilised operations at its state-of-the-art greenfield facility in Hosur (Tamil Nadu).
- Incurr capex to augment installed capacity aggressively across its plants
- De-bottlenecked and modernised the Murbad facility with the objective to significantly augment installed capacity.
- Embarked on commissioning sheet galvanising facility in every geography of manufacturing presence, not only raising total in-house sheet galvanisation capacity but strengthening backward integration as well .

This investment (to be completed in a couple of years) is expected to translate into annual revenues of US$1 billion by 2015.

fast forwarding through...

STRONG PORTFOLIO

APL Apollo Tubes is responding to emerging demand – a larger number, wider kind and diverse graded – with a rich portfolio.

There was a time when APL Apollo's products only addressed steel tube applications in India's fluid transportation sector. Gradually, it became a prime supplier of hollow sections, with application in infrastructure, new-age structures, support systems and a pioneering iintroduction of pre-galvanised tubes and hollow sections. With the objective to grow its presence beyond this limited application, the Company invested in research with the following results:

- Pioneered the installation of the Rotary Sizing Mill technology in Hosur with the objective to manufacture 'dynamically balanced and cold drawn precision tubes'. This technology facilitates online adjustments that improve diametric accuracy and roundness and also enhances surface finish by eliminating roll marks usually caused by conventional mills. The result is that the tubes are increasingly used in the following applications:
  - Conveyer rolls in heavy engineering sectors like cement, coal plants, among others
  - Spinner blocks in the textile industry
  - Axle tubes, exhaust tubes and propeller tubes in the automotive sector
  - High-rotational applications.
- Commissioned a new variant - lower diameter-high thickness seamless equivalent tubes' - of ERW tubes that are fast replacing seamless tubes.
- Commenced the supply of tubes for solar and wind energy projects as well as the fire-fighting sector. The Company's tubes were enjoying preference in value-added applications like hydraulic cylinders and pre-fabricated warehouses.

fast forwarding through...

UNCHARTED AREAS

APL Apollo Tubes is extending its footprint to make its product available across all corners of India and a number of countries.

In the business of steel tubes manufacture and marketing, success is derived from the ability to be proximate to customers with the objective to reduce distribution costs and delivery tenure.

For years, the distribution model in the steel tubes industry was business-to-business until APL Apollo introduced a pioneering change by marketing directly to end users. Over the last couple of years, APL Apollo Tubes invested in 15 Company-owned warehouse-cum-branches (Ghaziabad, Gurgaon, Jaipur, Ludhiana, Faridabad, Kanpur, Pant Nagar, Pune, Goa, Ahmedabad, Mumbai, Nagpur, Bengaluru, Hyderabad and Kochi) with the objective of delivering products just-in-time to customers. The Company now generates a substantial part of its revenues from this route.

The Company is taking this initiative ahead: widening and deepening this network, increasing its presence in Tier-II and III cities and increasing the number of Company-owned warehouse-cum-branches. Going ahead, this increase will enable the Company to address consumer needs quicker, access feedback better and track marketplace trends more accurately. At APL Apollo Tubes, the need to be proximate to customers is reinforced by the location of manufacturing units. The Company established a manufacturing presence in western India through the acquisition of the API-certified facilities of Lloyds Line Pipes in Murbad (Maharashtra), enhancing proximity to the port and increasing international competitiveness. The Company is investing afresh to commission a state-of-the-art plant in Murbad to cater to growing international demand.

fast forwarding through...

DEDICATED PEOPLE

At APL Apollo Tubes, we recognise that the difference between companies comes down to people.

At APL Apollo Tubes, we recognise that the way we recruit, where we recruit from, who we recruit and how we retrain and retain influence our competitive advantage.

The Company is strengthening its organisation through the following initiatives:

- Recruiting the best available talent from premier institutes as well as inducting experienced industry hands in senior positions
- Creating an environment of excellence, inspiring our people to perform better
- Providing periodic training in technologies and workplace practices to enhance skills and competencies
- Strengthening a sense of professionalism through the absorption of industry best practices
- Sending employees to various national and international seminars to enhance their exposure and insight
- Engaging Ma-Foi randstad as HR consultants to strengthen people practices

fast forwarding through...

HIGH VALUES

At APL Apollo Tubes, we recognise that an ethical grounding extends our reputation even across prospective customers, creating a base for sustainable growth.

The Company has consistently followed best governance practices, which not only resulted in enhanced stakeholder value but enabled the Company to fulfil its obligation towards customers, shareholders, employees, vendors and society . The principles of transparency, accountability, independent monitoring and environment consciousness are being followed at APL Apollo through the following initiatives:

- Adopted best working practices across the organisation; installed SAP/ ERP and other technological aids
- Constituted an independent investor relations cell
- Listed on the NSE and on BSE (earlier at BSE Indonext)
- Reinforced a zero-tolerance of unethical behaviour.
- Constituted an independent committee to conduct internal audits

We aim to drive business in a way that not only meets, but exceeds, our legal, commercial and ethical standards and obligations that a society may have.

fast forwarding through...

ENVIRONMENT-FRIENDLY

At APL Apollo Tubes, we have consciously invested in environment-friendly inputs and processes.

Over the years, the Company emphasised the optimal use of fossil fuels and material recycling on the one hand and research-led investments in enhancing raw material yield and utilisation. Besides, the Company invested in cutting-edge Japanese technology that enhanced end-product quality and reduced emissions.

The Company's product replaced the use of conventional construction materials for manufacturing. The conventional methods used brick and cement for construction which emitted carbon during manufacture. Their replacement helped reduce the Company's indirect carbon footprint.

The Company is ISO 14001:2004 and OHSAS 18001:2007 -certified, which reflects its commitment towards protecting the environment.

MID'S REVIEW

Q How would you appraise the Company's performance in 2011-12?

A I am happy to present our performance for 2011-12. Despite a slowdown in the Indian economiy and a gloomy economic environment in the developed economies, the Company recorded a gross sales growth of 56% over 2010-11, EBIDTA growth of 26.19% and net profit growth of 13.83%.

Q What are the reasons for this rapid growth?

A A number of reasons can be attributed to this counter-cycle performance:

- All our expanded capacities became operational, which resulted in higher volumes and revenues
- We introduced new products, enhancing our revenues in 2011-12
- We marketed our products in new geographies, both in India and abroad
- We marketed products successfully to new clients and sectors

Our key focus during the year lay on enhancing our topline and achieve a desired market share as part of our long-term vision.

Q How did you strengthen your business during the year under review?

A At APL Apollo, we continued to strengthen our competitive advantage: through capacity expansion, higher asset utilisation, superior yield, enhanced technology, value-added product mix and wider marketing presence.

To enhance our reach and reduce logistic costs, we enhanced our warehouses-cum-branch offices from 10 in 2010-11 to 15 as of now. This will also help in expanding our presence in Tier-II and III cities, which have a considerable potential for growth.

We enhanced our brand through a larger presence in trade expos, organised plumber meets, focussed advertising and new product demonstrations. We engaged a chartered cruise for a 1,000-person-dealer incentive/promotion to strengthen and nurture dealer bonding.

We developed new markets/applications for clients in sectors like the auto industry, engineering industry, solar power sector, fire fighting sector and metro railway projects in Mumbai.

We introduced the RSM technology for propeller shafts and conveyer belt systems that helped manufacture dynamically balanced and cold drawn precision tubes.

We commissioned sheet galvanising facilities in Southern India and started modernising our plants. By 2013, the average age of our plants shall be less than five years.

We commissioned sheet galvanising facilities (installed capacity of 30,000MPTA) along with one tube mill (0.5" to 2.5" OD) based on the latest Japanese technology in FY12 in South India.

Besides, we got listed on NSE and BSE (earlier we were listed on BSE Indonext), created a dedicated investor relations department and began to interact with various stakeholders through social networking sites.

Q How does the Company plan to accelerate this growth further?

A APL Apollo Tubes intends to emerge as the largest Indian steel tubes manufacturing company by doubling production capacity to a million tonnes per annum by 2015 and generating revenues worth US$1 billion. We started investing for this targeted capacity. We will leverage our existing dealer network and retailer channel to enhance product penetration. We will increase warehouses and ensure direct presence in almost every buzzing Tier-II and Tier-III city by 2015. We expect to expand our product portfolio (low-diameter high-thickness seamless equitant pipes, OD controlled products via RSM technology, pre-galvanised sheet manufacture, manufacture HRPO lines to replace CR tubes, manufacture scaffoldings/electric poles, develop cold drawn and precision tubes for the automotive industry).

Q How is the industry shaping up in the coming days?

A India is among the three leading steel tubes and pipes manufacturing hubs in the world (after Japan and Europe). This steel tubes and pipes market is estimated at 10 million tonnes per annum. India enjoys the advantages of lower cost, high quality and geographic advantages. India's expanding infrastructure, oil and gas and construction sectors have been principal drivers of the steel pipes sector, capitalising on the commencement of exploration and production (E&P) projects for oil and gas companies. The attractive prospects of user industries provide optimism for the Indian pipe industry. APL Apollo Tubes is competitively placed within the industry through strategic locations, wide distribution, strong clientele and a large product portfolio.

Q What is your message for the shareholders?

A At Apollo Tubes, we expect to commission our capacities on schedule, enhance production efficiency, optimise production costs and expand our reach. We are optimistic that these initiatives will fast-track our revenues, strengthen margins and enhance shareholder value.

Regards,

Ashok K Gupta
Managing Director

- 125,000 MTPA – APL Apollo unit - I
  ERW Black, Hot-dipped galvanised, pre-galvanised tubes and hollow sections
- 200,000 MTPA – APL Apollo unit - II
  ERW black, Hot-dipped galvanised, pre-galvanised tubes and hollow sections
- 35,000 MTPA – Apollo Metalex
  Coil galvanising facility, pre-galvanised tubes and pre-galvanised hollow sections
- 50,000 MTPA – Sri Lakshmi Metal Udyog
  Coil Galvanizing Facility, Pre Galvanized, Hot-dipped Galvanized & ERW Black Tubes & Hollow Sections
- 90,000 MTPA – Lloyds Line Pipes
  ERW Black, Hot-dipped Galvanized, API Certified Line Pipes

Wholly-owned subsidiaries

GROWTH PHASES

Phase III – 2005-12

2007 – Acquired Apollo Metalex, a 100% subsidiary

2008 – Acquired Shri Lakshmi Metal Udyog, a 100% subsidiary

2009 – Initiated establishment of unit II at Hosur; received UL, CE and SGF certifications

2010 – Name changed to APL Apollo Tubes Limited; acquired Lloyds Line Pipes, a 100% subsidiary

2011 – Successfully completed the Hosur project and commissioned the second sheet galvanising plant in South India; introduced the RSM technology for the first time in India

2012 – Sheet galavanising facility introduced in South India, commenced modernisation and capacity enhancement drive at all manufacturing locations

Phase II – 1996-2005

Invested in new technology and value-added products

Installed cutting-edge technology from Kusakabe, Japan, across three tube mills

Forayed into new segments and diversified into structural pipes, hollow sections and pre-galvanised pipes

Received ISO 9001:2000 certification from DNV, the Netherlands

Phase I – 1986-95

1986 – Founded by the late Mr. Sudesh Gupta as Bihar Tubes (P) Limited

1987 – Sikandrabad facility commenced production with a 6,000 MT ERW black pipes capacity

1989 – Annual capacity raised to 24,000 MT

1994 – New galvanising unit commenced operations

1995 – Issued IPO of 2.19 mn shares of ₹10 each at a premium of ₹20 (with detachable tradable warrants)

OUR NEXT PHASE GROWTH TARGETS 1 MILLION MT CAPACITY BY 2015 AND A TOPLINE OF US$ 1 BILLION

STRATEGIC BLUEPRINT

Aim	Strategic intent	Strategies	Outcome
To emerge as the largest in India	Capacity	■ Double the existing capacity in two phases ■ Use a prudent mix of debt and internal accruals without straining the Balance Sheet	One million TPA capacity to be achieved within 2015
To manufacture innovative products, creating industry benchmarks	Products	■ Establish trust for our products and respect for our brand ■ Position ourselves as being environment-friendly ■ Invest in R&D ■ Invest in brand building activities by allocating a certain percentage of our annual revenue	Significant investment in brand building activities
To be transparent and fair to customers, shareholders, suppliers and employees in all our dealings	Corporate excellence	■ Instill a strong sense of ethics within the organisation ■ Maintain zero-tolerance towards deviation from the set specifications ■ Create robust corporate governance policies	Achieve higher customer confidence by providing best quality products
To become a global player	Market	■ Enhance geographic footprint through exports ■ Strengthen presence in the domestic market ■ Increase warehousing space	Increased presence in Indian cities including Tier II and III cities and countries across the globe

VISION 2015: TO BECOME NO.1 IN THE STEEL TUBE INDUSTRY

WHAT MAKES APL APOLLO UNIQUE

Knowledge

The Company possesses three decades of rich experience in steel tube manufacturing, resulting in a five-year topline compounded annual growth rate of 36.95% (up to 2011-12)

Scale

The Company's manufacturing capacity of 0.5 million TPA is among the third largest in India, enabling the accrual of scale benefits

Portfolio

The Company expanded its portfolio with innovative and value-added products, which find application in various industries comprising oil and gas, water, infrastructure, real estate, automobiles, general engineering and construction, among others

Spread

The Company has created a robust pan-Indian distribution network with hundreds of dealers and 15 warehouses cum branch offices, which enables it to swiftly serve emerging demand. We also enjoy strong presence in over 35 countries around the globe

Technology

The Company has invested in state-of-the-art Japanese technology, which helps manufacture high quality products

Quality

The Company's products have received multiple quality certifications, enabling it to enjoy high brand recall. It has prestigious accreditations like UL (Underwriters Laboratories), CE, BIS and SGS France and is also a recognised export house

Brand

The Company enjoys superior recall, enabling its brand to stand out of the clutter and helps in enjoying considerable market share. APL Apollo is considered as first choice among the entire spectrum of steel tube users.

Customisation

The Company is capable of providing customised products, translating into higher realisations

Governance

The Company has instilled strong corporate policies and inducted a non-promoter Managing Director to reinforce transparency

Financials

The Company enjoys a comfortable debt-equity ratio of 0.24 and a fair interest cover of 3.5 as on March 31, 2012.

ENHANCING SHAREHOLDER VALUE

APL Apollo has strategically created a business model where every rupee invested in the Company generates higher shareholder returns vis-à-vis investments in risk-free instruments. This growth is reflected across most prominent shareholder value measurement tools.

Economic value-added (EVA)

APL Apollo reported a positive EVA of ₹243.59 million , reflecting the Company's ability to exceed shareholder expectations in 2011-12. EVA is an internationally-recognised tool for measuring shareholder value and it is unique in the following ways:

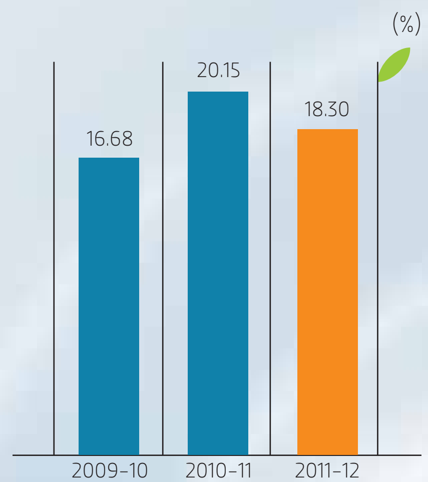
- Demonstrates the profit generated by the Company over and above the returns generated by investing in risk-free instruments
- Follows a non-conventional method of calculating the cost of equity and debt and measures them separately

Market capitalisation

The Company's strengthening business model has been recognised by shareholders, leading to market capitalisation growth:

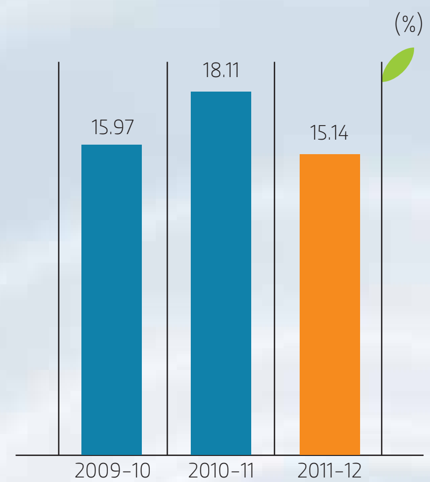
Return on net worth (RONW)

The Company's robust internal fund management capability is reflected in its strengthening return on net worth:



Return on capital employed (ROCE)

ROCE is the simplest and the most effective tool to highlight business profitability, reflecting increasing returns from capital employed. The Company reported an ROCE of 15.14% in 2011-12.



DID YOU KNOW?

- APL Apollo is the only organised Indian player in the pre-galvanised sheet tube segment
- It is the only steel tubes producer with manufacturing bases in North, South and West India
- It is engaged in direct selling through Company-owned warehouses-cum-branches, resulting in superior customer interaction
- It deploys an efficient Japanese technology, which helps minimise wastage and generates a yield higher than the industry average
- It possesses the ability to produce the largest range of hollow sections in all variants (black, galvanised and pre-galvanised) in a shorter time for specialised needs.

APL APOLLO PRODUCT REVIEW

HOLLOW SECTIONS

- Fastest growing segment in the pipes category
- Possesses high tensile capacity, compressive strength, superior torsional rigidity and fire-resistance
- Finds applications in construction, transport, mechanical and heavy engineering, mining, process engineering and agricultural sectors
- Excellent distribution of material around the axis of the square and rectangular steel hollow sections allows for remarkable strength qualities and thus offers decisive advantages in applications. The smooth, uniform profile minimises corrosion and ensures easier on-site fabrication.
- Addresses a wide product range (1.60--8mm thickness) in accordance with various national and international certifications such as IS 4923, ASTM 500 (grade A, B, C, D), EN 10219, S235, 275, 365, YST 210, 240, 310

PRE-GALVANISED TUBES

- Made from pre-galvanised sheets
- Several coatings applied before and after tube production
- Tubes are tough, durable, light-weight and zinc coated
- Finds application in fencing, cabling and ducting, automotive (bus body) and greenhouse structures
- Product range comprises various sizes from 1/2" to 4" with 19--114.3 mm outer diameter
- To make pregalvanised tubes and hollow sections, Apollo Metalex and Shri Lakshmi Metal Udyog (wholly-owned subsidiaries) were integrated backwards with in-house sheet galvanising facilities

GALVANISED TUBES

- Steel tubes that undergo the hot-dipped galvanised process
- Pre-manufactured steel tubes dipped in molten zinc provide excellent corrosion resistance
- Range includes products from 21--273 mm outer diameter
- Used in underground piping, over-ground piping, power, refineries, scaffolding, engineering structurals, scientific experiments and fire-fighting systems

MS BLACK TUBES

- APL Apollo is one of India's largest manufacturers of MS black tubes
- Outer diameter ranges from 21.03 --355 mm
- Coated with oil or black lacquer base, these tubes require low maintenance and are used in boilers, fire-fighting equipment, power transmission and gas distribution systems.
- IS 1239, Part-I, 1161, 3589, 4270, 3601 and 9295 as well as American and British standards: BS 1175, 1387, 1775, BS/EN:39, DIN 2439, 2440, 2441 and 2444, ASTM: 53, 135, 795 (grade A, B) and EN 10255, S195

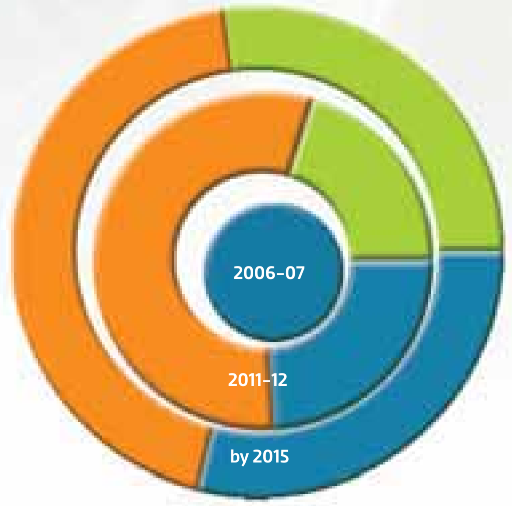
NEW PRODUCTS/INITIATIVES

Innovation has been a key growth driver at APL Apollo. The Company engages itself in manufacturing innovative and new products with the objective of enhancing offerings broaden customer and sectoral coverage strengthening margins. Sectoral diversification will also help in minimising the risk of depending on single sector. The Company embarked on the manufacturing of the following products:

API-certified tubes: The Company acquired Lloyds Line Pipes Ltd, with ready-to-use API-certified manufacturing lines, manufacturing upto 14" tubes. The Company is focusing on the emerging demand in city gas distribution, tubing and casing. Unlike API line pipes, which find application in oil and gas transportation, this sector is underpenetrated and organised efforts may result huge benefits. The Company intends to be certified for UL and CE certifications, inter alia, enhancing export prospects.

