"IMPOSSIBLE"

APL APOLLO TUBES LIMITED | ANNUAL REPORT 2010-11

APL Apollo Tubes Limited
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www.aplapollo.com

The one word we like to hear at APL Apollo Tubes Limited is **"IMPOSSIBLE."**

Because it stokes our sense of pride and provokes our sense of self-worth.

So when people said that we had grown too fast and were ready for consolidation in a challenging 2010-11, we ... you guessed it. We worked harder.

The result: We reported a growth in revenues by 47.93% and in net profit by 44.74% instead.

Because at APL Apollo Tubes...

IMPOSSIBLE IS NOTHING.

ACROSS THE PAGES

APL Apollo Tubes is the only Indian player manufacturing steel tubes, pipes and hollow sections, across multi-location manufacturing facilities, supported by a nationwide dealer and own distribution network.

The Company intends to double production capacity and emerge as an industry leader.

Leaders

Pioneered pre-galvanised tubes manufacture in India. Produces over 300 varieties of ERW steel tubes ranging from 0.5"to 14" (outer diameter) comprising ERW black, hot-dipped galvanised, pre-galvanised tubes and hollow sections.

Expansive

Manufacturing facilities strategically located in North, South and West India. A pan-India dealer network distributes products efficiently, supported by 10 warehouse-cum-branches.

Customers

Prominent Indian engineering, automobile, refinery, construction and infrastructure companies, namely – Engineers India Limited, Mecon, BPCL, L&T, Metro Railway, Simplex Infra, Suzlon, Gammon India, Afcons, Firepro, Ashok Leyland, Tata Marco Polo, AGCL, BHEL, Gujarat Gas, Mundra SEZ, IRCON and Airports Authority of India, among others.

Listing

Listed entity with a market capitalisation of ₹ 30,000 lacs.

Certifications

ISO 9001:2008
Integrated Management System

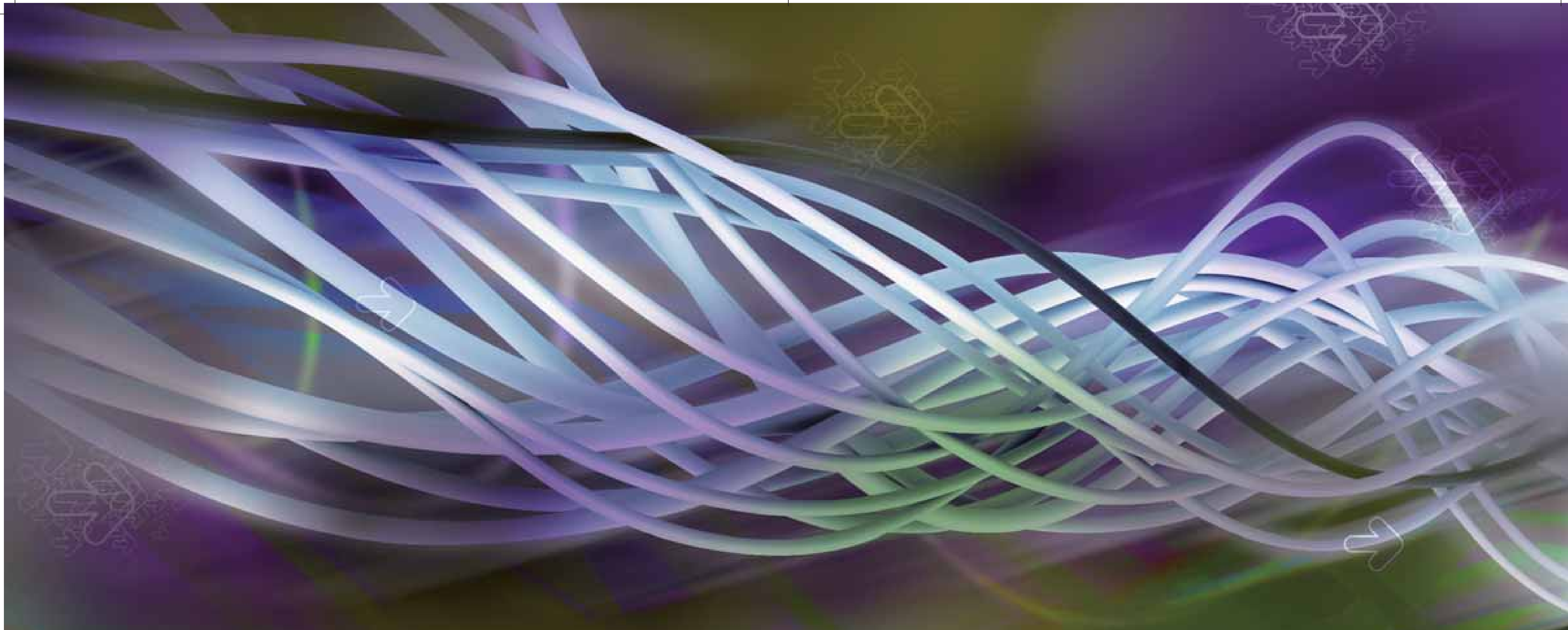
ISO 14001:2004
Environment Management Systems