Seamless equivalent welded tubes: Lower diameter-high thickness tubes are fast replacing seamless tubes worldwide, particularly in applications where mechanical strength is required along with a cost advantage. The Company is doing the pioneering effort and started supplying lower dia-high thickness tubes. These tubes find applications in various industry sectors like automobiles. The Company targets to supply axle, exhaust and propeller tubes.

Following the use of RSM technology, we are focussing on supplying tubes for diverse applications in the engineering sector – spinner blocks in the textile industry, which require dynamic balanced tubes and conveyer rolls existing in heavy engineering industrial set-ups like cement and coal plants, among others.



BUSINESS DRIVERS

OPERATIONS

2011-12 highlights

- Production increased
- Capacity utilisation strengthened
- Yields climbed
- Introduced RSM technology for propeller shafts and conveyer belt systems for the first time in India for the online manufacture of dynamically-balanced cold drawn precision in tubes
- Commissioned sheet galvanising facilities (installed capacity of 30,000 MPTA) in southern India
- De-bottlenecking and modernisation based on latest Japanese technology commenced in the recently acquired unit in western India.

Overview

The Company is engaged in manufacturing ERW pipes, galvanised pipes, pre-galvanised pipes and hollow section with the capability of manufacturing a wide range of sizes spanning 1/2" to 14" outer dia with thickness of 0.7-10 mm. The Company possesses five manufacturing facilities spread across the country with strategically chosen locations, which are proximate to raw material sources and major consumption markets. The Company's installed capacity stands at 0.5 million tonnes per annum -one of the largest in India.

The Company's core focus remains on achieving higher capacity utilisation and yield vis-à-vis the industry average. It is expanding rapidly to emerge as the largest in the Indian steel tube sector by 2015 and is in the process of investing in state-of-the-art technology to manufacture quality products.

World-class scale, global standards

Product certifications

IS 1239: Water, oil and gas lines
IS 1161: Construction
IS 3601: General engineering
IS 3589: Casing pipes, boring applications
IS 4270: Deep boring belt systems
IS 4923: Structural tubes for infrastructure
IS 9295: Idlers/ conveyors
IS 9537: Conduit pipes

International certifying agencies

Underwriters Laboratories, Inc
SGS, France
CE
API
Products compliant with all British Standards

Certifications

ISO 9001 : 2008
Quality management system
ISO 14001 : 2004
Environmental management system
OHSAS 18001 : 2007
Occupational health and safety standards

Buyers' approvals

AAI	Mono rails
BHEL	Rapid rail projects
Bharat Petroleum	Indian Railways
Metro projects	L&T
MES	DGMAP
NTPC	CPWD

Consultants

Engineers India Limited (EIL)
MECON

MARKETING

2011-12 highlights

- Average realisations increased
- Proportion of value-added products increased in the product portfolio
- Participated in trade expos like 3rd MBSS (Metal Building and Steel Structure) Expo 2011 (as silver partner), 15th Indian Plumbing Conference (as sessions partner) and Düsseldorf Tubes Fair (Germany)
- Organised plumber meet and distributed promotional stationery, items, literature, wall writings and hoardings, among others, creating awareness among end-users, applicators and market intermediaries
- Organised a promotional chartered cruise with participation from around 1,000 high-performing APL Apollo dealers/ traders

Overview

At APL Apollo, our competitive advantage stems from possessing manufacturing facilities in locations close to both raw material sources and end consumption markets. This helps extend presence and optimise logistics costs.

Key strengths

- Ready supply to a large number of reputed customers enables easy approvals from others
- Strong network of number of dealers and retailers, representing the largest among Indian pipe manufacturers
- Manufacturing locations in every region supported by own warehouse-cum-branch network
- Over 14 depots in major cities like Bengaluru, Pune, Ghaziabad, Ludhiana, Faridabad, Jaipur, Goa, Ahmedabad, Raipur, Nagpur and Mumbai, among others
- Exporting to more than 35 countries

Tapping new industries and sectors

The Company penetrated new sectors and added several new clients during the year under review expanding its reach to new geographies, market and industries like automotive, engineering, solar power, metro rail, monorail, fire-fighting among others.

Road ahead

The Company focuses on building long-term relationships with existing and new clients – with existing clients, it aims to expand the nature and scope of its engagement by increasing the size and number of deliveries/offerings. For new clients, it seeks to provide superior value-for-money products by leveraging its in-depth industry experience, expertise and capabilities.

HUMAN RESOURCE MANAGEMENT

Overview

APL Apollo remains firmly committed, as always, in maximising stakeholder value and considers organisational agility critical for greater success in business operations. It believes that knowledge management and synchronised collaboration between individual and corporate goals are core drivers for increased productivity, enhanced performance and rapid growth.

Sustainable corporate growth can only be achieved with a dedicated and long-standing workforce. At APL Apollo, we have reinvented our human resource policies to attract, retain and motivate the best available talent in the country. Towards this end, the Company formulated an HR policy, which encourages teamwork and this has resulted in robust productivity growth. The policy is also focused on creating a harmonious work environment, which promotes trust among all employees.

Training, development and appraisal

At APL Apollo, the scope of training goes well beyond normal learning. Training initiatives encompass every process, skill, area of knowledge and ethical conduct.

The Company's performance appraisal system monitors, reviews and rewards performance to enhance employee morale.

INFORMATION TECHNOLOGY

Overview

Information technology plays an important role in integrating the Company's operations across manufacturing locations, warehouse-cum-branches and consumption markets. The Company has invested in an ERP platform, enabling informed decision-making and access to business information at any point of time. Automation has enhanced organisational efficiency, productivity, consistency in quality, timely delivery and co-ordination among various verticals.

Road ahead

The Company is on the way of becoming a complete systems driven organisation where in all relevant/concerned information is available to all stakeholders on real time basis with greater transparency and control, which will enable the execution of more informed decisions.

MANAGING RISKS AT APL APOLLO

Risk is an expression of the uncertainty regarding events and the possible outcomes that could have a material impact on performance and profitability. Risk management is the process of identifying, assessing and undertaking proactive measures to minimise/eliminate the potential loss arising due to exposure to particular risks.

At APL Apollo, a comprehensive and integrated risk management framework is followed. It is stringently monitored by the compliance team, supported by audits and ongoing reviews, leading to sound business decisions that balance risk and reward.

1 Logistics risk

Risk response

The Company's manufacturing units are strategically located pan-India and proximate to raw material sources and consumption markets

2 Raw material risk

Risk response

- The Company has developed multiple vendors to ensure timely supply
- Entered into long-term contracts with vendors to ensure raw material price stability

3 Marketing risk

Risk response

- The Company services customers through strategically located manufacturing units and warehouses
- It has built a strong network of dealers and is present across numerous retailers nationally
- The Company enjoys highest number client approvals, enabling wider market penetration

4 Geographic concentration risk

Risk response

- The Company enjoys presence across India in almost every geographical region
- It also has export presence in more than 35 countries, which contributed 7.5% to the 2011-12 revenues

5 Technology obsolescence risk

Risk response

- It has invested in the superior Japanese machinery, which enables it to manufacture world-class products
- The in-house R&D team is involved in developing technologically innovative products

6 Human resource risk

Risk response

- The Company has created a strong HR policy, enabling the creation of a harmonious work environment
- Its employees are imparted with regular training covering various work-related topics and soft skill development

7 Quality risk

Risk response

- The Company has a strong quality control team monitoring conformance with preset quality policies
- Its manufacturing location is ISO 9001:2008-certified
- Its products received numerous certifications: IS 1239, IS 1161, IS 3601, IS 3589, IS 4270, IS 4923, IS 9295 and IS9537 and compliant with all British standards

8 Working capital risk

Risk response

- The Company enjoys a comfortable current and quick ratio of 1.42 and 1.29 respectively
- The Company's debtors' cycle is better from the industry average reflecting robust working capital management practices

9 Funding risk

Risk response

- The Company had a debt-equity ratio of 0.24(as on March 31, 2012), providing room for additional borrowings
- The Company's interest cover stood at 3.44 for 2011-12, reflecting ease of servicing debt.

BOD PROFILE

1 Mr. Sanjay Gupta

At the helm of the Company, Mr. Sanjay Gupta epitomises the depth of acumen of the tubes industry and astute business sense. With a rich experience of over 19 years in various steel industry segments, Mr. Gupta steers the Company with a clear vision of growth in context with the changing market scenario. The glorious emergence of the Company, its remarkable value and steady growth are the direct results of Mr. Gupta's rare administrative and entrepreneurial skills. Under his leadership, the Company grew exponentially gaining national and international recognition.

2 Mr. Ashok Gupta

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

3 Mr. Vinay Gupta

With over 15 years of experience in exports and international markets, Mr. Vinay Gupta, posseses 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-galvanised business.

4 Mr. Sameer Gupta

Mr. Sameer Gupta represents the youth and dynamic side of the Company. He has over 13 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.

5 Mr. Aniq Husain

Mr. Aniq Husain is a B. Tech (Mechanical) from IIT Kharagpur and Master in industrial engineering and management. He has wide experience in industrial projects, engineering and management affairs. He has been associated with various ventures in different capacities and is conversant with the latest industrial techniques.

6 Mr. C. S. Johri

Mr. C. S. Johri, a law graduate and postgraduate in Arts is an Independent Director associated with the Company. Mr. Johri has worked with the Bank of India as Assistant General Manager at the Zonal Office and has expert knowledge of banking, finance, management and administration.

7 Mr. S. T. Gerela

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

MANAGEMENT DISCUSSION AND ANALYSIS

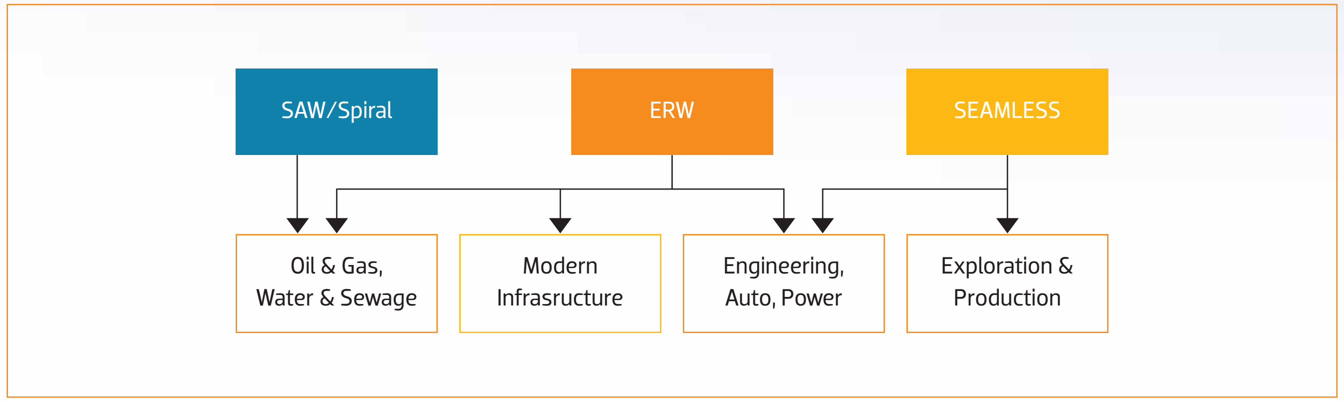
Overview

India is among the top three steel tube and pipe manufacturing hubs in the world – after Japan and Europe. The country's steel tubes and pipes production is estimated to be 10 million tonnes. India has become the global pipe manufacturing hub primarily due to lower costs, high quality and geographical advantages. The global accreditations and certifications that the Indian manufacturing companies possess have made them preferred suppliers for many leading global oil and gas companies in the world and particularly those in the Middle East, North America and Europe. Since the global economy returned to growth, the domestic pipe industry is expected to move into a high growth trajectory. The demand forecasting is derived from several upcoming pipeline projects expected in India and other countries along with the normal demand for the replacement of existing pipelines. The expanding infrastructure, oil and gas and construction sectors have been growth drivers for the steel industry that includes steel pipes. Indian pipe manufacturers have greatly benefited since the commencement of the exploration and production (E&P) projects. This spurt in demand will have a positive impact on growth. Existing oil refineries are expanding their capacities and new refineries are coming up as a result, boosting the demand for steel pipes. Due to gas and oil being transferred through steel pipes over long distances, the transportation and distribution of commercially and domestically-used gas have undergone major changes. The surging demand based on several ongoing natural gas pipeline projects in India will boost the demand for steel pipes.

The increased emphasis from the government on the infrastructure and housing sectors, where steel tubes and pipes are much in use will again benefit the pipe industry. It would be pertinent to point out that the steel pipe industry witnessed strong growth during the year under review with the concomitant growth in the market due to a steady growth of the infrastructure sector. The several initiatives that the Indian Government took up to ensure basic water supply and sanitation in most parts of the country must be highlighted. Along with a focus on the oil and gas sector, these initiatives have helped boost the pipe industry.

The organised sector accounts for about 65% of the total Indian pipes market. There are basically three types of steel pipes:

- Submerged Arc Welded (SAW) pipes have a high diameter and are used for transportation in the oil and gas and water industries.
- Seamless pipes are manufactured under high pressure conditions by extruding metal to a desired length with major applications in the exploration and engineering sectors.
- Electric Resistance Welded (ERW) pipes are small to medium diameter pipes with broad applications in the oil and gas, construction and automobiles sectors among others.



Outlook

- Demand of seamless pipes and tubes from E&P activities continues to be strong.
- USA, Europe, Brazil and Canada imposed anti-dumping duties on Chinese pipes, creating a favourable position for Indian manufacturers
- Despite various regulatory problems, numerous power projects of substantial capacities are progressing rapidly leading to good demand for seamless and welded pipes.
- Most of the oil pipeline networks in Bombay High, Assam and Tripura are due for replacement, which could strengthen domestic demand for seamless and welded pipes.
- The dumping of Chinese steel pipes and tubes by the Chinese in India is having an adverse. The industry is seeking the imposition of anti-dumping duties.
- The government has proposed to establish six PCPIR (Petroleum, Chemicals and Petrochemical Investment Regions) areas, expected to attract investments of ₹2,000,000 - ₹3,000,000 mn, catalysing the demand for steel pipes and tubes.
- Steel prices have shown signs of cooling, which, coupled with significant steel capacity additions, ensures easy and affordable supply.

Source: LME (Steel Billet Prices)

The global steel pipes and tubes market is expected to reach 151 million tonnes by 2017, according to a report by Global Industry Analysts, Inc.

Union Budget impact, 2012 -13

The Union Budget 2012-13 proposed to make oil and gas pipelines eligible for viable gap funding, which would be useful for steel pipe companies catering to the oil and gas segment.

Growth drivers

Agriculture: In the Union Budget 2012-13, the total Plan outlay for agriculture increased by 18% from ₹171,230 mn (US$ 3.20 billion) in 2011-12 to ₹202,080 mn (US$ 3.77 billion) in 2012-13. The agriculture credit target increased by ₹1,000,000 mn (US$ 18.67 billion) to ₹5,750,000 mn (US$ 107.37 billion) for the next fiscal and the outlay for the farming sector was raised by about ₹30,000 mn (US$ 560.13 million).The allocation for Rashtriya Krishi Vikas Yojna was increased by 17% to ₹90,217 mn (US$ 1.72 billion). A proposal to allocate ₹3,000 mn (US$ 56.02 million) to Vidarbha Intensified Irrigation Development Programme under RKVY was made, which will lead to increased irrigation and higher steel pipe demand.

Urbanisation and water management: Urban centres contribute around 63% to India's GDP, which is expected to rise to 75% by 2030-31. About 31% (377 million) of India's population is estimated to be living in urban areas; this proportion is likely to rise to 49% (600 million) by 2031. The budgetary allocation to the Ministry of Urban Development stood at ₹95.45 billion. An increase in the allocation of funds will result in increased demands for steel tubes and pipes across the following segments (see table below):

Power: The 12th Five Year Plan proposes to add a 1,00,000 MW power capacity. It proposes to add 17426 ckm transmission lines in Central, State and private sector during 2012-13, which could lead to an increase in the demand of steel pipes and tubes.

Oil and gas sector: By 2017, India will have a natural gas pipeline grid of 30,000 km connecting consumption centres to the fuel sources according to the Cabinet Minister of Petroleum and Natural Gas. This National Gas Grid of 30,000 km will include 12,000 km of gas pipelines , 12,000 km of pipelines under construction and another 7,000 km of pipelines under bidding by the (oil regulator) Petroleum and Natural Gas Regulatory Board.

According to the Ministry of Petroleum and Natural Gas (MoPNG), current gas demand of 189 million standard cubic meters per day (mmscmd) is likely to rise to 473 mmscmd over the 12th Five Year Plan (2012-2017) and to 606 mmscmd by the end of the 13th Five Year Plan (2017-2022), which will lead to a growth in the demand for steel pipes.

Automobiles: According to forecasts made by the Center for Monitoring Indian Economy (CMIE), overall automobile production could expand by 9.6% in 2012-13 wherein commercial vehicle production is expected to clock a healthy growth rate of 8.5%.

The report predicts that the medium and heavy commercial vehicle production could grow by 2.4% while passenger vehicle production may enhance by 9.7%. Multi-utility vehicles are expected to grow faster at 19.7% while two-wheeler production is anticipated to grow by 9.7% (Source: IBEF).

City gas distribution pipelines: City gas distribution has not evolved in India, barring a few cities like Delhi and Mumbai. Most of the demand is driven by mandated segments while discretionary demand has been low. However, rapid growth is expected with more than 250 cities likely to be covered by 2015.

Demand for CGD is expected to reach around 45-46 MMSCMD by 2016-17 due to the addition of new cities, price advantage

Projected Capital Expenditure During 12th Five Year Plan (₹ mn)

Sector	2012-13	2013-14	2014-15	2015-16	2016-17	12th Five Year Plan Total
Water supply	52,410	58,810	65,930	73,900	82,850	333,900
Sewerage	39,310	44,110	49,450	55,430	62,130	250,420
Solid waste	8,060	9,050	10,140	11,370	12,750	51,370
Drains	3,1240	35,060	39,300	44,060	49,390	199,050

(Source: Ministry of Urban Development)

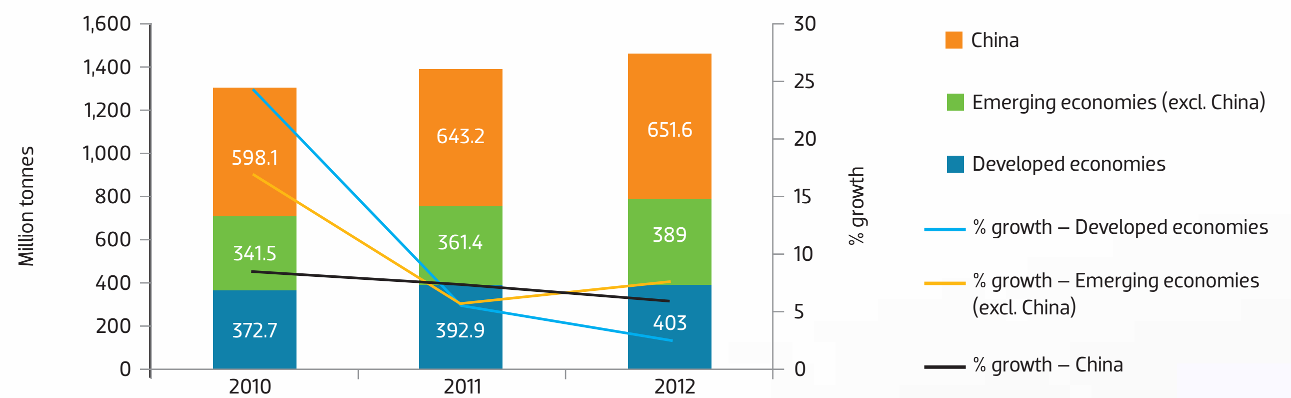
FUTURE PIPELINE PROJECTS

(Pipeline projects in the pre-construction phase)

Name of the Region	Number of Projects		Total Length			Average Length	
	No.	%	Km	Miles	%	Km	Miles
North America	192	27%	73 736	45 833	23%	384	239
Latin America	56	8%	35 034	21 774	11%	626	389
Europe	101	14%	44 784	27 833	14%	443	276
Africa	49	7%	17 452	10 845	5%	356	221
Middle East	111	16%	43 626	27 116	13%	393	244
Asia	142	20%	95 003	59 044	29%	669	416
Australia	59	8%	16 339	10 156	5%	277	172
Total	**710**		**325 974**	**202 601**		**3148**	**1957**

(Source : Simdex)

Emerging markets verses developed countries – growth outlook



of CNG and increased use of PNG in domestic, industrial and commercial sectors.