OHSAS 18001:2007
Health & Safety Management Systems

Products:

- IS 1239 – Water and gas application
- IS 1161 – Structural application
- IS 3601 – General engineering
- IS 3589 – Water, gas and sewerage
- IS 4270 – Water wells and casing pipes
- IS 4923 – Structural tubes for infrastructure
- IS 9295 – Idlers for conveyors

The Company possesses prestigious accreditations like Underwriter Laboratories, CE and SGS France; it is a recognised Export House. Its products are endorsed by Bureau of Indian Standards and British Standards.



When we were a 0.05 mn TPA company after two decades of existence and drew out a blueprint to become the country's largest manufacturer with a 0.5 mn TPA capacity in just five years, the industry hissed...

"IMPOSSIBLE."

At the outset, APL Apollo Tubes established a credible rationale for aggressive expansion.

One, the country would grow faster than before.

Two, the country's economy would need a larger proportion of premium tubes, pipes and hollow sections.

Three, the country's infrastructure would emerge as a larger proportion of the overall economy.

Four, new applications like fire-fighting, city gas grid, metro network and public transport systems would catapult demand.

The result: We grew our capacity ten-fold in five years, growing faster than our sectoral average and projected to produce 75% of this capacity in 2011-12.

When we created a medium-term budget with a margin estimation higher than the industry average, most advisors laughed away our intent with one word...

"IMPOSSIBLE."

At APL Apollo Tubes Limited, a few years ago we created a meticulous plan to reconcile volume and value into our business model.

One, we would invest in cutting-edge technology for ensuring efficiency in operations.

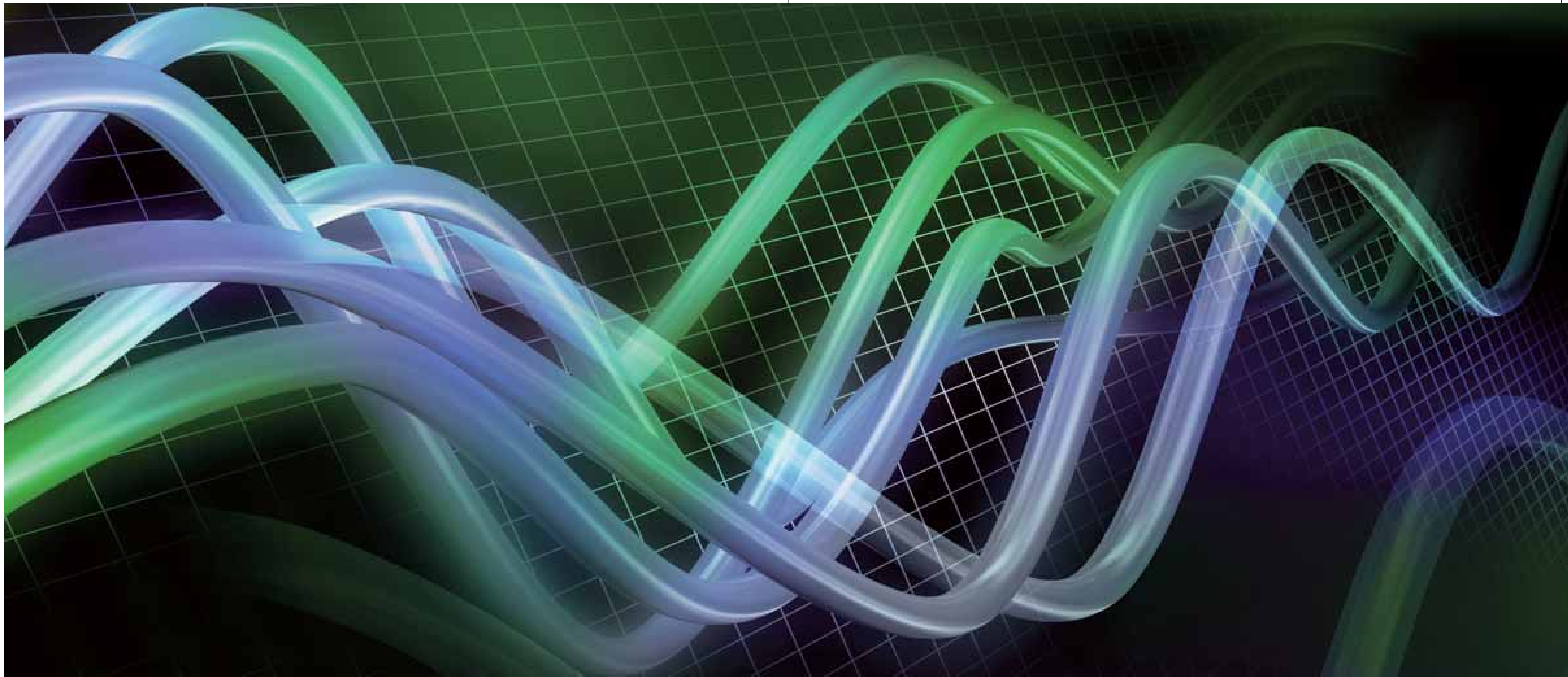
Two, we would commission a large capacity to reap economies of scale.

Three, we would create better niche products that would enhance realisations.

Four, we would negotiate aggressively for volume-based raw material discounts.

Five, we would market our products through our own distribution network to extend our value chain and generate superior realisations.

The result is that in an environment where growing competition thinned the margins of most industrial products, APL Apollo Tubes protected its EBIDTA margin at around 9.5%, higher than its industry average.



When we indicated our intention to expand our manufacturing presence from one zone in India to multiple zones – something that had never been conceived in our industry – the first thing that the trade dismissively said was...

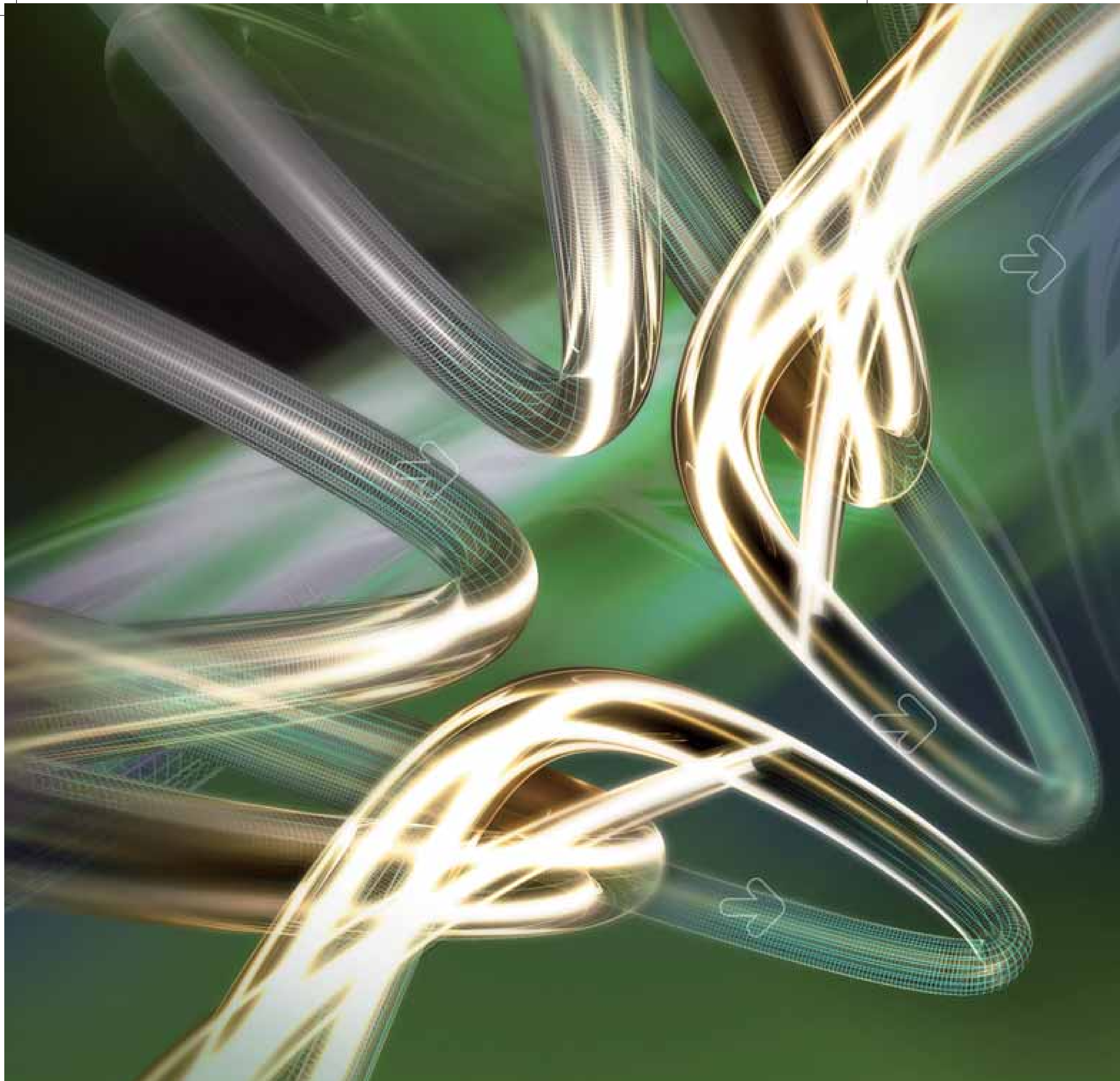
"IMPOSSIBLE."