As per estimates released by Planning Commission for 12th Five Year Plan, the growth in gas demand in the City Gas Distribution (CGD) sector between 2012 and 2017 is projected to be the highest among all sectors, at a CAGR of 28.8%, from 13 MMSCMD to 46 MMSCMD.

Hence, there are multiple opportunities for the companies to bid and construct CGD networks across India. (Source: *India Energy Book 2012*).

Ports: The long Indian coastline spanning around 7,500 km is serviced by 13 major ports and 200 non-major ports.

India's ports handle more than 95% of the country's total trade in terms of volume and about 70% in terms of value. India announced a combined US$ 110 billion package to develop its ports and shipbuilding industries by 2020.

The new ten-year plan, known as Maritime Agenda 2010-2020, will replace the existing National Maritime Development Programme.

The goals of the aforementioned Plan are as follows:

- To create a port capacity of around 3,200 MT to handle the expected traffic of about 2,500 MT by 2020.
- To bring Indian ports at par with the best international ports in terms of performance and capacity.

As per the Infrastructure Development target set for FY12-13, there will be 42 projects of ₹14,500 crores of value and 244 MTPA of capacity.

Airports: India is the world's ninth-largest aviation market. Presently, India has 136 airports, of which 128 are owned by Airports Authority of India (AAI). The country's aviation sector grew 25.6% in 2011-12 and is expected to grow at a 16% CAGR during 2010-13. ₹72,930 mn was allocated to the aviation sector in 2012-13 (₹547,430 mn for the Twelfth Five Year Plan). The government targets to invest US$ 30 billion in the next decade to modernise existing airports. Apart from the airport modernisation at the metros, some 16 greenfield airports have been approved, of which 12 are being developed.

As per the Infrastructure Development target set for FY12-13, three new greenfield projects will be awarded in FY13 at Navi Mumbai, Goa and Kannur. Work on the Itanagar airport would commence in the near future and the total investment on AAI projects will be ₹21,000 mn.

New international airports will be declared in three or four locations out of Lucknow, Varanasi, Coimbatore, Trichy and Gaya.

Engineering: The market size of the engineering sector stands at ₹1,164,490 mn (2010-11) and growing at a CAGR of 15%. The production of engineering goods sector was ₹1,068,200 crore during the year 2010-11 with a healthy 13.4% CAGR in the last six years.

Real estate: Real estate has been playing a critical role in the development of the Indian economy. It is the second largest sectoral employer after agriculture. Over the next decade, the real estate sector is expected to grow by 30%.

The Indian real estate market size is expected to touch US$ 180 billion by 2020. India is likely to produce an estimated two million new graduates from various Indian universities during this year, creating demand for 100 million square feet of office and industrial space.

The Government of India allowed FDI up to 100% under the automatic route in townships, housing, built-up infrastructure and construction development projects.(Source: IBEF).

Telecommunications: The Indian telecommunications industry is one of the fastest growing in the world. Government policies and regulatory framework implemented by Telecom Regulatory Authority of India (TRAI) have provided a conducive environment for service providers.

According to TRAI's report 'Telecom Sector in India: A Decadal Profile', tele-density has increased from 4.3 in March 2002 to 78.1 in February 2012, wherein rural areas registered an increase from 1.2 in March 2002 to 38.5 in February 2012.

India has the second largest number of telephone subscribers in the world accounting for 12% of the world's total telephone subscribers (Source: *IBEF*).

According to a report of the Department of Telecom (DoT), it is planning to set up a pan-India secure network and network-based services such as e-mail, Voice-over-Internet protocol (VoIP), and mobile communication through survivable and available network architecture for secured communication for government use at ₹450 crore.

The industry is expected to reach a size of ₹3,449,210 mn (US$ 68.81 billion) by 2012 at a growth rate of over 26% (Source: *www.businessreviewindia.in*).

City gas distribution pipelines: The City Gas Distribution network of 26,550 km is spread unevenly across India with better coverage in the Western and Northern parts.

However, as the natural gas pipeline infrastructure expands to the Southern and Eastern parts, this scenario is likely to change, assuming gas availability improves. CGD gas consumption represents approximately 8-9% of the total gas consumption of India. CGD activities are carried out by 16 key operators, who cater to 77 cities across 51 geographical areas.

As per the estimates released by Planning Commission for the 12th Five Year Plan, growth in gas demand in the City Gas Distribution (CGD) sector between 2012 and 2017 is projected to be the highest among all sectors – CAGR of 28.8% from 13 MMSCMD to 46 MMSCMD.

The development of India's CGD network will be driven by PNGRB's Vision 2015, which lists 201 cities and towns where the board expects network coverage.

In addition, the board has also identified over 300 places with CGD networks in the future.(Source: India Energy Book 2012, India Infrastructure).

Environment management

The Company's stringent environment policy complied with the directives issued by the Government of India, State Governments and Pollution Control Boards. The Company is ISO 9001:2008 ISO 14001:2004 and OHSAS 18001:2007-certified.

The Company's waste management initiatives include welding waste (end-cuttings of steel tubes) which is sold as scrap to mini-steel mills, where they are combined with molten steel for producing lower steel varieties.

Besides, blowing ash, generated from galvanising zinc, is processed and oxides separated from zinc powder and marketed to brass manufacturers.

Appropriate measures for environment protection are taken by adopting best available technology and designing pollution control infrastructure to achieve discharge and emissions within the statutory limits.

APL Apollo Tubes is making efforts to reduce its carbon footprint in the future.

Cost control

The Company realised that cost control could lead to an improved operational and financial performance. It has started exploring the area of cost control for better results.

A comprehensive study was conducted by the Company to identify cost centres. The Company adopted the responsibility accounting approach by defining each process, manufacturing lines, department, unit and invoice generation centre as a seperate responsibility centre, which facilitated intra-group comparisons and identifying the factors responsible for variances.

Internal control

The Company's institutionalised internal-control procedure encompassed financial and operating functions.

It provided proper accounting control, monitoring operational efficiency and general economic trends, while protecting assets from unauthorised use or losses, and ensured reliability of financial and operational information. This facilitated the detection of fraud and irregularities.

Internal control was designed to ensure that records - financial or others – remained reliable for preparing financial statements and maintaining the accountability of assets.

The Audit Committee, comprising Independent Directors from the Board, reviewed plans, significant audit findings, adequacy of internal controls and compliance with Accounting Standards.

12th Five Year Plan Target

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Market Size (₹ Cr)	1345540	1552280	1794180	2077980	2411930	2806040
Production (₹ Cr)	1245580	1455510	170451 0	2000590	2353580	2775260

(Source: Report of the Working Group on Capital Goods & Engineering Sector for the 12th Five Year Plan (2012-2017))

DIRECTORS' REPORT

Dear members,

The Board of Directors take pleasure in presenting the 27th annual report on the business and operations of your Company, together with the Audited statement of Financial Accounts, consolidated and standalone, for the year ended March 31, 2012.

Financial results

(₹ in Millions)

PARTICULARS	Consolidated		Standalone	
	Current year	Previous year	Current year	Previous year
Gross Sales	15362.63	9851.48	11726.09	6433.77
Less : Excise duty & Cess	1439.72	799.54	883.02	541.45
Net Sale / Income From Operations	**13922.91**	**9051.94**	**10843.07**	**5892.32**
Operating EBIDTA	**1150.84**	**896.56**	**722.66**	**564.38**
Add : Other Income	7.63	19.70	6.43	17.79
Less : Finance Cost	335.91	226.54	232.33	158.45
Less : Depreciation & amortisation	93.22	61.89	62.48	47.15
Profit before Exceptional Item & Tax	**729.34**	**627.83**	**434.28**	**376.57**
Less : Exceptional Item	4.48	1.75	4.10	1.45
Profit before Tax (PBT)	**724.86**	**626.08**	**430.18**	**375.12**
Less : Tax Expense	234.31	195.14	142.63	121.32
Profit for the year (PAT)	**490.55**	**430.94**	**287.55**	**253.80**
Add : Balance in profit and loss account	846.18	502.59	495.34	328.85
Amount available for appropriation	**1336.73**	**933.53**	**782.89**	**582.65**
Less : Appropriations :				
Proposed/interim dividend	42.59	40.59	42.59	40.59
Tax on dividends	7.07	6.74	7.07	6.74
Transfer to General Reserve	28.75	40.00	28.75	40.00
Closing Balance	**1258.32**	**846.20**	**704.48**	**495.32**

Dividend

The Board recommended dividend of ₹ 2/- per fully paid-up equity shares on 2,12,96,683 of ₹ 10/- each (Financial Year 2010-11: ₹ 2/- per fully paid-up equity shares on 2,02,96,683 of ₹ 10/- each) for the year ended March 31, 2012. The dividend on equity shares is subject to the approval of the shareholders at the Annual General Meeting.

Overview

The FY 2011-12 witnessed tough global and domestic economic conditions. An economic Survey of 2011-12 reveals lowered GDP growth rates for the current year and next year. The inflation (WPI) at 9.1% in Financial Year 2011-12 led to consistent interest rate hikes, increase of raw materials cost, affecting demand adversely. The manufacturing sector grew by 3.9% during the year as compared to 7.6% during 2010-11. The Indian economy faced challenges of tackling higher inflation, high fiscal deficit, higher volatility in foreign exchange with depreciating rupee against major global currencies . However, the Company believes that with its focused and innovative steps in terms of enhanced production capacity and diversified range of products. It can mitigate the challenges and advances on the path of growth.

On the global front, the US economy was still struggling to come back on path of recovery, unprecedented sovereign debt crisis in some of the European countries hugely compounded business conditions not only in Europe but other countries as well. Significant tightening, caution and reduced level of business confidence continue to put downward pressure on growth prospects around the world.

There has been a diversification in the product mix of the steel industry in India towards sophisticated value-added steel used in the automotive sector, heavy machinery and infrastructure. The Company has expanded its product range to over 350 sizes leading into significant increase in turnover.

Indian GDP is estimated at 7.6% in FY 2012-13 as per Prime Minister's Economic Advisory Council (PMEAC). Increased governmental impetus on growth of semi-urban and rural areas through investments in infrastructure, construction and industrial sectors will enhance the demand of steel products in the current year and it is expected that Indian steel industry will surpass the GDP growth rate We are continually endeavouring to tap domestic and international new markets and end users through our nationwide distribution network.

Project and Expansion

The Company has initiated plans to attain its Vision 2015 i.e. production of 1 million MT per annum. New projects at Hosur and Murbad plants are progressing as per schedule. The capex plans undertaken by the Company to attain a dominant position in the industry are expected to be commissioned in phases over FY 2012-13 and 2013-14. The projects under implementation include installation of new manufacturing lines, de-bottlenecking, auxiliary equipments and replacement of old machinery.

Operations

During FY 2011-12, the Company has achieved highest ever volumes of ~3,00,000 tonnes despite tough global and domestic economic conditions. The new industry sectors like telecom, solar and wind power, among others are the main revenue centres for the Company to which new supplies were provided. Your Directors are very optimistic about executing more orders from these sectors in FY 2012-13 and subsequent years. The extension of geographical reach to the end-users, increase in price realisation of steel tubes, judicious product mix and larger offtake of pre-galvanised steel tubes and hollow sections, premium product segment resulted in improvement of margins. Cost efficiency measures helped the Company to control the rise in interest charges emanating from higher working capital requirements. Completion of de-bottlenecking at Murbad, near Mumbai has aided in increased operational efficiency and higher production. The new line at the facility is nearing completion. Eight additional warehouses cum branches were opened at Ludhiana, Rudrapur, UP border, Faridabad, Jaipur, Pune, Mumbai and Ahmedabad to cater to the burgeoning demand in various industrial applications, thereby, strengthening APL Apollo brand.

In our pursuit to be number one player in the manufacturing of steel tubes and pipes in years to come your Directors have taken initiatives to substantially expand its production capacity through installation of new tube mills at Hosur and Murbad plant.

Credit Rating

ICRA has assigned long-term rating A- and short-term rating A2+ to the Company and outlook on the long-term rating is stable.

Conversion of Warrants and Capital

The Company has allotted 16,41,953 warrants to M/s. APL Infrastructure Private Limited, a promoter group entity, on preferential basis on December 22, 2010, wherein each warrant entitled M/s. APL Infrastructure Private Limited to subscribe for one equity share of the Company at a price of ₹ 176/- per share. On March 14, 2012, M/s. APL Infrastructure Private Limited exercised its right to convert 10,00,000 warrants into equity shares at a price of ₹ 176/- per share. Accordingly, 10,00,000 equity shares having nominal value of ₹ 10/- each were allotted to M/s. APL Infrastructure Private Limited, a promoter group entity, on March 14, 2012 at a premium of ₹ 166/- per share aggregating to ₹ 17.60 crores.

With the aforesaid allotment of equity shares, the total paid-up equity share capital of the Company has been enhanced from ₹ 20,29,66,830/- to ₹ 21,29,66,830/- divided into 2,12,96,683 equity shares of ₹ 10/- each. The authorised equity share capital of the Company remained at ₹ 25 crores, consisting of 2,50,00,000 equity shares of ₹ 10/- each.

Preferential Issue of Warrants

With a view to raise funds for financing the Company's growth and expansion projects, investment in subsidiaries and joint ventures, technology upgradation and modernisation, acquisitions, working capital requirements and general corporate purposes, the Company has allotted 15,00,000 compulsorily convertible warrants, to Mr. Ashok Kumar Gupta, considered as a promoter, on preferential basis, on February 14, 2012. Each warrant entitles the holder thereof, to subscribe to one equity share of the Company at a price of 145/- per share. In compliance of the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, an amount equivalent to 25% of the price aggregating to ₹ 5,43,75,000 (Rupees five crores forty three lacs and seventy five thousand only) was received from the allottee and the option to convert the warrants into equity shares is exercisable before August 13, 2013. The aforesaid warrants together with 6,41,953 warrants allotted to M/s. APL Infrastructure Pvt. Ltd., were outstanding for conversion as at March 31, 2012.

During the current financial year M/s. APL Infrastructure Pvt. Ltd. (a promoter group entity) exercised their option to get 6,41,953 warrants converted in to equal number of equity shares within 18 months from the date of warrant allotment, and consequently the Company allotted 6,41,953 equity shares of ₹ 10/- each on June 21, 2012.

As such issued, subscribed and paid-up capital of the Company stood at ₹ 21,93,86,360/- comprising 2,19,38,636 equity shares of ₹ 10/- each.

Subsidiaries

The Company has three wholly-owned subsidiaries namely, Shri Lakshmi Metal Udyog Limited, Lloyds Line Pipes Limited and Apollo Metalex Private Limited. The Ministry of Corporate Affairs, Government of India, vide its general circular No. 2/2011 dated February 8, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956 from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled. Accordingly, the annual accounts of the subsidiary companies are not being attached with the balance sheet of the Company.

As per the terms of the said circular, a statement containing brief financial details of the Company's subsidiaries, for the year ended March 31, 2012 is included in the annual report. The Company will make available the annual accounts of the subsidiary companies and related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies.

Directors

In accordance with the Companies Act, 1956, and pursuant to Article No. 89 of the Articles of Association of the Company, Mr. Vinay Gupta and Mr. S. T. Gerela retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Further, with a view to broad-base the Board and bring strategic focus in business and ensure better governance of the increased level of business activities of the Company, Mr. Ashok Kumar Gupta was appointed as an Additional Director by the Board of Directors of the Company in its meeting held on October 19, 2011. He was further designated / appointed as Managing Director of the Company and his appointment as Managing Director was approved by the members of the Company in their Extra-ordinary General Meeting held on November 18, 2011. In terms of this member's approval, Mr. Ashok Kumar Gupta has joined the Company as Managing Director w.e.f. May 1, 2012 and shall be occupying this office till January 31, 2017, the day upto which his appointment has been approved by the members.

However, in terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Ashok Kumar Gupta holds office as an Additional Director only up to the date of this Annual General Meeting and in terms of Section 257 of the Companies Act, 1956, the Company has received notice from a member along with requisite deposit proposing his candidature as a Director of the Company.

Mr. Sanjay Gupta, who has been Managing Director of the Company for almost a decade and under his stewardship the Company has achieved national and international recognitions, with his vision and leadership the Company has attained a remarkable market value and steady growth. APL Apollo today stands as the premier manufacturer of ERW steel tubes and pipes, a government recognised export house, and a household name for quality products. He was appointed as Chairman of the Company (under Whole-time Director category) of the Company for a period of five years with effect from April 1, 2012.

Necessary resolutions for the appointment/reappointment of the aforesaid Directors have been included in the notice convening the Annual General Meeting. None of the Directors are disqualified from being appointed as Directors as specified in the terms of Section 274(1) (g) of the Companies Act, 1956.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Consolidated financial statements

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. The audited consolidated financial statements and the Auditor's Report thereon form part of this annual report.

Auditors and Audit Report

The Auditors of the Company, M/s. VAPS & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

Notes to accounts, referred in the Auditors Report, are self-explanatory and therefore do not require any further comments.

Directors' responsibility statement

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that:

- In the preparation of the annual accounts for the financial year ended March 31, 2012 the applicable accounting standards were followed by the Company and there have been no material departures from the same,
- They have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the Company's state of affairs and profits at the end of financial year,
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- They have prepared the annual accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

Energy conservation, technology absorption, R & D cell and foreign exchanges earning and outgo

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed hereto as Annexure 'A', forming part of this report.

Particulars of Employees

As required under Section 217(2A) of the Companies Act, 1956 and rules made there under, no such employee of the Company's were in receipt of remuneration of more than ₹ 60,00,000 (Rupees Sixty Lacs only) during the year ended March 31, 2012 or of more than ₹ 5,00,000 per month during any part thereof.

Corporate Governance Report

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several globally benchmarked Corporate Governance practices.

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this annual report.

Fixed deposits

During FY 2011-12, the Company did not accept/renew any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under and, as such, no amount of principal or interest was outstanding as on the date of balance sheet.

Health and safety

The Company is strongly committed to providing and maintaining a safe, healthy workplace for the employees. Initiatives that ensure a working environment that minimises incidents of risks or personal injury, ill health or damage to property including employee and workplace inductions, appropriate training for all employees, effective supervision, maintenance of safety at plants, equipment and systems of work and regular consultation on health and safety issues.

The development of a safe working culture is the responsibility of everyone and can be best achieved through the cooperative efforts of employees. A safe culture will be reinforced through continual risk assessment, provision of information concerning such risks and the promotion, instruction, training and supervision of employees to ensure safe work practices.

Environment

The Company is committed to minimising the impact of its operations and its products on the environment by adopting sustainable practices. Climate change is one of the most important issues facing the world today. APL Apollo aims to contribute positively to the communities around or near its operations and actively participates in community initiatives, encourages biodiversity and nature conservation.

The Company is committed to ensure the incorporation of environmental responsibility as a part of its normal business practice. APL Apollo products are part of the solution to climate change as steel has inherent environmental advantages by being durable, adaptable, reusable and recyclable. The Company maintains a proactive approach towards environmental management and continuously follows ISO 14001 for manufacturing operations.

Personnel

The Company believes that its employees are key contributors to its business success and efficient operations. With prime focus on attracting and retaining the talent in the industry, the Company offers an excellent working environment and compensations. The Company has a rich pool of technical and managerial skills required for the efficient growth of operations. Your Company enjoys cordial relations with all its employees.

Acknowledgement

The Directors take this opportunity to place on record their thankful appreciation for the assistance and cooperation received from the Company's shareholders, customers, suppliers, bankers, the government and all other concerned authorities. The Board also wishes to place on record its sincere appreciation of the employees of all levels, for their hard work, dedication and commitment.

For and on behalf of the Board

SANJAY GUPTA
Chairman

ASHOK K. GUPTA
Managing Director

VINAY GUPTA
Director

Delhi 110092
September 3, 2012

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

ANNEXURE 'A' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED MARCH 31, 2012.

I. CONSERVATION OF ENERGY

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

i. Use of energy saving devices like TFT monitors, CFL tubes, LED lights etc.

ii. Optimisation of load factor.

iii. Defined AC working hours and temperature to suit seasonal changes

iv. Optimisation of processes to enhance production.

(b) **Additional Investment and proposals, if any, being implemented for reduction of consumption of energy:** The Company is making constant efforts to locate all the possible areas where additional investment can be considered for conservation of energy. Also, the Company is contemplating use of Liquefied Natural gas (LNG) for captive power generation.

(c) **Impact of the measures taken above and consequent impact on the cost of production of goods:** Use of LNG would contribute in substantial saving in fuel expenses thus, reducing per metric tonne power cost and will also ensure environment protection. The above measures resulted in substantial saving in the consumption of energy and consequent saving in the cost of production.

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

PARTICULARS	Consolidated		Standalone	
	Current year	Previous year	Current year	Previous year
Power and Fuel Consumption				
Purchase				
Unit	18,236,068	13,443,054	9,751,971	6,964,022
Total amount (₹ in Millions)	107.07	78.79	56.34	43.29
Rate per unit(₹)	5.87	5.86	5.78	6.22
Own generation through DG				
Unit	4,264,795	1,131,772	3,358,457	901,100
Fuel Consumed (Ltr)	1,201,130	292,750	968,030	234,775
Fuel Consumed (₹ in Millions)	45.94	11.83	36.51	9.45
Cost per unit (₹)	10.77	10.45	10.87	10.48
Furnace Oil				
Fuel Consumed (MT)	2037	1,436	646	784
Fuel Consumed (₹ in Millions)	80.63	41.51	26.36	21.77
Cost per unit (₹)	39,586	28,904	40,824	27,783

II. TECHNOLOGY ABSORPTION

FORM B

Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company: The Research and development activities were focused towards improvement in products and process and consequent reduction in cost. With the introduction of RSM technology, we are developing dynamically balanced tubes which find applications in high speed conveyors and propeller shafts. In addition to this, the Company installed a new process named 'cold sawing' which enables to produce round and hollow sections with burr free ends. R & D was also carried out for development of different varieties of steel tubes to meet the specific requirements of customers in various sectors.

2. Benefits derived as a result of the above R & D: The research and development activity resulted in process optimisation, cost saving, reduction in manpower and in time as well as product development. The Company stepped towards the development of special tubes, thus gaining a competitive edge.

3. Future plan of action: The Company will further improve the quality of its products and continue with its activities in the field of research and development with a view to introduce new and innovative products.

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation: The Company continues to lay emphasis on development and innovation of in-house technological and technical skills. Constant efforts are being made to upgrade the existing standards and to keep pace with the advances in technological innovations. The Company is implementing Rotary Sizing Mill (RSM) technology, from M/s Kusakabe of Japan, world leader in tube making industry with a view, to develop high precision dynamically balanced steel tubes.

2. Benefits derived as a result of the above efforts: The implementation of RSM technology would contribute towards improvement in the existing products, thus enabling the Company to cater to the needs of diverse industrial applications.

III. Foreign exchange earnings and outgo:

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

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

With an objective to increase our production capacity at newly acquired unit at Murbad new projects are in full flow to meet the export requirements on time and at better margin rates.

(b) Total foreign exchange used and earned:

The details with regard to Foreign Exchange earnings and out go are as under: *(₹ in Millions)*

PARTICULARS	Consolidated		Standalone	
	Current year	Previous year	Current year	Previous year
Foreign exchange earnings	1050.00	599.91	273.86	256.26
Foreign exchange outgo	72.15	77.26	67.91	72.61

REPORT ON CORPORATE GOVERNANCE

Your Company has complied, in all material respects, with the features of Corporate Governance code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

The status of the Corporate Governance code as per the Listing Agreement by APL Apollo Tubes Limited is given below:

1. Company philosophy on Code of Governance

The Company believes in and has consistently followed good Corporate Governance. A sound governance process consists of various business practices, which not only result in enhanced shareholders' value in the long run but also enables the Company to fulfill its obligations towards its customers, employees, vendors and to the society in general. The Company firmly believes that good governance is founded upon the principles of transparency, accountability, independent monitoring and environmental consciousness.

2. Board of Directors

Composition

The Board of Directors consists of an optimal mix of Executive Directors and independent professionals who have an in-depth knowledge of business, in addition to expertise in their areas of specialisation. The Directors bring in expertise in the fields of human resource development, strategy, management, finance and economics among others. The Board provides leadership, strategic guidance, objective and an unbiased view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on March 31, 2012, the Board comprised seven Directors. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors hold Chairmanship of more than five Committees or membership in more than 10 committees of public limited companies.

Board functions and procedure

The Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Board members always have complete freedom to express their opinion and decisions are taken after detailed discussions until a consensus is reached. They are also free to bring any matter up for discussion at the Board Meetings with the permission of the Chairman.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items in the agenda as required under Annexure 1A of Clause 49 of Listing Agreement, and if necessary, additional meetings are held. It has always been the Company's policy and practice, that apart from matters requiring the Board's approval by law, all major decisions including quarterly/yearly results of the Company and its divisions, financial restructuring, capital expenditure proposals, sale and acquisition of material nature of assets, mortgage and guarantee, among others, are regularly placed before the Board. This is in addition to information with regard to detailed analysis of operations, major litigations, feedback reports and minutes of all committee meetings.

During the financial year 2011-12, eleven Board Meetings were held on May 14, 2011, July 4, 2011, July 7, 2011, July 21, 2011, August 30, 2011, October 19, 2011, November 14, 2011, February 9, 2012, February 14, 2012, February 28, 2012 and March 14, 2012.

The Composition of the Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, number of other Directorships, Committee memberships and Chairmanships held by them as at March 31, 2012 are given below:

Directors	Category	Shares Held	Attendance		No. of other
			Board Meetings	Last AGM	Directorships#
Mr. Sanjay Gupta	CMD	1,96,450	11	Yes	5
Mr. Ashok Kumar Gupta@	AD	5,00,000	1	N.A.	1
Mr. Vinay Gupta	NE	21,900	10	Yes	5
Mr. Sameer Gupta	NE	20,103	9	Yes	5
Mr. Aniq Husain	NE*	2,200	9	Yes	-
Mr. S T Gerela	NE*	-	2	No	1
Mr. C S Johri	NE*	-	11	Yes	-

C = Chairman, MD = Managing Director, NE = Non-executive Director AD=Additional Director

@ Appointed as Additional Director w.e.f. October 19, 2011.

* Also independent in terms of provisions of Clause 49 (1) (A) (iii)

\# Excludes private/foreign companies.

All the independent Directors fulfil the minimum age criteria i.e. 21 years as specified in Clause 49 of the Listing Agreement. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta, who are brothers.

**None of the Directors hold chairmanship/membership in Board Committees (Clause 49 of Listing Agreement) of other companies.*

1. 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 Vice-President (Finance) are invitees to the meetings and Company Secretary acts as secretary of the committee. The minutes of the Audit Committee meetings are placed before subsequent Board meeting.

During the year, the meetings of the Audit Committee were held on May 14, 2011, July 21, 2011, August 30, 2011, October 19, 2011 and February 9, 2012. The composition of the Audit Committee as on March 31, 2012 and the meetings attended by its members are as under:

S. No.	Name of Directors	Category	Meetings Attended
1.	Mr. C S Johri (Chairman)	Independent Non-executive	5
2.	Mr. Aniq Husain	Independent Non-executive	5
3.	Mr. Sameer Gupta	Non-executive Promoter	5

The Chairman of Audit Committee was present in the last Annual General Meeting to answer shareholders' queries.

Scope and functions

The terms of reference of Audit Committee includes overseeing the audit functions, review of the Company's financial performance, compliance with accounting standards and all other matters specified under Clause 49 of the Listing agreement and in Section 292A of the Companies Act, 1956.

The Audit Committee's role includes overview of our financial reporting process, recommending the appointment and removal of statutory auditors, fixing audit fees, reviewing management discussion and analysis, annual financial statements prior to submitting those to the Board, reviewing related party transactions and financial risk management policies.

4. Remuneration Committee

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, the committee met once, on October 19, 2011, which was duly attended by all committee members. The constitution of the Remuneration Committee as on March 31, 2012 is as follows:

S. No.	Name of Directors	Status
1.	Mr. Aniq Husain	Chairman
2.	Mr. C S Johri	Member
3.	Mr. S T Gerela	Member

Remuneration to Directors

During the year ended March 31, 2012 only Mr. Sanjay Gupta was paid salary: ₹ 24,00,000.

Other Benefits: nil and no payment was made to any other Director.

5. Investors' Grievance Committee

The Investors' Grievance Committee constituted by the Board comprises three members with an Independent Non-executive Director as Chairman of the committee. The constitution of Investors Grievance Committee as on March 31, 2012 is as follows:

S. No.	Name of Directors	Status
1.	Mr. S T Gerela	Chairman/Independent Non-executive
2.	Mr. C S Johri	Member / Independent Non-executive
3.	Mr. Vinay Gupta	Member / Non-executive Promoter

Scope and functions

The scope and functions of the Committee includes approval of transfer/transmission of shares and other matters like consolidation/ split of certificates, issue of duplicate share certificates, dematerialisation/rematerialisation of shares in stipulated period of time. The Committee also supervises redressal of investor grievances and ensures cordial investors relations. During the year, the committee met twice on October 19, 2011 and March 14, 2012, 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.

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

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

During the year ten investor's complaints was received and resolved within the stipulated period. By March 31, 2012 no investor complaint was pending.

6. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

a) Location, date and time, where last three Annual General Meetings (AGMs) were held:

Financial Year	Date	Time	Venue	Special Resolution(s) passed
2008-09	30.09.2009	12.30 P.M.	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi	-
2009-10	30.09.2010	3.30 P.M.		-
2010-11	30.09.2011	1.30 P.M.		Approval for alteration in the Incidental or Ancillary Object Clause III(B) of the Memorandum of Association of the Company

b) One Extra-ordinary General meeting on November 18, 2011 of the shareholders was held during the financial year for the appointment of Mr. Ashok Kumar Gupta as Managing Director of the Company and issue of 15,00,000 compulsorily convertible warrants to him on preferential basis at a price of ₹ 145/- per warrant, each warrant being convertible into one equity share of the Company, vide special resolutions.

c) During the year under review, the Company successfully completed the process of obtaining the approval of the members in respect of the Special resolution for alteration in the Incidental or Ancillary Object Clause III(B) of the Memorandum of Association of the Company, through postal ballot, by inserting the following new Sub-clause, immediately after the existing Sub-clause (16) thereof:

17. To offer and issue corporate guarantees and/or security to banks, financial institutions, on behalf of firms, body(ies) corporate, associates, subsidiaries, consortium, joint ventures (whether incorporated or otherwise) and legal entities (including registered and/or unregistered), within India or abroad, subject to the conditions as applicable, under appropriate statutes and rules made there under.

Mr. Deepak Kumar Lath, Practicing Company Secretary, who was appointed as the scrutiniser conducted the postal ballot process in a fair and transparent manner. The result of the postal ballot was declared at the Annual General Meeting of the Company held on September 30, 2011.

Voting pattern and procedure for postal ballot

The procedure prescribed under section 192A of the Companies Act, 1956, read with the Companies (Passing of the resolution by postal ballot) Rules 2011 was duly followed. The Board of Directors of the Company at their meeting held on August 30, 2011 appointed Mr. Deepak Kumar Lath, Practicing Company Secretary as the scrutiniser for conducting the postal ballot process. The postal ballot notices and the postal ballot forms were dispatched under certificate of posting to the eligible shareholders along with the self-addressed postage pre-paid envelopes and the shareholders were given 30 days to submit their mandate to the scrutiniser. An advertisement was published in two newspapers namely 'Financial Express' (English) and 'Jansatta' (Hindi) in the Delhi edition on September 3, 2011, in accordance with the aforesaid rules. Particulars of the postal ballot forms received from the members were entered in a register separately maintained for the purpose. Mr. Deepak Kumar Lath scrutinised the responses and submitted his report to the Chairman of the Company.

Mr. Sanjay Gupta, Chairman-cum-Managing Director of the Company had announced the following result at the Annual General Meeting of the Company held on September 30, 2011, as per the scrutiniser's report:

Particulars	No. of Postal Ballot forms	No. of shares/ Voting Rights
Total postal ballot forms received	69	11684257
Invalid postal ballot forms	4	50275
Valid postal ballot forms	62	10742796
Postal ballot forms considered valid	3	891186
Number of votes cast in favour of the resolution	64	11632582
% of votes cast in favour of the resolution		99.99%
Number of votes cast against the Resolution	1	1400
% of votes cast against the resolution		0.01%

Accordingly, the Special resolution set out in the postal ballot notice was duly passed by the requisite majority of shareholders.

None of the businesses required to be transacted at the ensuing Annual General Meeting is proposed to be passed through postal ballot.

7. Disclosure

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

Transactions with related parties are being disclosed separately in notes to the accounts in the annual report. There was no transaction of material nature with the Directors or the management during the year that had potential conflicts with the interest of the Company at large.

c) Detail of non-compliance, penalties, and strictures among others

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to the capital market.

d) Whistleblower Policy

The Company has adopted a proper procedure in this regard. Employees can report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Further no personnel have been denied access to the Audit Committee.

e) Code of Conduct

In line with the amended Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for its Directors and senior executives. The same has also been placed on the Company's website www.aplapollo.com under the head 'Investor Relations'

Declaration as required under Clause 49 of listing agreement

All the members of the Board and senior management personnel complied with the Code of Conduct for the financial year ended March 31, 2012.

Delhi 110 092 **ASHOK K. GUPTA**
September 3, 2012 *Managing Director*

f) Certification by CEO

A certificate obtained from the Chief Executive Officer on the financial statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took note of it and put the same on record.

g) Secretarial Audit

A qualified practicing Company Secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd. ('NSDL') and Central Depository Services Ltd. ('CDSL') and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL

h) Brief resume of Director being appointed/reappointed

A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board and his shareholdings in the Company forms part of the notice of the Annual General Meeting, annexed to this annual report.

i) Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements along with some non-mandatory requirements also.

8. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. VAPS & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed herewith, forming part of the annual report.

This Certificate has also been forwarded to the stock exchanges where the securities of the Company are listed.

9. Means of communication

The information about the financial performance of the Company is disseminated on a regular basis through newspapers and website of the Company www.aplapollo.com besides communicating the same to the stock exchanges.

Further, financial results, corporate notices among others of the Company are published in the newspapers like Economic Times, Financial Express, Business Standard, Hindu Business Line, Navbharat Times (hindi) and Jansatta (hindi).

Corporate Filing and Dissemination System (CFDS) Filing: As per the requirements of Clause 52 of the Listing Agreement, all the data relating to financial results, shareholding pattern among others have been electronically filed on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in, within the timeframe prescribed in this regard.

NSE Electronic Application Processing System (NEAPS): NEAPS is a web-based application designed by NSE for corporates. The shareholding pattern and Corporate Governance report are also filed electronically on NEAPS.

Annual Report: Annual report containing, inter alia, audited annual accounts, consolidated financial statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto.

Designated exclusive e-mail id: The Company has designated the following e-mail id exclusively for investor servicing: investors@aplapollo.com

10. Shareholders information

Annual general meeting

Date and time	:	September 29, 2012 at 12:45 P.M.
Venue	:	IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi – 110092
Book closure	:	September 24, 2012 to September 29, 2012 (both days inclusive)

Financial calendar (tentative)

Period	:	Board Meetings
Results for quarter ended June 30, 2012	:	by August 14, 2012
Results for quarter ended September 30, 2012	:	by November 15, 2012
Results for quarter ended December 31, 2012	:	by February 15, 2013
Results for quarter ended March 31, 2013	:	by May 15, 2013

Corporate Identity Number (CIN):

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L74899DL1986PLC023443.

Listing Information

During the year under review, the equity shares of the Company were listed and admitted to dealings on the Bombay Stock Exchange Ltd (BSE) w.e.f. December 5, 2011 with scrip code 533758 (earlier the equity shares of the Company were permitted to trade at Bombay Stock Exchange under BSE Indo-next segment with scrip code 590059). Further, the equity shares of the Company were listed and admitted to dealings on the National Stock Exchange of India Ltd. (NSE) w.e.f. December 14, 2011 with the scrip symbol: 'APLAPOLLO'.

1. Bombay Stock Exchange Ltd (Scrip Code: 533758)
2. National Stock Exchange of India Ltd (Symbol: APLAPOLLO)
3. Delhi Stock Exchange Limited [RSE]
4. U.P. Stock Exchange Limited, Kanpur
5. Ahmedabad Stock Exchange Limited, Ahmedabad
6. Calcutta Stock Exchange Limited, Kolkata

The Listing Fees of all the Stock Exchanges has been paid by the Company for the financial years 2011-12 and 2012-13.

Distribution Schedule as at March 31, 2012

Nos. of Equity Shares held	No. of Shareholders	% of Total	No. of Shares	% of Total
Up to 500	3,306	86.98	353432	1.66
501-1000	185	4.87	155105	0.73
1001-2000	94	2.47	150712	0.71
2001-3000	42	1.10	106989	0.50
3001-4000	27	0.71	97116	0.45
4001-5000	25	0.66	119051	0.56
5001-10000	35	0.92	274146	1.29
10001 and above	87	2.29	20040132	94.10
TOTAL	**3,801**	**100.00**	**2,12,96,683**	**100.00**

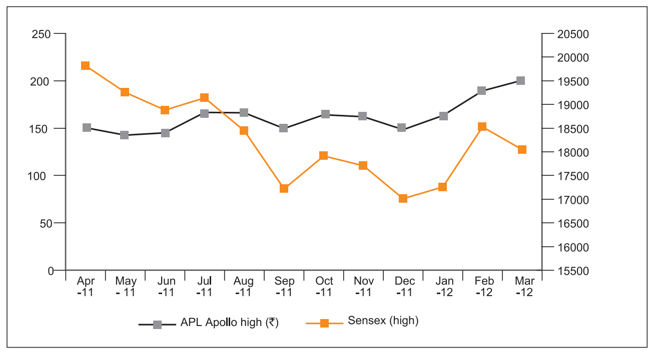
Shareholding pattern as on March 31, 2012

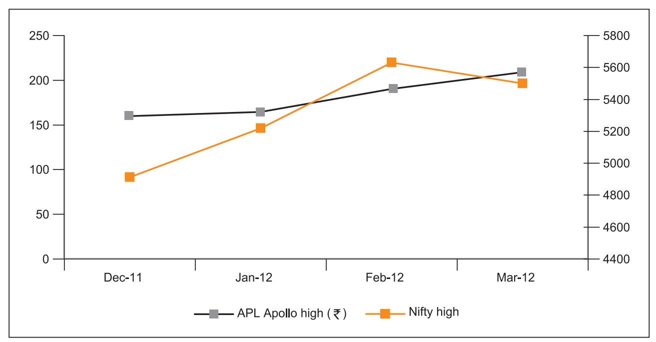
Category	No. Of Shares Held	% Of Total Voting Rights	% Of Total Holding
Indian promoters	93,00,000	43.67	43.67
Foreign Institutional Investors [FII]	9,15,672	4.30	4.30
Bodies corporate	20,47,074	9.61	9.61
Indian public	54,69,469	25.68	25.68
NRIs / OBCs	35,64,468	16.74	16.74
TOTAL	**2,12,96,683**	**100.00**	**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 2011	150.40	127.10	894161	19811.14	18976.19	-	-	-	-	-
May 2011	142.35	124.50	456346	19253.87	17786.13	-	-	-	-	-
June 2011	144.70	128.00	1281733	18873.39	17314.38	-	-	-	-	-
July 2011	166.50	140.00	3480936	19131.7	18131.86	-	-	-	-	-
August 2011	165.95	135.25	586606	18440.07	15765.53	-	-	-	-	-
September 2011	149.40	120.10	163121	17211.8	15801.01	-	-	-	-	-
October 2011	164.00	128.00	597755	17908.13	15745.43	-	-	-	-	-
November 2011	162.00	136.00	580932	17702.26	15478.69	-	-	-	-	-
December 2011	148.00	121.60	334797	17003.71	15135.86	159.80	131.60	304125	4910.25	4531.15
January 2012	162.90	130.00	324799	17258.97	15358.02	164.25	115.90	141982	5217.00	4588.05
February 2012	189.00	145.25	1825425	18523.78	17061.55	190.00	143.00	406145	5629.95	5159.00
March 2012	200.50	167.00	396837	18040.69	16920.61	209.00	169.00	181104	5499.40	5135.95

**Market price data of BSE: upto Dec 4, 2011 shares were traded under BSE Indo-next segment with scrip code 590059. Post December 5, 2011 the equity shares of the Company were listed and admitted to the Bombay Stock Exchange Ltd. with scrip code 533758. At National Stock Exchange of India Ltd. (NSE) market data is taken from the date of listing i.e. December 14, 2011.*





Registrar and Share Transfer Agent

M/s. Abhipra Capital Limited
GF- Abhipra Complex, Dilkhush Industrial Area
A-387, G.T. Karnal Road Azadpur, Delhi-110033
Tele. No. 011-42390725 Fax. No. 011-2721 5530
rta@abhipra.com

Share transfer system

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

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

Dematerialisation of Shares

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

21241262 equity shares of the Company representing 99.74% of the Company's share capital were dematerialised as on March 31, 2012. The trading of the Company's equity shares fall under the category of compulsory delivery in dematerialised mode by all categories of investors.