At APL Apollo Tubes Limited, we embarked on a daring plan to rewrite an unwritten mindset a few years ago. A manufacturer generally had manufacturing facilities in one region and marketed material from this chosen region only. As a result, the industry was fragmented across small regional companies.

APL Apollo Tubes countered this convention. The Company emerged from its 22-year presence in North India to spread its footprint across South and West India through acquisitions and expansions.

The result is that what was a complete North Indian presence until a few years ago is now 50% in South India and 19% in West India.

What was a regional company is now a pan-India organisation .



In a volume-driven business, when we decided to customise our end-products with selective capex, the first thing that our industry observers, looking at potential returns, said was...

“IMPOSSIBLE.”

At APL Apollo Tubes Limited, we thought differently.

In our business, the conventional response was to manufacture products in large volumes while leaving customisation to downstream processors.

This had a number of limitations: Delays in product delivery and inconsistency in quality and precision.

APL Apollo Tubes made a daring extension. Latest technology from Kusakabe, Japan, is installed at all manufacturing plants to ensure efficient operations, better capacity utilisation and higher yield. The Company is now implementing the rotary sizing mill (RSM) technology for the first time in India which will serve two benefits: While customers will receive finished products with higher quality, precision and delivery speed, the Company will be able to capture a larger slice of the value chain. Also, the use of RSM technology will lead to ovality reduction, ensuring product uniformity.

Our ability to provide customised products helps us to retain customers at one end and strengthen profitability at the other.

In a volume-driven business, when we first indicated that we could innovate our way out of the commoditisation trap, a number of analysts passed their judgement with one word...

"IMPOSSIBLE."

At APL Apollo Tubes Limited, we felt that the quickest growth was through a combination of volume and value.

This counter to the conventional mindset where companies in our business generally stayed within their product segment, preferring to grow scale or range.

APL Apollo Tubes is contemplating something unprecedented: We are graduating from conventional tubes and pipes to an entirely new segment of sophisticated hollow sections and seamless equivalent low diameter high thickness tubes. This cutting-edge product finds use in various industrial applications customised around client requirements and applications.

Over time, this extension will widen revenues and deepen the Company's presence in adjacent business spaces.

In our industry, material is usually sold business-to-business. When we made a daring suggestion that we would also market material to consumers, the trade sat up and announced...

"IMPOSSIBLE."

At APL Apollo Tubes Limited, we went against industry wisdom.