Outstanding ADRs/ GDRs/ warrants or any other convertible instruments

GDRs/ ADRs: There were no outstanding GDRs/ ADRs, as on 31 March, 2012.

Warrants and other convertible instruments:

During the year under review, 15,00,000 warrants were allotted to Mr. Ashok Kumar Gupta, a person considered as promoter, on preferential basis, on February 14, 2012. Each warrant entitles the holder thereof, to subscribe to one equity share of the Company of the face value of ₹ 10/- each, at a price of ₹ 145/- per share, at any time within a period of 18 months from the date of allotment of warrants i.e. before August 13, 2013.

Further, the Company has also allotted 10,00,000 equity shares having a nominal value of ₹ 10/- each, to M/s APL Infrastructure Private Limited, a promoter group entity, on March 14, 2012, against the conversion of 10,00,000 compulsorily convertible warrants (out of the total of 16,41,953 compulsorily convertible warrants earlier issued on a preferential basis at a price of ₹ 176/- per warrant).

As such, 2141953 warrants, in aggregate, were outstanding for conversion as on March 31, 2012.

With the aforesaid allotment of equity shares, the total paid-up equity share capital of the Company has been enhanced from ₹ 202966830/- to ₹ 212966830/- divided into 21296683 equity shares of ₹ 10/- each.

Plant Location

Unit – I
A-19, Industrial Area,
Sikandrabad, Distt. Bulandsahar (U.P.)
Phone: 95-5735-222504, 223157

Unit –II

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

Subsidiaries' Plant Locations

Apollo Metalex Private Ltd
A-2, Industrial Area, Sikandrabad,
Distt Bulandshahar (U.P.)

Shri Lakshmi Metal Udyog Ltd
No. 9 to 11, KIADB Industrial Area
Attibele, Bengaluru – 562107

Lloyds line Pipes Ltd
Plot No. M-1, Addituional MIDC Area, Murbad, Thane
Maharashtra - 421401

Investors' Correspondence

Investors' correspondence can be made at the registered office of the Company as given under:

Investor Cell

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

For and on behalf of the Board

SANJAY GUPTA	**ASHOK K. GUPTA**	**VINAY GUPTA**
Chairman	*Managing Director*	*Director*

Regd. Office:

Delhi 110092
September 3, 2012

37, Hargobind Enclave,
Vikas Marg, Delhi – 110092

AUDITORS CERTIFICATE

To the members of
the APL Apollo Tubes Limited,

We have examined the compliance of conditions of Corporate Governance by the APL Apollo Tubes Limited for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement(s).

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

(P.K. Jain)
Partner
M. No. 82515

New Delhi
September 3, 2012

FINANCIAL SECTION

Consolidated Auditors' Report

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

1. We have audited the attached consolidated balance sheet of APL Apollo Tubes Limited (the 'Company') and its subsidiaries (together referred as 'Group') as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The financial statements of two subsidiaries namely Shri Laksmi Metal Udyog Limited and Lloyds Line Pipes Limited have not been audited by us, whose financial statements reflect total assets of ₹ 1951.88 Million as at March 31, 2012 (Previous Year ₹ 1257.21 Million), total revenues of ₹ 3877.41 Million as at March 31, 2012 and (Previous Year ₹ 1980.40 Million) and net cash out flows amounting to ₹ 9.82 Million as at March 31, 2012 (Previous Year ₹ 22.94 Million) for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of such other auditors

3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards 21, (CFS), issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounting Standard) Rules, 2006 and on the basis of separate audited financial statements of the Company and its Subsidiaries included in the Consolidated Financial Statement.

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012.

   b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

   c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

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

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

Place: New Delhi
Date: September 3, 2012

Consolidated Balance Sheet as at March 31, 2012

(₹ in million)

PARTICULARS	Note No.	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	212.97	202.97
b) Reserves and Surplus	3	2,698.07	2,091.19
c) Money received against share warrants		82.62	72.25
2) Share Application money pending allotment		-	-
3) Non-Current Liabilities			
a) Long-Term Borrowings	4	719.04	361.29
b) Deferred Tax Liabilities (Net)	5	281.02	179.54
c) Other Long Term Liabilities	6	6.90	-
d) Long Term Provisions	7	11.55	12.50
4) Current Liabilities			
a) Short-Term Borrowings	8	2,241.96	2,030.66
b) Trade Payables	9	350.93	268.40
c) Other Current Liabilities	10	301.47	160.66
d) Short-Term Provisions	11	150.47	163.96
Total Equity & Liabilities		7,057.00	5,543.42
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	12		
i) Tangible Assets		2,031.20	1,616.50
ii) Intangible Assets		0.22	0.17
iii) Capital work- in- Progess		455.50	187.82
iv) Intangible Assets under development		-	-
		2,486.92	1,804.49
b) Goodwill on Consolidation		199.00	199.00
c) Non-current investments	13	0.50	23.13
d) Deferred tax assets (net)		-	-
e) Long term loans and advances	14	454.15	297.92
f) Other non-current assets	15	23.55	10.49
2) Current Assets			
a) Current investments			
b) Inventories	16	1,524.62	1,465.42
c) Trade receivables	17	1,733.89	1,012.90
d) Cash and cash equivalents	18	50.68	218.31
e) Short-term loans and advances	19	485.15	381.12
f) Other current assets	20	98.54	130.64
Total Assets		7,057.00	5,543.42

Notes referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Statement of Consolidated Profit and Loss for the period ended March 31, 2012

(₹ in million except EPS)

Sr. No.	PARTICULARS	Note No.	Current Year	Previous Year
I	Gross Revenue from operations	21	15,362.63	9,851.48
	Less: Excise Duty & Cess		1,439.72	799.54
	Net Revenue from operations		13,922.91	9,051.94
II	Other Income	22	7.63	19.70
III	Total Revenue (I +II)		13,930.54	9,071.64
IV	Expenses:			
	Cost of materials consumed	23	10,863.46	7,523.45
	Purchase of Stock-in-Trade		812.02	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(13.23)	(162.25)
	Employee Benefit Expense	25	173.69	116.50
	Financial Costs	26	335.91	226.54
	Depreciation and Amortization Expenses	27	93.22	61.89
	Other Administrative Expenses	28	936.13	677.68
	Total Expenses (IV)		13,201.20	8,443.81
V	Profit before exceptional and extraordinary items and tax (III - IV)		729.34	627.83
VI	Exceptional Items	29	4.48	1.75
VII	Profit before extraordinary items and tax (V - VI)		724.86	626.08
VIII	Extraordinary Items		-	(0.02)
IX	Profit before tax (VII - VIII)		724.86	626.10
X	Tax expense:			
	1) Current tax		148.32	142.27
	2) Deferred tax		101.48	57.99
	3) Tax Expenses inrespect of eariler years		-	3.20
	4) Wealth Tax		-	0.07
	5) Mat Credit Entitlement		(15.49)	(8.37)
XI	Profit/(Loss) from the perid from continuing operations	(IX-X)	490.55	430.94
XII	Profit/(Loss) for discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		490.55	430.94
XVI	Earning per equity share:			
	1) Basic		24.11	21.23
	2) Diluted		20.93	19.64

Notes referred to above and notes attached there to form an integral part of Statement of Profit & Loss

This is the Statement of Profit & Loss referred to in our Report of even date.

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Consolidated Cash Flow Statement for the period ended March 31, 2012

(₹ in million)

PARTICULARS	Curreny Year		Previous Year	
1. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items		724.86		626.07
Add Adjustments for:				
Depreciation & Amortisation	93.22		61.89	
Interest & Finance Charges	331.54		209.34	
Loss on sale of Fixed Assets/Investments	4.48		1.83	
Prior period items	-	429.24	(3.20)	269.86
Operating Profit Before Working Capital Changes		1,154.10		895.93
Adjustments for:				
Increase/Decrease in Trade Receivables	(720.98)		(214.80)	
Increase/Decrease in Other Receivables	(73.71)		259.76	
Increase/Decrease in Inventories	(59.20)		(660.40)	
Increase/Decrease in Trade & Other Payable	238.61	(615.28)	183.17	(432.27)
Cash Generated From Operations		538.82		463.66
Cash Flow before extra ordinary items				
Income Tax Paid		(165.90)		(130.13)
Extra ordinary items		-		0.02
Net Cash from Operating Activities (A)		372.92		333.56
2. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(778.99)		(790.53)	
Investment in Subsidiaries (Net off)	-		(196.34)	
Misc. Expenditure	(13.06)		(14.57)	
Sale of Fixed Assets	11.35		7.69	
Advances for Fixed Assets	(152.21)		(76.48)	
Misc. Investment	18.15		(23.13)	
Net Cash from Investing Activities (B)		(914.76)		(1,093.36)
3. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds of Shares Issued during the Year	186.38		72.25	
Receipt / Repayment of Secured loans	569.05		829.29	
Receipt / Repayment of Unsecured loans	-		61.38	
Dividend & DDT Paid	(49.67)		(47.34)	
Interest & Finance Charges	(331.54)		(209.34)	
Net Cash from Financing Activities (C)		374.22		706.24
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)		(167.62)		(53.56)
ADD: Cash & Cash Equivalents at the Beginning of the Year		218.30		271.86
		50.68		218.30
Cash & Cash Equivalents at the End of the Year		50.68		218.30

Notes :

1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Note No. 18
2. The Cash Flow Statement has been prepared under the "Indirect method " as set out in the Accounting Standard (AS -3), "Cash Flow Statement".
3. Figures in Brackets indicate cash outflow.

This is the Cash Flow Statement we have referred to, in our Report of even date.

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Note 1

SIGNIFICANT ACCOUNTING POLICIES

1. General Principles of Consolidation

The financial statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, income and expenses after eliminating all inter-company balances/transactions and resulting unrealised gain/loss.

Consolidated Financial Statements are prepared by applying accounting policies as followed by the company and its subsidiaries; to the extent it is practicable. Significant differences in the accounting policies, if any, are appropriately disclosed by way of Notes to the Consolidated Financial Statements.

All intercompany transactions; balance and unrealized surpluses and deficits on transactions between group companies are eliminated.

Name of the Company	Relationship	% of ownership/ Interest
Apollo Metalex Pvt. Ltd.	Subsidiary	100%
Shri Lakshmi Metal Udyog Ltd.	Subsidiary	100%
Lloyd Line Pipe Ltd.	Subsidiary	100%

Note:

The consolidated financial results for the financial year ended March 31, 2012 comprise the financial results of APL Apollo Tubes Ltd. and its 100% subsidiaries Shri Lakshmi Metal Udyog Ltd., Apollo Metalex (P) Ltd. and Lloyds Line Pipes Ltd. and have been prepared in accordance with the AS-21 issued by the ICAI.

2. Basis of Preparation of Financial Statement

a. The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with the Accounting Standard 1 referred to in section 211(3c) of the Companies Act, 1956.

b. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

c. Goodwill represents the difference between the group's share in the net worth of a subsidiary and the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortized. For this purpose the group's share of net worth is determined on the basis of the latest financial statement prior to the acquisition after making necessary adjustments for material events between the date of such audited financial statement and the date of respective acquisition. Negative goodwill is recognized as capital reserve on consolidation. However for the purposes of consolidation, capital reserve arising on consolidation of subsidiaries is set off against the goodwill arising on consolidation.

d. All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

3. Fixed Assets

Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and pre-operative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work-in-progress at cost till the same are ready for use.

Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalized.

Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalized as part of the cost of machinery.

4. Impairment of Assets

The Company recognizes all the losses as per Accounting Standard-28 due to the impairment of assets in the year of review of the physical conditions of the Assets and is measured by the amount by which, the carrying amount of the Assets exceeds the Fair Value of the Asset.

5. Depreciation

Depreciation on fixed assets is provided on straight line basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during the period is proportionately charged.

6. Inventories Valuation

Raw material is valued at cost (First in First Out basis) or nets realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/ First in First Out basis).

7. Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within

Note 1

statement of profit and loss. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the statement of profit and loss of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in statement of profit and loss over the life of the contract.

8. Duties & Credits
   a. Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.
   b. Cenvat Credit, to the extent available during the year, is adjusted towards cost of materials.
   c. Duty credit on export sales has been taken on accrued basis whether license has been issued after closing of the financial year.

9. Sales are inclusive of excise duty and after deducting the trade discount and also sales tax applicable and Purchase made against Bank Guarantee, Letter of Credit are classified in sundry creditor for raw materials.

10. Retirement Benefits

    The company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method.

    Retirement benefits in the form of Provident Fund are charged to the Statement of Profit & Loss of the period when the contributions to the respective funds are due.

11. Borrowing Cost

    Borrowing cost is charged to the Statement of Profit & Loss, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets.

12. Taxes on Income

    Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

    In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

13. Misc. Expenditure

    Misc. expenditure represents ancillary cost incurred in connection with the incorporation and share issue expenses and Brand Image. It has been decided to write off these expenses over the period of five years.

14. Revenue Recognition

    Sale of goods is recognized when the risk and reward of ownership are passed on to the customers. Revenue from services is recognized when the services are complete.

15. Investments

    Long term investments, other than investment in Associates and Subsidiaries, are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Income/ Loss from investments are recognized in the year in which it is generated.

16. Provision and Contingencies

    The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

17. Cash Flow Statement

    Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

18. Earnings per Share

    Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 2. SHARE CAPITAL (₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Authorized Capital		
	25,000,000 Equity Shares of ₹ 10/- each	250.00	250.00
	(Previous year 25,000,000 Equity Shares of ₹ 10/- each)		
		250.00	250.00
2	Issued , Subscribed & Paid Up Capital		
	21,296,683 Equity Shares of ₹ 10/- each	212.97	202.97
	(Previous Year 20,296,683 Equity Shares of ₹ 10/- each)		
	Total	212.97	202.97

Note: 3. RESERVE & SURPLUS (₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Security Premium		
	Balance brought forward from previous year	1,168.59	1,168.59
	Add: Additions	166.00	-
	Less: Transfer	-	-
		1,334.59	1,168.59
2	General Reserve		
	Balance brought forward from previous year	76.40	36.40
	Add: Additions	28.75	40.00
		105.15	76.40
3	Surplus (Statement of Profit & Loss)		
	Balance brought forward from previous year	846.18	502.59
	Less: Interim / Proposed Dividend	42.59	40.59
	Less: Dividend Distribution Tax on Interim / Proposed Dividend	7.07	6.74
	Less: Transfer to Reserves	28.75	40.00
	Add: Profit for the period	490.56	430.94
		1,258.33	846.20
	Total	2,698.07	2,091.19

Note: 4. LONG TERM BORROWINGS (₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
Secured Loans			
1	Term Loan		
	- From Bank	659.17	290.41
	- From Other Parties	0.46	-
2	Deferred payment liabilities	10.43	9.50
3	Loan and advances from related parties	-	-
4	Other loan and advances		
	- From Body Corporate	48.98	61.38
	- Unsecured Loan from Institution	-	-
	Total	719.04	361.29

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 5. DEFFERED TAX LIABILITY

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Deffered Tax Liability on account of Depreciation	279.13	170.78
2	Deffered Tax Liability on account of Brand Image	2.55	9.30
3	Deffered Tax Assets on account of Gratuity	0.65	0.54
	Total	281.02	179.54

Note: 6. OTHER LONG TERM LIABILITIES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Capital Payable	6.41	-
2	Others:		
	- Security Deposits	0.50	-
	Total	6.91	-

Note: 7. LONG TERM PROVISIONS

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Provisions for Employee Benefits	11.55	12.50
	Total	11.55	12.50

Note: 8. SHORT TERM BORROWINGS

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
Secured Loans			
1	Loan Repayable on Demand		
	- From Bank	2,241.96	2,030.66
	- From Other Parties	-	-
2	Loans & Advances From Related Parties	-	-
3	Deposits	-	-
4	Others	-	-
	Total	2,241.96	2,030.66

Note: 9. TRADE PAYABLE

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Sundry Creditors for Raw Material	219.49	156.80
2	Sundry Creditors for Others	81.18	77.30
3	Expenses Payable	50.26	34.30
	Total	350.93	268.40

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 10. OTHER CURRENT LIABILITIES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Current Maturities of Long Term Borrowing	145.06	80.72
2	Interest accured but not due on Borrowing	8.35	4.51
3	Investor Education & Protection Fund	0.34	0.40
4	Statutory Dues	57.90	9.72
5	Advance From Customers	40.76	29.67
6	Sundry Creditors for Fixed Assets	6.47	35.64
7	Dividend Proposed	42.59	-
	Total	301.47	160.66

Note: 11. SHORT TERM PROVISIONS

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Excise Duty on Finished Goods	65.88	56.60
2	Provision for Taxation (Net)	84.59	107.36
	Total	150.47	163.96

Provision for taxation includes dividend distribution tax

Note: 12. FIXED ASSETS

(₹ in million)

Sl No	Particulars	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
I	Tangible Assets											
1	Land											
	Industrial Plot	0.00%	90.10	0.48	-	90.58	-	-	-	-	90.58	90.10
2	Factory Shed & Building	3.34%	138.92	4.52	-	143.44	13.64	4.69	-	18.33	125.11	125.28
3	Building	3.34%	218.89	21.05	-	239.94	14.32	7.63	-	21.95	217.99	204.57
4	Staff residential building	1.63%	14.51	-	-	14.51	0.56	0.24	-	0.80	13.71	13.96
5	Plant and Equipment	4.75%	1,282.04	475.06	11.40	1,745.70	137.42	69.32	0.99	205.75	1,539.95	1,144.63
6	Furnitures & Fixtures	6.33%	4.95	0.37	-	5.32	0.69	0.32	-	1.01	4.31	4.26
7	Vehicles	9.50%	34.33	6.23	-	40.56	10.85	2.38	-	13.23	27.33	23.48
8	Office Equipment	4.75%	5.20	1.59	-	6.79	1.04	0.28	-	1.32	5.47	4.16
9	Computer	16.21%	6.73	1.90	-	8.63	2.80	1.21	-	4.01	4.62	3.93
10	Zinc (46.142 M.T.)	0.00%	2.13	-	-	2.13	-	-	-	-	2.13	2.13
	SUB TOTAL (A)		1,797.80	511.20	11.40	2,297.60	181.32	86.07	0.99	266.40	2,031.20	1,616.50
II	Intangible Assets											
1	Trade Marks	16.21%	0.02	-	-	0.02	0.01	0.00	-	0.01	0.01	0.01
2	Computer Software	16.21%	0.20	0.09	-	0.29	0.04	0.04	-	0.08	0.21	0.16
	SUB TOTAL (B)		0.22	0.09	-	0.31	0.05	0.04	-	0.09	0.22	0.17
III	Capital Work-in-progress											
1	Building Under Construction		47.13	92.95	2.07	138.01	-	-	-	-	138.01	47.13
2	Plant & Machinery		128.07	297.61	122.55	303.13	-	-	-	-	303.13	128.07
3	WIP (Office Equipment)		8.73	1.63	-	10.36	-	-	-	-	10.36	8.73
4	WIP (Furniture & Fixtures)		3.89	0.11	-	4.00	-	-	-	-	4.00	3.89
	SUB TOTAL (C)		187.82	392.30	124.62	455.50	-	-	-	-	455.50	187.82
IV	Intangible Assets Under Development		-	-	-	-	-		-	-	-	-
	SUB TOTAL (D)		-	-	-	-	-	-	-	-	-	-
	Total [A + B + C + D] (Current Year)		1,985.84	903.59	136.02	2,753.41	181.37	86.11	0.99	266.49	2,486.92	1,804.49
	(Previous Year)		1,378.74	962.10	354.99	1,985.84	102.26	80.39	1.30	181.35	1,804.49	1,276.48

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 13. NON-CURRENT INVESTMENT

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
	Quoted		
	Investment in Equity Shares		
1	– NIL Equity Shares of Sharp Industries Ltd.	–	23.13
	(Previous Year 300,000 Equity Shares)		
2	Investment in Mutual Funds		
	(i) Union KBC Tax Saver	0.50	–
	Other than Trade at cost less provision (Unquoted)		
1	Investment in Equity Shares :		
	-In Subsidiary Companies		
	i) 2,711,100 Equity shares of Apollo Metalex Pvt. Ltd. of ₹ 10/- each fully paid up	–	–
	ii) 5,895,000 Equity shares of Shri Lakshmi Metal Udyog Ltd. of ₹ 10/- each fully paid up	–	–
	iii) 19,999,994 Equity shares of Lloyds Line Pipes Ltd. of ₹ 10/- each fully paid up	–	–
	Total	0.50	23.13
	Aggregate book value of unquoted Investments	–	–
	Aggregate book value of quoted Investments	0.50	23.13
	Market Value of quoted Investments	0.56	9.73
	Aggregate provision for diminuiton in value of Investments	–	–

Note: 14. LONG TERM LOANS AND ADVANCES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Capital Advances		
	Unsecured, Considered Good	279.02	276.81
2	Security Deposit		
	a) Secured, Considered Good :		
	Earnest Money Deposit	–	–
	Other Deposit	–	–
	b) Unsecured, Considered Good	173.51	21.11
	c) Doubtful	–	–
3	Loans & Advances to related parties	–	–
4	Other Loans & Advances	1.62	–
	Total	454.15	297.92

Note: 15. OTHER NON-CURRENT ASSETS

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Brand Image Expenses	22.82	9.66
2	Preliminary Expenses	0.73	0.83
	Total	23.55	10.49

Note: 16. INVENTORIES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Raw Material	673.68	604.35
2	Finished Goods	737.33	729.32
3	Stores & Spares	73.83	60.85
4	Rejection & Scrap	39.79	21.45
5	Trading Goods Stock	–	49.45
	Total	1,524.62	1,465.42

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 17. TRADE RECIEVABLES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Outstanding for more than six months from the date they are due for payment		
	a) Secured, Considered Good :	–	–
	b) Unsecured, Considered Good :	21.35	17.91
	c) Doubtful	–	–
2	Ooutstanding for a period less than six months from the date they are due for payment		
	a) Secured, Considered Good :	–	–
	b) Unsecured, Considered Good :	1,712.54	994.99
	c) Doubtful	–	–
	Total	1,733.89	1,012.90

Note: 18. CASH & CASH EQUIVALENT

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash and Cash Equivalents		
	Cash Balance	7.67	10.84
	Bank Balance	12.55	32.44
	Sub Total (A)	20.22	43.28
2	Other Bank Balances		
	Fixed Deposits with Banks	29.68	144.08
	Accrued Interest on FDR's & Securities	0.78	30.95
	Sub Total (B)	30.46	175.03
	Total (A + B)	50.68	218.31

Note: 19. SHORT TERMS LOANS AND ADVANCES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Loans & Advances from related parties		
	a) Secured, Considered Good :	–	–
	b) Unsecured, Considered Good :	–	–
	c) Doubtful	–	–
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Suppliers/Others	140.99	90.48
	Prepaid Expenses	10.48	11.07
	Advance Payment with Revenue Authorities (Indirect Taxes)	304.62	266.75
	MAT Credit Entitlement	29.06	12.82
	Total	485.15	381.12

Note: 20. OTHER CURRENT ASSETS

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Preliminary Expenses	–	0.03
2	Brand Image	5.74	6.44
3	Claim Receivable	92.80	124.17
	Total	98.54	130.64

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 21. REVENUE FROM OPERATIONS

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Sales Domestic	14,212.59	9,108.97
2	Sales Export	1,101.21	700.40
3	Job Work	-	0.10
4	Export Incentive	48.83	42.01
	Total	15,362.63	9,851.48

Note: 22. OTHER INCOME

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest on FDR	4.20	17.19
2	Interest on Security Deposit	0.11	-
3	Misc. Income	3.26	2.51
4	Dividend income	0.06	-
	Total	7.63	19.70

Note: 23. COST OF MATERIAL CONSUMED

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Stock	604.35	281.82
2	Add: Purchases	10,931.21	7,836.23
3	Less: Closing Stock	672.10	594.60
	Total	10,863.46	7,523.45

Note: 24. CHANGE IN INVENTORIES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Stock (Net of Excise Duty)		
	Finished Goods	679.37	431.78
	Scrap	14.73	15.96
	Total-1	694.10	447.74
2	Closing Stock (Net of Excise Duty)		
	Finished Goods	684.00	590.30
	Scrap	23.33	19.69
	Total-2	707.33	609.99
	Total (1-2)	(13.23)	(162.25)

Note: 25. EMPLOYEMENT BENEFIT EXPENSES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries & Wages	152.34	107.97
2	Contribution to Provident and other Funds	14.46	5.90
3	Staff Welfare Expenses	6.89	2.63
	Total	173.69	116.50

Note: 26. FINANCIAL COST

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest Expenses	290.93	193.17
2	Other Borrowing Cost	44.94	33.37
3	Net Loss on Foreign currency fluctuation	0.04	-
	Total	335.91	226.54

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 27. DEPRECIATION & AMORTISED COST

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	85.95	57.30
2	Preliminary Expenses w/o	0.13	0.13
3	Brand Image	7.14	4.46
	Total	93.22	61.89

Note: 28. OTHER EXPENSES

(₹ in million)

Sr. No.	Particulars	Current Year	Previous Year
Manufacturing Expenses			
1	Job Work Charges	(0.60)	12.24
2	Freight & Cartrage Inward	75.27	107.60
3	Insurance	0.27	0.04
4	Factory Electricity Expenses	103.75	79.02
5	Consumable Store	101.73	51.05
6	Factory Rent	1.48	1.34
7	Factory Maintenance	6.70	5.43
8	Generator Running Expenses	45.94	23.97
9	Repair & Maitenance:-		
	- Building	1.40	4.19
	- Plant & Machinery	6.51	12.39
	- Others	0.13	0.19
10	Furnace Oil	79.07	41.07
Administrative Expenses			
1	Office Rent	9.94	5.89
2	Printing & Stationery	2.20	2.48
3	Postage & Telephone	4.68	4.03
4	Charity & Donation	1.00	0.04
5	Vehicle Running Expenses	3.75	3.06
6	Fees & Taxes	3.98	7.21
7	Travelling Expenses:		
	Director	5.12	5.10
	Others	6.67	7.36
8	Legal & Professional Charges	5.99	6.44
9	Miscellaneous Expenses	15.54	4.52
10	Auditor's Remuneration	1.43	1.40
11	Insurance	0.32	0.31
12	Office Electricity Expenses	0.61	-
13	Office Maintenance Exp	2.73	1.39
Selling & Distrubution Expenses			
1	Advertisement Expenses	2.36	4.16
2	Commission & Discount	116.76	59.98
3	Freight Outward	328.48	221.96
4	Insurance	0.25	0.28
5	Sales Promotion	2.57	2.30
6	Additional Sales Tax	0.10	1.24
	Total	936.13	677.68

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 29. EXCEPTIONAL ITEM

During the year the Company has sold investment in Sharp Industries Ltd. amounting to ₹ 18.53 Millions consequently, there is loss on sale of non-current investments of ₹ 4.11 Millions. Moreover there is loss of ₹ 0.37 Millions on sale of fixed assets.

Note: 30. CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF

(₹ in million)

	Particulars	Current Year	Previous Year
1.	Performance guarantees given to various departments	4.63	61.86
2.	Corporate Guarantee(s) have been given for securing working capital facilities and term loan sanctioned to its wholly owned Subsidiary Companies.		

Note: 31. EMPLOYEE BENEFITS (AS-15)

Long Term Employee Benefits

The following table sets forth the status of the Gratuity Plan of the Company, and the amount recognized in the balance sheet and statement of profit and loss. The liability for Gratuity as at March 31, 2012 have been actuarially determined and provided for in the accounts.

Particulars	Current Year	Previous Year
Changes in the present value of defined benefit obligation		
Present benefit obligation at the beginning of year	9.40	8.64
Current service cost	2.24	1.27
Interest cost	0.80	0.65
Past service cost	0.00	0.02
Actuarial gain/(loss)	0.61	1.47
Benefits paid	(1.50)	(2.64)
Projected benefit obligation at the end of the year	11.55	9.40
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-
Amount recognized in the balance sheet		
Projected benefit obligation at the end of the year	11.55	9.40
Fair value of plan assets at the end of the year	-	-
Funded status of the plans-asset/(liability)-Liability recognized in the balance sheet	(11.55)	(9.40)
Gratuity cost for the year		
Current service cost	2.24	1.27
Interest Cost	0.80	0.65
Past service cost	-	0.02
Expected return on plan assets	-	-
Net actuarial gain/(loss) recognized in the year	0.61	1.47
Net Gratuity cost	3.65	3.41
Assumptions		
Discount rate	8.50	8.00
Expected rate of return on plan assets	-	-
Long term rate of compensation increase	6.00	5.50

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 32. EARNING PER SHARE (AS-20)

(₹ In Millions except EPS and No of Shares)

Particulars	Current Year	Previous Year
BASIC		
a. Net profit after tax	490.55	430.94
b. Number of Weighted Average Equity Share of (₹) 10 each	20,345,863	20,296,683
c. Basic Earnings per share	24.11	21.23
d. Nominal Value per Share	10.00	10.00
DILUTED		
a. Net profit after tax	490.55	430.94
b. Number of Weighted Average Equity Share of (₹) 10 each	23,438,636	21,938,636
c. Diluted Earnings per share	20.93	19.64
Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	21,296,683	20,296,683
2. Average fair value of one equity share during the year	10.00	10.00
3. Weighted average number of share Warrant outstanding during the year	2,141,953	1,641,953
4. Warrants were issued each entitling the holders to subscribe for one equity share having nominal value ₹ 10 for every warrant issued.	10.00	10.00
5. Total Diluted Equity Shares (1+3)	23,438,636	21,938,636

Note: 33. SEGMENT REPORTING

The Group has only one segment i.e. manufacturing of Steel tubes and pipes, therefore segment reporting as required under Accounting Standard – 17 is considered as not applicable.

Note: 34. BRAND BUILDING

During the Year the Company incurred an expenditure of ₹ 15.14 millions (Previous Year ₹ 13.64 millions) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortized in 5 years equally.

Note: 35. RELATED PARTY DISCLOSURES (AS-18)

(A) Names of related parties and description of relationships:

Associates

Apollo Pipes Ltd.

V. S. Exim (P) Ltd.

APL Infrastructure (P) Ltd.

Key Management Personnel

Sh. Sanjay Gupta - Chairman

Sh. Vinay Gupta - Director

Relatives of Key Management Personnel

Mrs. Neera Gupta - Wife of Sh. Sanjay Gupta

Mrs. Saroj Rani Gupta - Mother of Chairman

(B) Detail of Related Party Transactions

As required by Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountant of India, since CFS presents information about the Parent and its subsidiary as a single enterprise, it is not necessary to disclose intra-group transactions.

(₹ in million)

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Transfer of DEPB	24.82	-	-	24.82
Director's Remuneration Paid	-	3.60	3.60	7.20
Office/Works/vehicle Rent Paid	2.28	-	3.74	6.02

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 35. RELATED PARTY DISCLOSURES (AS-18) *(Contd...)*

(C) Amount due to / from related parties as at March 31, 2012

(₹ in million)

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Amount due to related parties	-	-	0.01	0.01
Amount due from related parties	-	-	0.61	0.61

(₹ in million)

	2011-12	2010-11
Note: 36. Value of Imports	34.01	69.18
Note: 37. Value of Export	1101.21	700.40
Note: 38. Expenditure in foreign currency (Including Import)	38.14	64.30

Note: 39. The outstanding balance of Debtors/Creditors in the books of the company is subject to confirmation.

Note: 40. Duty credit on Export Sales has been taken on accrued basis whether license has been issued by JDGFT after closing of the financial year.

Note: 41. AUDITORS REMUNERATION (EXCLUDING SERVICE TAX)

(₹ in million)

Particulars	Current Year	Previous Year
i) Statutory Audit Fee	1.08	1.05
ii) Taxation matters	0.25	0.25
iii) Other Services	0.10	0.10
Total	1.43	1.40

Note: 42. BREAK UP OF MANAGERIAL REMUNERATION:

(₹ in million)

Particulars	Current Year	Previous Year
i) Salaries	3.60	3.60
ii) Contribution to Provident Fund	-	-
iii) Other Perquisites	-	-
iv) Commission	-	-
Total	3.60	3.60

Note: 43. BREAK UP OF DIRECTORS TRAVELLING EXPENSES:

(₹ in million)

Particulars	Current Year	Previous Year
i) Foreign Travelling	2.31	3.17
ii) Inland Travelling	2.81	1.93
Total	5.12	5.10

Notes to Consolidated Financial Statements as at & for the period ended March 31, 2012

Note: 44. The Company could not identify whether any of its creditors is SSI undertaking and Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Particulars of amount as at March 31, 2012, if any, due to such undertaking could, therefore, not to be disclosed.

Note: 45. The figures of previous year have been regrouped/rearranged/ recasted to conform to those of the current year.

As per our separate audit Report of f even date attached

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance &Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Section 212

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

S. No.	Name of the Subsidiary Company	Apollo Metalex Prviate Limited [CIN: U27104DL2006PTC146579]	Shri Lakshmi Metal Udyog Limited [CIN: U85110DL1994PLC224835 9]	Lloyds Line Pipes Limited [CIN:U27320DL2008PLC223550]
1	Financial year of subsidiary company ended on	March 31, 2012	March 31, 2012	March 31, 2012
2	Date from which they became subsidiary company	June 15, 2007	April 28, 2008	November 11, 2010
3	Number of Equity Shares held by APL Apollo Tubes Limited	27,111,000 Equity Shares of ₹ 10/- each	5,895,000 Equity Shares of ₹ 10/- each	20,000,000 Equity Shares of ₹ 10/- each
4	Extent of interest of APL Apollo Tubes Limited in the capital of the subsidiary	100%	100%	100%
5	Net aggregate amount of Profit/(losses) of the subsidiary so far as it concerns the members of APL Apollo Tubes Limited and is not dealt with in the accounts of the company (₹ in million)	805.97	238.98	38.07
6	Net aggregate amount of Profit/(losses) of the subsidiary so far as it concerns the members of APL Apollo Tubes Limited and is dealt with in the accounts of the company			

Financial Information of Subsidiary Companies

(₹ in million)

S. No.	Name of the Subsidiary Company	Apollo Metalex Prviate Limited [CIN: U27104DL2006PTC146579]	Shri Lakshmi Metal Udyog Limited [CIN: U85110DL1994PLC2248359]	Lloyds Line Pipes Limited [CIN:U27320DL2008PLC223550]
1	Share Capital	27.11	58.95	200.00
2	Reserves	285.79	476.91	69.79
3	Total Liabiltites	695.36	1,079.18	1,027.77
4	Total Assets	695.36	1,079.18	1,027.77
5	Investment included in Total Assets (Except for investment in subsidiaries)	-	-	-
6	Gross Sales	2,120.18	2,507.07	1,780.99
7	Profit Before Taxes	120.27	280.71	48.34
8	Provision for Taxation	39.67	41.73	5.08
9	Profit After Taxes	80.60	238.98	38.07
10	Proposed Dividend	-	-	-

As per our separate audit Report of f even date attached

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Auditors' Report

To
The Members of
APL Apollo Tubes Limited

1. We have audited the attached Balance Sheet of APL Apollo Tubes Limited as at March 31, 2012, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the explanations furnished to us during the course of our audit, we give in the Annexure a statement specified in paragraph 4 and 5 of the said order.

4. Further to our comments in the annexure referred to above, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) In our opinion proper books of accounts as required by law has been kept by the Company so far as it appears from our examination of such books.

(c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account.

(d) In our opinion the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement are in compliance with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956.

(e) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act,1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i.) In so far as it relates to the Balance Sheet of the State of Affairs of the Company as at March 31, 2012,

ii.) In the case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date, and

iii.) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

(f) Based on representation made by all the Directors of the Company to the Board and the information and explanations as made available to us by the Company, none of the directors of the Company prima-facie have any disqualification as referred to in clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

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

Place: New Delhi
Date: September 3, 2012

Annexure to the Auditors' Report

Re: APL Apollo Tubes Limited

Referred to in paragraph 3 of our report of even date

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

   c) Fixed assets disposed off during the year were not significant. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.

2. a) The inventories (excluding stocks with the third parties) have been physically verified during the year by the management. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

   b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verifications.

3. a) The Company has granted unsecured loan to its wholly owned subsidiary Company covered in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year was ₹ 250 Million (Rupees Two Hundred & Fifty Million Only) and the year end balance of loan given to this Company was ₹ 250 Million (Rupees Two Hundred & Fifty Million Only). In our opinion terms and conditions on which loans have been given to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

   b) The Company has not taken any unsecured loan from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

   c) The rate of interest and other terms and conditions of the above-mentioned loans are not prima facie prejudicial to the interest of the Company.

   d) The repayment of principal and interest are as per the agreed terms.

.4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system.

5. a) In our opinion and according to information and explanations given to us the transactions that needed to be entered in the register maintained under section 301 of the Act have been entered in the register

   b) As per information and explanations given to us aforesaid transactions have been made at price which are reasonable having regard to the prevailing market price at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections of 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975.

7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 we are of the opinion that prima facie the prescribed accounts and record have been made and maintained. We have not made however a detailed examination of the record with a view to determine whether they are accurate or complete.

9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.

   (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Service Tax, Cess etc. were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.