We achieved the untried – an alternative own distribution network (in addition to the existing dealer-distributor network) that linked the Company to end-users.

This decision proved to be business-strengthening: The Company enjoys a first-hand experience of end-user preferences, enabling it to customise products accordingly, reduce its dependence on business-to-business sales and spread marketing risk across a wider consumer spread.

The Company has reconciled good volumes and margins, while increasing the number of its warehouse-cum-branches from five to ten.

At APL Apollo Tubes, we intend to double our production capacity and emerge as a $ 1 billion revenue company by 2015. Heads have begun to shake again...

At APL Apollo Tubes Limited, even as a number of well-meaning advisors suggest that it would be a good idea to consolidate or make only incremental capacity increases through de-bottlenecking, we are readying for the big leap – doubling our production capacity to 1 million TPA by 2015 – for some good reasons.

One, we believe that the government's decision to almost double infrastructure spending to US$ one trillion in the Twelfth Plan will lead to an unprecedented growth in the demand for our products.

Two, the Company proactively created its own distribution network to market the additional production across a wider regional spread.

Three, the Company widened its product range to service relatively underexplored niches that can be gradually scaled to maturity.

So the big message at our Company is… our growth story has only just begun.

Dear Shareholders,

Overview of the Company's performance in 2010-11.

The Company's performance in 2010-11was creditable for two reasons (short and long-term). From a short-term perspective, we reported a 47.93% growth in revenues and a 46.23% increase in cash profit.

From a long-term perspective, we strengthened our business model through acquisitions, expansion, retail penetration and value-addition. This urgency to engage in multi-directional improvement was on account of a large emerging opportunity for our products and driven by the urgency to emerge as a million tonne pipes and tubes company by 2015.

Investing in making this growth a reality.

What we would like to impress upon our shareholders is that during the last few years, we made some cash infusions to create a foundation that will enable us to fast-track our growth. As a result, we grew our capacity from 0.05 mn TPA to 0.5 mn TPA. This marks the beginning of the second phase of our growth whereby we invested adequately in our production capacities to grow 50% for the next two years and emerge with projected revenues of US$ half billion by 2012-13. That will mark the commissioning of the third phase following which we will scale to projected revenues of a billion dollars by 2015. This means that what we achieved so far, we now intend to multiply five-fold in the next five years.

"What we achieved so far, we now intend to multiply five-fold in the next five years."

Mr. Sanjay Gupta, *Chairman-cum-Managing Director*

The national context to make this a reality.

India is where China was a decade ago. As India continues to remain the second-fastest growing economy in the world, incomes will rise. It has been our experience that tubes and specialised pipes represent one of the most visible proxies of any growth economy. This means that for an opportunity-focused manufacturer like us this represents room to raise volumes without compromising margins, leading to an opportunity to use the available surplus for onward reinvestment. As a result, the emerging opportunity in India represents exciting headroom for robust sustainable growth.

The link between India's infrastructure and our business.

We are at the moment in our country's growth where a number of developed countries were a few decades ago. As we proceed, the country expects to make an unprecedented investment in its infrastructure.

Take two instances – airport and urban metro connectivity. There is a growing consensus that for a country as large as India with a growing need for people to commute from one national point to another, there is a large need not just for better airports to replace the ones that exist but also a need for some to be commissioned where none exist. This is already happening: India is expected to expand its existing 85 airports to 400 in 10 years, widening the demand for products manufactured by APL Apollo Tubes. With Delhi and Mumbai emerging among the top ten cities in the world, and with 19 mega cities in India with populations in excess of 10 million, only three (including Bengaluru that will be shortly commissioned) enjoy metro connectivity. This scenario will soon change. As India urbanises, there will be a larger pressure to evacuate commuters with speed from in-city locations. The metro is emerging as a preferred transportation medium on account of its elevation above the road level or beneath the surface, congestion freedom, predictable service frequency, speed of commute and relative travel convenience.

Apart from the above two industry sectors, the specialised niche of tubes and pipes manufactured by us gives us a sunrise opportunity

The Company's response to this emerging opportunity.

Our Company recognised a growing need to service the large and varied demand with speed. The legacy approach was to service this demand from a centralised point; with a number of clients requiring quicker delivery, our Company extended manufacturing presence to western India through the acquisition of Lloyds Line Pipes Ltd in Murbad, Maharashtra in 2010-11. Besides, the Hosur plant (200,000 MTPA) became fully operational during the last financial year, enabling us to market our products wider and deeper. The result is that we were a one-factory company until 2006-07; we now have five manufacturing locations in four states.