   (c) According to the information and explanation given to us and records of the Company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Cess which have not been deposited on account of any dispute, are as follows:

Name of the Statue	Nature of Dues	Amount (₹ million)	Period to which dues Related	Authority where the Dispute is Pending for Decision
Central Excise Act, 1944	Central Excise levied u/s 11A of Central Excise Act,1944	3.67	07.08.1996	Before the High Court Judicature of Allahabad
"	Penalty u/s 11 AC of Central Excise Rules, 1944 read with Rule 9(2) & 173Q of Central Excise Act, 1944.	3.67	07.08.1996	Before the High Court Judicature of Allahabad
"	Recovery u/s 57 I (4) of Central Excise Act,1944 of modvat credit availed and utilized in contravention of the provisions of Rule 57F(3) of Central Excise Rules, 1944.	0.35	07.08.1996	Before the High Court Judicature of Allahabad
"	Penalty u/s 11AC of Central Excise Rules, 1944 read with Rule 9(2) & 173Q of Central Excise Rule, 1944.	0.35	07.08.1996	Before the High Court Judicature of Allahabad
"	Central Excise duty levied u/s 11 A of Central Excise Act, 1944.	0.45	15.08.1999	CESTAT, New Delhi
"	Penalty u/s 11 AC of Central Excise Act, 1944.	0.45	15.08.1999	CESTAT, New Delhi
"	Penalty under Rule 9(2) and 173Q of Central Excise Rule, 1944.	0.10	15.08.1999	CESTAT, New Delhi
"	Demand in Terms of section 11A on Zinc Ash/Dross clearance.	1.08	July-08 to Mar-09	CESTAT, New Delh
	Penalty under Rule 25 of Central Excise Rules 2002 read with section 11AC of Central Excise Act, 1944.	0.03		
U.P. Tax on Entry of Goods in to Local areas Act, 2007	The constitutional validity of U.P. Tax on Entry of Goods in to Local areas Act, 2007 had been Challenged	44.76	Nov.-08 to Mar.-11	Before the Supreme Court of India
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer	6.14	Jan.-08 to Mar.-08	Commercial Tax Tribunal, Ghaziabad
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer (Provisional Assessment)	17.03	April-10 to Sept.-10	Commercial Tax Tribunal, Ghaziabad

10. The Company has no accumulated losses as at March 31, 2012 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.

12. We have been informed that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4(XII) of the order is not applicable.

13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended 2004 are not applicable to the Company.

14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investment and timely entries have been made therein. All shares (except the shares held in the name of nominees of the Company in wholly owned subsidiaries), debentures and other investments have been held by Company in its own name.

15. The Company has given corporate guarantee for securing working capital facilities sanctioned by Banks to its Subsidiary Companies. In our opinion, the terms and conditions on which the Company has given said guarantees are not prejudicial to the interest of the Company.

16. In our opinion and according to information and explanations given to us by the Company the term loans have been applied for the purpose for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.

18. According to the information and explanations given to us, the Company has made allotment of 10,00,000 Equity Shares on preferential basis (on conversion of equal number share warrant already issued entitling the warrant holder to one equity share of ₹ 10 each for each warrant) to parties and Companies covered in the register to be maintained under section 301 of the Act and in our opinion , the premium at which share have been issued is not prejudicial to the inherent of the Company.

19. During the period covered by our audit report, the Company has not issued any debentures.

20. The Company has not raised any money from public issue and as such question of end use of money raised by public issue does not arise.

21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2012.

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

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

Date : September 3, 2012
Place: Delhi

Balance Sheet as at March 31, 2012

(₹ in million)

PARTICULARS	Note No.	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	2	212.97	202.97
(b) Reserves and Surplus	3	2,369.20	1,965.37
(c) Money received against share warrants		82.62	72.24
2) Share Application money pending allotment		-	-
3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	479.56	226.05
(b) Deferred Tax Liabilities (Net)	5	196.58	133.71
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	6	4.22	2.85
4) Current Liabilities			
(a) Short-Term Borrowings	7	1,445.36	1,422.86
(b) Trade Payables	8	434.25	333.10
(c) Other Current Liabilities	9	242.83	107.62
(d) Short-Term Provisions	10	91.51	99.21
Total Equity & Liabilities		5,559.10	4,565.98
II. ASSETS			
1) Non-Current Assets			
(a) Fixed Assets	11		
i) Tangible Assets		1,241.16	1,038.78
ii) Intangible Assets		-	-
iii) Capital work- in- Progess		339.17	112.89
		1,580.33	1,151.67
(b) Non-current investments	12	768.10	790.23
(c) Deferred tax assets (net)			
(d) Long term loans and advances	13	539.76	375.34
(e) Other non-current assets	33	22.39	9.66
2) Current Assets			
(a) Current investments		-	-
(b) Inventories	14	929.95	972.21
(c) Trade receivables	15	1,398.91	806.78
(d) Cash and cash equivalents	16	31.47	183.40
(e) Short-term loans and advances	17	190.75	146.77
(f) Other current assets	18	97.44	129.92
Total Assets		5,559.10	4,565.98

Notes referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Statement of Profit and Loss for the period ended March 31, 2012

(₹ in million except EPS)

Sr. No.	PARTICULARS	Note No.	Current Year	Previous Year
I	Gross Revenue from operations	19	11,726.09	6,433.77
	Less: Excise Duty & Cess		883.02	541.45
	Net Revenue from Operations		10,843.07	5,892.32
II	Other Income	20	6.43	17.79
III		Total Revenue (I +II)	10,849.50	5,910.11
IV	Expenses:			
	Cost of materials consumed	21	7,454.98	4,426.65
	Purchase of Stock-in-Trade	22	1,940.11	573.35
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	50.97	(183.48)
	Employee Benefit Expense	24	82.35	61.63
	Financial Costs	25	232.33	158.45
	Depreciation and Amortization Expense	26	62.47	47.15
	Other Administrative Expenses	27	592.01	449.79
		Total Expenses (IV)	10,415.22	5,533.54
V	Profit before exceptional and extraordinary items and tax	(III - IV)	434.28	376.57
VI	Exceptional Items	28	4.10	1.45
VII	Profit before extraordinary items and tax (V - VI)		430.18	375.12
VIII	Extraordinary Items			
IX	Profit before tax (VII - VIII)		430.18	375.12
X	Tax expense:			
	1) Current tax		88.15	74.84
	2) Deferred tax		62.88	52.10
	3) Tax Expenses inrespect of eariler years		-	2.75
	4) Mat Credit Entitlement		(8.40)	(8.37)
XI	Profit/(Loss) for the perid from continuing operations	(IX-X)	287.55	253.80
XII	Profit/(Loss) for the period		287.55	253.80
XIII	Earning per equity share:			
	1) Basic		14.13	12.50
	2) Diluted		12.27	11.57

Notes referred to above and notes attached there to form an integral part of Statement of Profit and Loss

This is the Balance Sheet referred to in our Report of even date.

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Cash Flow Statement for the period ended March 31, 2012

(₹ in million)

PARTICULARS	Current Year		Previous Year	
1. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items		430.18		375.12
Add: Adjustments for:				
Depreciation & Amortisation	62.46		47.15	
Interest & Finance Charges	232.33		141.68	
Loss on sale of fixed assets	4.10		1.47	
Adjustment of Taxes Earlier Years	-	298.89	(2.75)	187.55
Operating Profit Before Working Capital Changes		729.07		562.67
Adjustments for:				
Increase/Decrease in Trade Receivables	(592.14)		(408.38)	
Increase/Decrease in Other Receivables	(13.68)		262.80	
Increase/Decrease in Inventories	42.26		(380.05)	
Increase/Decrease in Trade & Other Payable	232.76	(330.80)	204.01	321.62
Cash Generated from Operations		398.27		241.05
Direct Taxes paid		(94.33)		(39.95)
Cash Flow before extra ordinary items		303.94		201.10
Extra ordinary items		-		0.02
Net Cash from Operating Activities (A)		303.94		201.12
2. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(488.62)		(369.93)	
Misc Expenditure	(11.88)		(13.64)	
Sale of Fixed Assets	4.34		2.14	
Advances for Fixed Assets	17.79		(79.70)	
Misc Investments	(157.87)		(355.13)	
Net Cash from Investing Activities (B)		(636.24)		(816.26)
3. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issue of Shares and Warrants issued during the Year	186.37		72.25	
Receipt / Repayment of Secured loans	276.01		652.02	
Dividend & DDT paid	(49.67)		(47.33)	
Interest & Finance Charges	(232.34)		(141.68)	
Net cash generated from Financing activities		180.37		535.26
Net Cash from Financing Activities (C)		180.37		535.26
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)		(151.93)		(79.88)
Add : Cash & Cash Equivalents at the Beginning of the Year		183.40		263.28
		31.47		183.40
Cash & Cash Equivalents at the End of the Year		31.47		183.40

Notes :
1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Note No.16
2. The Cash Flow Statement has been prepared under the "Indirect method " as set out in the Accounting Standard (AS -3), "Cash Flow Statement".
3. Figures in Brackets indicate cash outflow.

This is the Cash Flow Statement we have referred to, in our Report of even date.

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

Note 1

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation of Financial Statement

a) The financial statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with the Accounting Standard-1 Referred to in section 211(3c) of the Companies Act, 1956.

b) The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Expenditure incurred in connection with the issue of Shares/GDRs/warrants is written off against security premium account in the year of incurrence.

d) All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

2) Fixed Assets

a) Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and preoperative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work in progress at cost till the same are ready for use.

b) Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalized.

c) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalized as part of the cost of machinery.

3) Impairment of Assets

The Company recognizes all the losses as per Accounting Standard-28 due to the impairment of assets in the year of review of the physical condition of the Assets and is measured by the amount by which, the carrying amount of the Asset exceeds the Fair Value of the Asset.

4) Depreciation

Depreciation on fixed assets is provided on straight-line basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased/sold during the period is proportionately charged.

5) Inventories Valuation

Raw material is valued at cost (First in First Out basis) or net realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/First in First Out basis).

6) Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within statement of profit and loss account. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the statement of profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in statement of profit and loss account over the life of the contract.

7) Duties & Credits

a) Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.

b) Cenvat Credit, to the extent available during the year, are adjusted towards cost of materials.

c) Duty credit on export sales has been taken on accrual basis whether license has been issued after closing of the financial year.

Note 1

8) Sales are inclusive of excise duty and after deducting the trade discount and also sales tax applicable and Purchase made against Bank Guarantee, Letter of Credit are classified in sundry creditor for raw materials.

9) Retirement Benefits

a) The company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method.

b) Retirement benefits in the form of Provident Fund are charged to the Statement of Profit & Loss of the period when the contributions to the respective funds are due.

10) Borrowing Cost

Borrowing cost is charged to the Statement of Profit & Loss , except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets.

11) Taxes on Income

Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

In accordance with Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

12) Misc. Expenditure

Misc. expenditure represents ancillary cost incurred in connection with the incorporation and share issue expenses and brand promotion expenditure. It has been decided to write off these expenses over the period of five years.

13) Revenue Recognition

Sale of goods is recognized when the risk and reward of ownership are passed on to the customers. Revenue from services is recognized when the services are complete.

14) Investments

Long term investments, other than investment in Associates and Subsidiaries, are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Income/Loss from investments is recognized in the year in which it is generated.

15) Provision and Contingencies

The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

16) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

17) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 2 Share Capital (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	**AUTHORIZED CAPITAL**		
	2,50,00,000 Equity Shares of ₹ 10/- each (Previous year 2,50,00,000 Equity Shares of ₹ 10/- each)	250.00	250.00
		250.00	**250.00**
2	**ISSUED , SUBSCRIBED & PAID UP CAPITAL**		
	2,12,96,683 Equity Shares of ₹ 10/- each (Previous Year 2,02,96,683 Equity Shares of ₹ 10/- each)	212.97	202.97
	Total	**212.97**	**202.97**

a. Reconciliation of the number of issued, subscribed and paid-up shares : (₹)

Particulars	Current Year	Previous Year
Shares outstanding as at the beginning of the year	2,02,96,683	2,02,96,683
Shares bought back during the year	-	-
Additions during the year	10,00,000	-
Deletion during the year	-	-
Shares outstanding as at the end of the year	2,12,96,683	2,02,96,683

10,00,000 Equity shares were issued on March 14, 2012 upon conversion of equal number of warrants held by APL Infrastructure Pvt. Ltd. (a promoter group entity) out of total 16,41,953 warrants issued @ ₹ 176/-

b. Particulars of Securities convertible into Equity shares issued and fund raised during the current and immediately preceding financial year :

i) 16,41,953 warrants were issued @ ₹ 176/- each warrant to APL Infrastructure Pvt. Ltd. (a promoter group entity) entitling for equal number of Equity Shares having nominal value of ₹ 10/- each within 18 months from the date of allotment i.e. December 22, 2010

(₹ in million)

a) being 25 % subscription amount received before allotment of 16,41,953 warrants made on December 22, 2010. 72.25

b) being 75 % subscription amount received before conversion of 10,00,000 warrants into equity shares, equity shares were alloted on March 13, 2012.
(remaining 6,41,953 warrants were pending for allotment as at March 31, 2012.) 132.00

ii)15,00,000 warrants were issued @ ₹ 145/- each warrant to Mr. Ashok Kumar Gupta (who considered as promoter) entitling for equal number of Equity Shares having nominal value of ₹ 10/- each within 18 months from the date of allotment i.e. February 14, 2012

a) being 25 % subscription amount received before allotment of 15,00,000 warrants made on February 14, 2012 54.38

258.63

c. Details of utilisation of fund received :

i) Part funding for acquisition of Lloyds Line Pipes Ltd.	72.25	
ii) Part finance of ongoing Capex programme & margin of working capital.	186.38	258.63

d. Details of allotment of securities in the preceding 5 financial years :

i) **Bonus Issue :** 31,98,000 Equity shares of ₹ 10/- each were issued as 1 : 1 fully paid bonus to existing equity shareholders on June 6, 2007.

ii) **Warrant Issue :** 31,75,000 warrants were issued @ Rs. 140/- each warrant to promoters and other strategic investors entitling

Notes to Financial Statements as at & for the period ended March 31, 2012

them for equal number of Equity Shares and bonus shares having nominal value of Rs. 10/- each (i.e. warrant holder were entitled for 2 Equity Shares agaist each warrant they have) within 18 months from the date of allotment i.e. July 5, 2007

a) 42,81,000 Equity Shares were issued on conversion of 2,140,500 warrants on January 23, 2008.

b) 7,82,000 Equity Shares were issued on conversion of 391,000 warrants on April 28, 2008

c) 7,87,000 Equity Shares were issued on conversion of 393,500 warrants on June 27, 2008.

d) 370,000 Equity Shares were issued on conversion of 185,000 warrants on April 4, 2009

e) Subscribers of 65,000 share warrants didn't exercised their option within 18 months of allotment of warrants and consequently, their initial subscription amount was forfeited

iii) 17,98,333 Equity shares has been issued to earstwhile shareholders of Shree Lakshmi Metal Udyog Limited for aquiring their 100% Equity shares in a non-cash deal [swap ratio 1 [One] of APL Apollo Tubes Limited for every 3 [Three] shares of Shri Lakshmi Metal Udyog Limited] on April 28, 2008.

iv) Equity share issued as underlying security for GDR issue

On June 18, 2008 29,41,200 Equity Shares were alloted as underlying securities for 14,70,600 Global Depository Receipts.

On July 17, 2008 29,41,150 Equity Shares were alloted as underlying securities for 14,70,575 Global Depository Receipts.

e. Details of Shareholding more than 5% of the aggregate shares of the company (₹ in million)

	Current Year		Previous Year	
Name of the Shareholder	No of shares held	%of Holding	No of shares held	% of Holding
APL Infrastructure Private Limited.	7,306,487	34.308%	6,806,487	33.535%
Kitara PIN	3,000,000	14.087%	-	-

Note : 3 Reserve & Surplus (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Security Premium	1,564.63	1,398.63
	Balance brought forward from previous year	1,398.63	1,398.63
	Add: Additions	166.00	-
	Less: Tranfers	-	-
2	General Reserve	100.15	71.40
	Balance brought forward from previous year	71.40	31.40
	Add: Additions	28.75	40.00
	Less: Tranfers	-	-
3	Surplus (Statement of Profit & Loss)	704.42	495.34
	Balance brought forward from previous year	495.34	328.85
	Less: Dividend Propsed / Paid#	42.64	40.59
	Less: Dividend Distribution Tax on Dividend	7.07	6.74
	Less: Transfer to Reserves	28.75	40.00
	Add: Profit for the period	287.55	253.82
	Total	2,369.20	1,965.37

Dividend Proposed to be distributed to equity shareholders is ₹ 2.00 (Previous Year Interim Dividend ₹ 2.00) per equity share

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 4 Long Term Borrowings (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
	Secured Loans	-	-
1	Term Loan		
	- From Bank	479.56	226.05
	- From Other Parties	-	-
	Total	479.56	226.05

Installment falling due in respect of all the above Loans upto 31.03.2013 have been grouped under " Current Maturities of long term debt" . (Refer Note No. 9)

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

Sr. No	Amount of Loan	Terms of Repayment
1	Term Loan amounting ₹ 370.68 Million (P.Y. ₹ NIL).	Repayable in 18 unequal quarterly installments commencing from December, 2012. Last installment due on March, 2017. Rate of interest 12.50% p.a as at year end (P.Y. Nil)
2	Term Loan amounting ₹ 187.30 Millon (P.Y. ₹ 262.32 Millon).	Repayable in 16 equal quarterly installments commencing from November,2010. Last installment due on August, 2014. Rate of interest was 9.75% till September 2011 and there after it was reset to 12%

Nature of Security for Sub Note No. 1.1 & 1.2 of Note No. 4 and Sub Note No. 1.1 of Note No. 7: First pari pasu charge on currentassets,movable fixed assests, present and future, of the company and further secured by equitable mortgage on company's land and building situated at A-19 Industrial area Sikandarabad, U.P and at 332-338, Alur-Village, Perandapalli - Hosur on first pari pasu basis. These credit facilities are furhter collaterlly secured by corporate guarantee and Land & Building of V S Exim Pvt .Ltd., situated at A-20 Industrial Area, Sikandrabad U.P. and Personal guarantee of Mr Sameer Gupta, Mr. Vinay Gupta and Mr Sanjay Gupta (Promoter Director).

3	Term Loan amounting ₹ 36.60 Millon (P.Y. ₹ 37.31 Millon) is secured against mortage of Estate Home (residential property under construction) at E-11 (Land-II), Jaypee Greens, Greater Noida (U.P.)	Repayable in 254 monthly installments commencing from October, 2007. Last installment due on November, 2028. carries floating rate of interest linked with Base Rate i.e. base rate+275bps
4	Various Vehicle Loans total amount ₹ 4.87 Millon against hypothecation of respective vechile.	All loans have 36 monthly installments commencing from various dates, carry rate of interest between 9.50% to 12.00% P.A. First loan installment commencing from Aug, 2008 and installment of last loan upto January, 2015.

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 5 Deffered Tax Liability (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Deffered Tax Liability on account of Depreciation	194.57	133.70
	Deffered Tax Liability on account of Brand Image	2.46	0.27
	Deffered Tax Assets on account of Gratuity	(0.45)	(0.26)
	Total	196.58	133.71

Note : 6 Long Term Provisions (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Provisions for Employee Benefits	4.22	2.85
	Total	4.22	2.85

Note :7 Short Term Borrowings (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Loan Repayable on Demand		
	– From Bank	1,445.36	1,422.86
	– From Other Parties	–	–
2	Loans & Advances From Related Parties	–	–
3	Depsoits	–	–
4	Others	–	–
	Total	1,445.36	1,422.86

For Nature of security refer to Sub Note No. 1.3 of Note No.4

Note : 8 Trade Payable (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Sundry Creditors for Raw Material	348.57	240.71
2	Sundry Creditors for Others	57.05	66.06
3	Expenses Payable	28.63	26.33
	Total	434.25	333.10

Note : 9 Other Current Liabilities (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Current Maturities of Long Term Borrowing	117.64	78.76
2	Interest accured but not due on Borrowing	3.53	4.51
3	Investor Education & Protection Fund	0.34	0.40
4	Statutory Dues	48.19	2.72
5	Advance From Customers	30.54	21.23
6	Dividend Proposed	42.59	–
	Total	242.83	107.62

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 10 Short Term Provisions (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Provision for Excise Duty on Finished Goods	39.49	41.02
2	Provision for Taxation*	52.02	58.19
	Total	91.51	99.21

Provision for taxation includes dividend distribution tax

Note : 11 FIXED ASSETS AS ON March 31, 2012 (₹ in million)

DESCRIPTION	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2011	ADDITION DURING THE PERIOD	SALES DURING THE PERIOD	AS AT 31.03.2012	UPTO 31.03.2012	FOR THE PERIOD	ADJUSTED DURING THE PERIOD	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
A. FIXED ASSETS											
Land	–	39.25	–	–	39.25	–	–	–	–	39.25	39.25
Building	3.34%	217.64	21.05	–	238.69	14.29	7.59	–	21.88	216.81	203.35
Plant & Machinery	4.75%	857.35	235.41	4.46	1,088.30	84.73	45.64	0.15	130.22	958.08	772.62
Office Equipment	4.75%	3.01	0.71	–	3.72	0.81	0.15	–	0.96	2.76	2.20
Vehicle	9.50%	25.22	3.42	–	28.64	9.71	1.33	–	11.04	17.60	15.53
Furniture & Fixture	6.33%	1.18	0.31	–	1.49	0.08	0.08	–	0.16	1.33	1.10
Computer	16.21%	4.70	1.44	–	6.14	2.10	0.84	–	2.94	3.20	2.60
Zinc (46.142 M.T.)	–	2.13	–	–	2.13	–	–	–	–	2.13	2.13
SUB TOTAL (A)		1,150.48	262.34	4.46	1,408.36	111.72	55.63	0.15	167.20	1,241.16	1,038.78
B. WORK-IN-PROGRESS											
WIP (Building)		46.39	85.53	–	131.92	–	–	–	–	131.92	46.39
WIP (Plant & Machinery)		53.88	139.01	–	192.89	–	–	–	–	192.89	53.88
WIP (Office Equipment)		8.73	1.63	–	10.36	–	–	–	–	10.36	8.73
WIP (Furniture & Fixtures)		3.89	0.11	–	4.00	–	–	–	–	4.00	3.89
SUB TOTAL (B)		**112.89**	**226.28**	**–**	**339.17**	**–**	**–**	**–**	**–**	**339.17**	**112.89**
Current Year Figure (A + B)		1,263.37	488.62	4.46	1,747.53	111.72	55.63	0.15	167.20	1,580.33	1,151.67
Previous Year Figure		899.70	710.08	346.39	1,263.37	69.18	42.69	0.14	111.72	1,151.67	899.70

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 12 Non-Current Investment

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
	Quoted		
1	Investment in Equity Shares		
	-NIL Equity Shares of Sharp Industries Ltd.	-	22.63
	(Previous year 3,00,000 Equity Shares)		
2	Investment in Mutual Funds		
	(i) Union KBC Tax Saver	0.50	-
	Unquoted		
	Other than Trade at cost less provision (Unquoted)		
1	Investment in Equity Shares :		
	-In Subsidiary Companies		
	(i) 27,11,100 Equity shares of Apollo Metalex Pvt. Ltd. of ₹ 10/- each fully paid up	72.11	72.11
	(ii) 58,95,000 Equity shares of Shri Lakshmi Metal Udyog Ltd. of ₹ 10/- each fully paid up	362.99	362.99
	(iii) 2,00,00,000 Equity shares of Lloyds Line Pipes Ltd. of ₹ 10/- each fully paid up	332.50	332.50
	Total	768.10	790.23
	Aggregate book value of unquoted Investments	767.60	767.60
	Aggregate book value of quoted Investments	0.50	22.63
	Market Value of quoted Investments	0.56	9.73
	Aggregate provision for diminuiton in value of Investments	-	-

Additional Information:

Out of 58,95,000 Equity Shares of Shri Laksmi Metal Udyog Limited, 53,95,000 Equity Shares were aquired in a non-cash deal, wherein 17,98,333 Equity shares of ₹ 10/- each of APL Apollo Tubes Limited were issued to earstwhile shareholders of Shree Laxmi Metal Udyog Limited [swap ratio 1 [One] of APL Apollo Tubes Limited for every 3 [Three] shares of Shri Lakshmi Metal udyog Limited] on April 28, 2008 for aquiring their 100% shareholding. Agreegate amount for acquiring for these shares was ₹ 283.99 Million calculated in accordance with SEBI Guidelines

Note : 13 Long term Loans & Advances

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Capital Advances		
	Unsecured, Considered Good	125.15	142.93
2	Security Deposit		
	Unsecured, Considered Good	162.99	162.41
3	Loans & Advances to related parties	250.00	70.00
4	Other Loans & Advances	1.62	-
	Total	539.76	375.34

Note : 14 Inventories

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Raw Material	364.31	310.11
2	Finished Goods	517.01	624.99
3	Stores & Spares	32.17	9.14
4	Rejection & Scrap	16.46	27.97
	Total	929.95	972.21

The closing stock of finished goods and scrap has been valued inclusive of Excise Duty amounting to ₹ 39.48 Million (Previous Year ₹ 41.01 Million) as per ASI-14 (Revised) issued by the Institute of Chartered Accountants of India.

For Mode of Valuation, refer Point No. 5 of Significant Accounting Policies.

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 15 Trade Recievables

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Outstanding for more than six months from the date they were due for payment		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	15.23	14.78
	c) Doubtful		
2	Others from the date they were due for payment		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	1,383.68	792.00
	c) Doubtful		
	Total	1,398.91	806.78

Note : 16 Cash & Cash Equivalent

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Cash and Cash Equivalents		
	Cash Balance	2.81	6.39
	Bank Balance	11.14	5.60
	Sub Total (A)	13.95	11.99
2	Other Bank Balances		
	In margin money with maturity more than 3 months but less than 12 months at inception	16.74	140.46
	Accrued Interest on FDR's & Securities	0.78	30.95
	Sub Total (B)	17.52	171.41
	Total (A + B)	31.47	183.40

Note : 17 Short Terms Loans and Advances

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Loans & Advances from related parties		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Suppliers/Others	50.70	27.15
	Security Deposits -	-	-
	Prepaid Expenses	9.46	10.72
	Advance Payment with Revenue Authorities (Indirect Taxes)	109.37	96.09
	MAT Credit Entitlement	21.22	12.81
	Total	190.75	146.77

Note : 18 Other Current Assets

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Claim Receivable	91.84	123.48
2	Brand Image Expenses	5.60	6.44
	Total	97.44	129.92

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 19 Revenue from Operations (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Sales Domestic	11,432.68	6,070.82
2	Sales Export	273.09	333.78
3	Job Work	8.98	10.62
4	Export Incentive	11.34	18.55
	Total	11,726.09	6,433.77

	Detail of Sale of Products :	Current Year	Previous Year
	Manufactured Goods :		
1	Black pipe	5,534.69	3,571.90
2	GI Pipe	2,191.21	1,529.67
3	GP Pipes	1,623.05	577.71
4	GP Coil	-	12.34
5	Others	215.88	131.97
	Trading Goods :		
1	Black Pipe	572.23	101.11
2	GI Tubes	679.70	42.36
3	GP Coil	553.38	-
4	HR Coil	335.62	437.55
	Total	11,705.76	6,404.61

Note : 20 Other Income (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Misc Income	2.66	1.02
2	Interest Income	3.77	16.77
	Total	6.43	17.79

Note : 21 Cost of Material Consumed (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
	Opening Stock	310.11	190.62
	Add: Purchases	7,509.18	4,546.14
	Less: Closing Stock	364.31	310.11
	Total	7,454.98	4,426.65

	Detail of Raw Material Consumed	Current Year	Previous Year
1	Black pipe	100.00	149.27
2	HR Coil	5,992.87	3,686.64
3	GP Coil	1,073.54	299.68
4	Zinc	152.87	168.71
5	Others	135.70	122.35
	Total	7,454.98	4,426.65

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 22 Purchase of Stock in Trade (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Black Pipe	518.80	91.67
2	GI Tubes	616.23	38.41
3	Coils & Others	805.08	443.27
	Total	1,940.11	573.35

All the above raw material consumed includes indigenous materials consumed. There is no imported material consumed during the year.

Note : 23 Change in Inventories (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Opening Stock (Net of Excise Duty)		
	Finished Goods	535.24	348.18
	Scrap	8.42	12.00
	Total-1	543.66	360.18
2	Closing Stock (Net of Excise Duty)		
	Finished Goods	477.90	535.24
	Scrap	14.79	8.42
	Total-2	492.69	543.66
	Total (1-2)	50.97	(183.48)

Note : 24 Employement Benefit Expenses (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Salaries, Wages,Bonus etc.	71.25	56.15
2	Contribution to Provident and other Funds	8.23	3.94
3	Staff Welfare Expenses	2.87	1.54
	Total	82.35	61.63

Note :25 Financial Cost (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Interest on Working Capital Facility	196.50	124.19
2	Borrowing Cost	35.79	23.40
3	Net Loss on Foreign Currency Fluctuation	0.04	10.86
	Total	232.33	158.45

Note : 26 Depreciation & Amortised Cost (₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	55.47	42.69
2	Brand Image Expenses	7.00	4.46
	Total	62.47	47.15

Notes to Financial Statements as at & for the period ended March 31, 2012

Note : 27 Other Expenses

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
	Manufacturing Expenses		
1	Job Work Charges	12.42	14.39
2	Freight & Cartrage Inward	19.59	68.49
3	Insurance	0.05	0.05
4	Factory Electricity Expenses	56.34	42.79
5	Consumable Store	45.94	30.11
6	Factory Rent	1.48	1.34
7	Factory Maintenance	3.95	0.88
8	Repair & Maitenance:-		
	- Building	0.09	0.03
	- Plant & Machinery	3.19	3.97
	- Others	0.13	0.03
9	Generator Running Expenses	36.51	21.88
10	Furnace Oil	26.36	21.77
	Administrative Expenses		
1	Rent	8.67	4.51
2	Printing & Stationery	1.65	1.86
3	Postage & Telephone	3.65	3.12
4	Charity & Donation	0.89	0.02
5	Vehicle Running Expenses	2.59	1.81
6	Fees & Taxes	2.49	4.74
7	Travelling Expenses:		
	Director	4.92	3.77
	Others	5.51	5.93
8	Legal & Professional Charges	3.08	3.43
9	Miscellaneous Expenses	11.38	4.29
10	Auditor's Remuneration	1.00	1.00
11	Insurance	0.28	0.24
12	Office Electricity Expenses	0.61	0.92
13	Office Maintenance Expenses	2.20	-
	Selling & Distrubution Expenses		
1	Advertisement Expenses	2.34	4.10
2	Commission & Discount	89.17	47.41
3	Freight Outward	243.89	154.98
4	Insurance	0.05	0.08
5	Sales Promotion	1.54	1.31
6	Additional Sales Tax	0.05	0.54
	Total	592.01	449.79

Note No. 28 : Exceptional Item

During the year the Company has sold investment in Sharp Industries Ltd. amounting to ₹ 18.53 Millions consequently, there is loss on sale of non-current investments of ₹ 4.10 Millions.

Note No. 29 : Contingent Liability

Contingent liability not provided for in respect of;

(₹ in million)

Sr. No	Particulars	Current Year	Previous Year
1.	Counter guarantee to Union Bank of India for performance guarantee given to various departments	3.52	53.92
2.	Corporate Guarantee(s) have been given for securing working capital facilities and term loan sanctioned to its wholly owned subsidiary companies.		

Notes to Financial Statements as at & for the period ended March 31, 2012

Note No. 30 : Employee Benefits

Long Term Employee Benefits

The following table sets forth the status of the Gratuity Plan of the company, and the amounts recognized in the balance sheet and statement of profit and loss account. The liability for Gratuity as at March 31, 2012 have been actuarially determined and provided for in the accounts.

(₹ in million)

Particulars	Current Year	Previous Year
Changes in the present value of defined benefit obligation		
Present benefit obligation at the beginning of year	2.85	2.06
Current service cost	0.94	0.62
Interest cost	0.24	0.17
Past service cost	NIL	0.02
Actuarial gain/(loss)	0.58	0.71
Benefits paid	0.40	(0.73)
Projected benefit obligation at the end of the year	**4.21**	**2.85**
Changes in the fair value of plan assets	-	
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-
Amount recognized in the balance sheet		
Projected benefit obligation at the end of the year	4.21	2.85
Fair value of plan assets at the end of the year		-
Funded status of the plans-asset/(liability)-Liability recognized in the balance sheet	(4.21)	(2.85)
Gratuity cost for the year		
Current service cost	0.94	0.62
Interest Cost	0.24	0.17
Past service cost	-	0.02
Expected return on plan assets	-	
Net actuarial gain/(loss) recognized in the year	0.58	0.71
Net Gratuity cost	**1.76**	**1.51**
Assumptions		
Discount rate	8.50	8.00
Expected rate of return on plan assets		-
Long term rate of compensation increase	6.00	5.50

Note No. 31 : Disclosure regarding computation of EPS in accordance with AS-20.

(₹in million except EPS and no. of shares)

	Particulars	Current Year	Previous Year
A.	**Basic EPS**		
	Profit After Tax As per P&L A/c	287.54	253.80
	Weighted Avg. Number of Equity Share	20,345,863	20,296,683
	Basic EPS	14.13	12.50
B.	**Diluted EPS**		
	Profit After Tax As per P&L A/c	287.54	253.80
	Diluted Number of Equity Shares o/s	23,438,636	21,938,636
	Diluted EPS	12.27	11.57
C.	**Computation of Diluted Number of Equity Shares**		
	1. Weighted average number of equity shares outstanding during the year	21,296,683	20,296,683
	2. Average fair value of one equity share during the year	10	10
	3. Weighted average number of share warrant outstanding during the year	2,141,983	1,641,953
	4. Warrants were issued entitling the holders to subscribe for one equity share having nominal value ₹ 10 for every warrant issued.	10	10
	5. Total Diluted Equity Shares (1+3)	23,438,636	21,938,636

Notes to Financial Statements as at & for the period ended March 31, 2012

Note No. 32: Segment Reporting

The Company has only one segment i.e. manufacturing of Steel tubes and pipes, therefore segment reporting as required under Accounting Standard –17 is considered as not applicable.

Note No. 33 : Brand building

During the Year the Company incurred an expenditure of ₹ 14.85 Millions (Previous Year ₹ 13.64 Millions) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortized in 5 years equally.

Note No. 34 : MAT Credit Entitlement

Provision for Income Tax for the current year has been computed based on Minimum Alternate Tax in accordance with Section 115JB of the Income Tax Act, 1961. Taking into consideration the future profitability and the taxable position in the subsequent years, the Company has recognized MAT Credit Entitlement to the extent of ₹ 21.21 Millions (Previous Year ₹ 12.49 Millions) in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.

Note No. 35 : Related Party Disclosures (AS-18)

a) Name of the related parties and description of relationships;

Related Parties with whom transaction have taken place duri balances outstanding as on the last day of the year;

Name of related parties where control exists irrespective of whether transactions have occurred or not	
Wholly Owned Subsidiary companies	Apollo Metalex (P) Ltd.
	Shri Lakshmi Metal Udyog Ltd.
	Lloyds Line Pipes Limited
Name of other related parties with whom transactions have taken place during the year	
Associates	Apollo Pipes Ltd.
	V. S. Exim (P) Ltd.
	APL Infrastructure (P) Ltd.
Key Management Personnel	Mr. Sanjay Gupta (Chairman)
Relatives of Key Management Personnel	Mrs. Saroj Rani Gupta (Mother of Shri. Sanjay Gupta)
	Mrs. Neera Gupta (Wife of Shri. Sanjay Gupta)

b) Detail of Related Party Transactions (₹ *in million*)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
Sales of Goods / Job Work/Machinery	464.89	3.81	–	–	**468.70**
Purchase of Goods / Job Work/Machinery	1508.49	5.99	–	–	**1514.48**
Transfer of DEPB	–	9.14	–	–	**9.14**
Director's Remuneration Paid	–	–	2.40	–	**2.40**
Office/Vehicle/Factory					
rent Paid	–	2.28	–	2.84	**5.12**
Funds Received	352.39	–	–	–	**352.39**
Funds Given	320.34	–	–	–	**320.34**

Notes to Financial Statements as at & for the period ended March 31, 2012

c) Amount due to /from Related Parties as at March 31, 2012 (₹ *in million*)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
Amount due to Related Parties	–	–	–	0.01	0.01
Amount due from Related Parties	250.00	1.11	–	–	251.11

(₹ *in million*)

	2012	2011
Note No. 36: Value of Import	34.01	69.18
Note No. 37 : Value of Export (CIF)	273.09	333.80
Note No. 38 : Expenditure in foreign Currency	33.89	59.65

Note No. 39 : The outstanding balance of Debtors/Creditors in the books of the company is subject to confirmation.

Note No. 40 : Auditors Remuneration (excluding Service Tax) (₹ *in million*)

		2012	2011
i)	Statutory Audit Fee	0.75	0.75
ii)	Taxation matters	0.15	0.15
iii)	Other Services	0.10	0.10
	Total	**1.00**	**1.00**

Note No. 41 : Break up of Managerial Remuneration

(₹ *in million*)

	2012	2011
i) Salaries	2.40	2.40
ii) Contribution to Provident Fund	–	–
iii) Other Perquisites	–	–
iv) Commission	–	–
Total	**2.40**	**2.40**

Note No. 42 : Break up of Directors Traveling Expenses: (₹ *in million*)

		2012	2011
i)	Foreign Travelling	2.13	1.86
ii)	Inland Travelling	2.78	1.69

Note No. 43: The Company could not identify whether any of its creditors is SSI undertaking and Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Particulars of amount as at March 31, 2012, if any, due to such undertaking could, therefore, not to be disclosed.

Note No. 44 : Amounts except number of shares and earnings per share are rounded off to the nearest multiple of ten thousand.

Note No. 45 : The figures of previous year have been regrouped/rearranged wherever considered necessary.

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

for and on behalf of the board

(P.K. Jain)
Partner
Membership Number : 082515

Sanjay Gupta
Chairman

Vinay Gupta
Director

Place : New Delhi
Dated : September 3, 2012

Pankaj K. Gupta
GM-Finance & Accounts

Ashok K. Gupta
Managing Director

Adhish Swaroop
Company Secretary

“The growth and development of people is the highest calling of leadership.”

– Harvey S. Firestone

“There are no great limits to growth because there are no limits of human intelligence, imagination, and wonder.”

– Ronald Reagan

CORPORATE INFORMATION

Mr. Sanjay Gupta *Chairman*

Mr. Ashok K. Gupta *Managing Director*

Directors

Mr. Vinay Gupta

Mr. Sameer Gupta

Mr. Aniq Husain

Mr. S T Gerela

Mr. C S Johri

GM (Finance & Accounts)

Mr. Pankaj K Gupta

Company Secretary

Mr. Adhish Swaroop

Registered office

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

Corporate office

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

Registrar & Share Transfer Agent

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

Auditors

VAPS & CO.
C-42, South Extension Part-II
New Delhi – 110 049

Bankers

Axis Bank Limited
HDFC Bank Limited
Union Bank of India
Yes Bank Limited

Works

Unit-I

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

Unit-II

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

Wholly-owned subsidiaries

Apollo Metalex Private Limited

A-2, Industrial Area, Sikandrabad,
Distt. Bulandshahar, (U.P.)
(with effect from June 15, 2007)

Shri Lakshmi Metal Udyog Limited

No. 9 to 11, KIADB Industrial Area
Attibele, Bengaluru – 562107
(with effect from April 28, 2008)

Lloyds Line Pipes Limited

Plot no. M-1, Additional MIDC Area
Murbad, Thane, Maharashtra – 421401
(with effect from November 11, 2010)

Warehouses-cum-branches

Ahmedabad: 208-Block, Swadeshi Industries Compound, , Sarkhej, Ahmedabad (Gujarat)

Bengaluru: 77-Re Sy No.77/1, Sy No.76, Hommadevanahalli Village, B.G.Road, Bangluru South (Karnataka)

Cochin: B O :33/2361-B1(A) Chalikavattom Near IDBI Bank Vyttila Bye-Pass Ernakulam, Kochi (Kerala)

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

Ghaziabad: 103, Prakash Industrial Estate, Ghaziabad (UP)

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

Hyderabad: 154, Doolapally, Qutubullapur, Mandal, Rangareddy, Hyderabad (Andhra Pradesh)

Jaipur: Sikar Road, Rajawas, Near Bus Stand, Jaipur, Rajasthan

Kanpur: 128/69, 'D' Block, Kidwai Nagar, Kanpur (UP)

Ludhiana: 41, Village-Khakat,G.T.Road Sahnewal, Ludhiana, Punjab

Mumbai: Kwc-1694 To 1698 Road No.21 & 22, Steel Market, Kalamboli, Navi Mumbai, (Maharastra)

Nagpur: 895, Plot No.15 & 24Near Avatar Dhaba, Amravati Road, Wardhman, Nagpur (Maharastra)

Pune: Handewadi Road, Village Devachi & Uruli, Pune (Maharastra)

Raipur: Ring Road No.2, Hirapur Sandogri Lohabazar, Plot No.C-19, Raipur (Chattisgarh)

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

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain 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, future events or otherwise.

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info@trisyscom.com