The rationale for geographic expansion.

Let us take the Hosur plant. Only 8% of the country's tube manufacturing capacity is based in South India with fragmented capacities across manufacturers. Much of the region's demand is addressed through imports from the other zones of the country. Inevitably, these imports are costlier by 9-12% on account of higher freight and intermediary margins. We strengthened our positioning during the last financial year through a stable 80% capacity utilisation within the first quarter of commissioning of the Hosur plant accompanied by a yield factor of ~98% and high quality that translated into large repeat orders.

The rationale behind the acquisition of Lloyd Line Pipes Limited.

The acquisition of Lloyds Line Pipes Ltd (90,000 TPA) will enhance our presence in western India (we were already present in the region via a warehouse-cum-branch at Pune addressing a ready market of 2,200 MTPA per month) and strengthen our export prospects in excess of the prevailing 35 countries. The acquisition enabled us access to ready-to-use manufacturing facilities and a new market. The plant will reinforce our capabilities comprising API-certified products up to 14" tubes. Besides, the acquisition offers customer franchise, product development capability, consolidation, bidding coordination and financial synergies.

The Company reinforced its competitive advantage through the following initiatives:

- Investment in new technologies leading to the production of innovative products.
- Strengthened its distribution network through the addition of five warehouse-cum-branches in key cities with plans to extend to Tier-II and III cities, rationalising freight, transit time and working capital cycle.
- New technologies like rotary sizing mill (RSM) and cold sawing are being implemented and will enable to produce new high-end products in the coming years.

Enhancing shareholder value.

We are optimistic of the following initiatives: Growing our scale, strengthening our product mix, climbing the value chain, increasing the retail proportion of our sales and moving into adjacent business spaces. These initiatives will enhance our margins and profits, providing us with precious accruals for reinvestment, leading to an increased organisational value.

THE NUMBERS BEHIND OUR STORY

490000
MTPA – CUMULATIVE PRODUCTION CAPACITY

985.15
OUR 2010-11 GROSS SALES (₹ CRORE)

89.27
OUR 2010-11 EBIDTA (₹ CRORE)

43.10
OUR 2010-11 NET PROFIT (₹ CRORE)

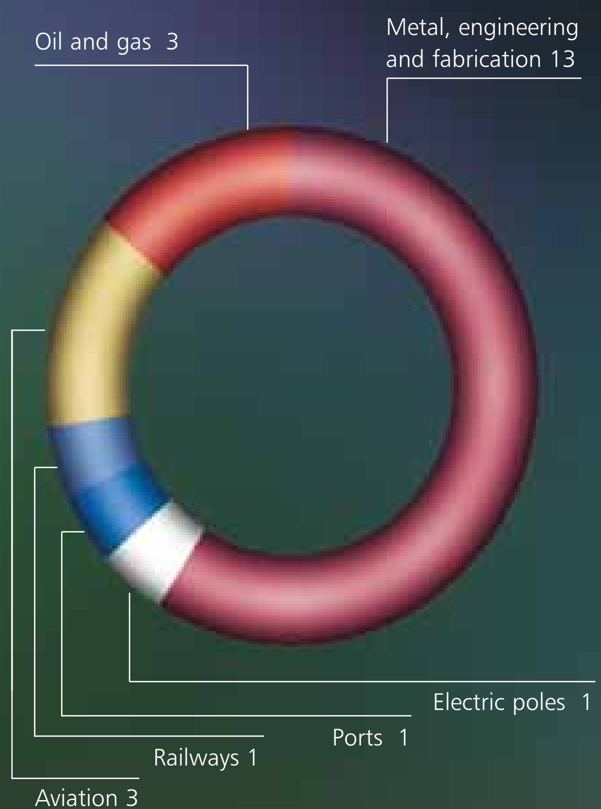
9.86
OUR 2010-11 EBIDTA MARGIN (%)

4.76
OUR 2010-11 NET PROFIT MARGIN (%)

21.32
OUR 2010-11 EPS (₹)

25
INDIAN STATES AND UNION TERRITORIES WHERE WE ARE PRESENT

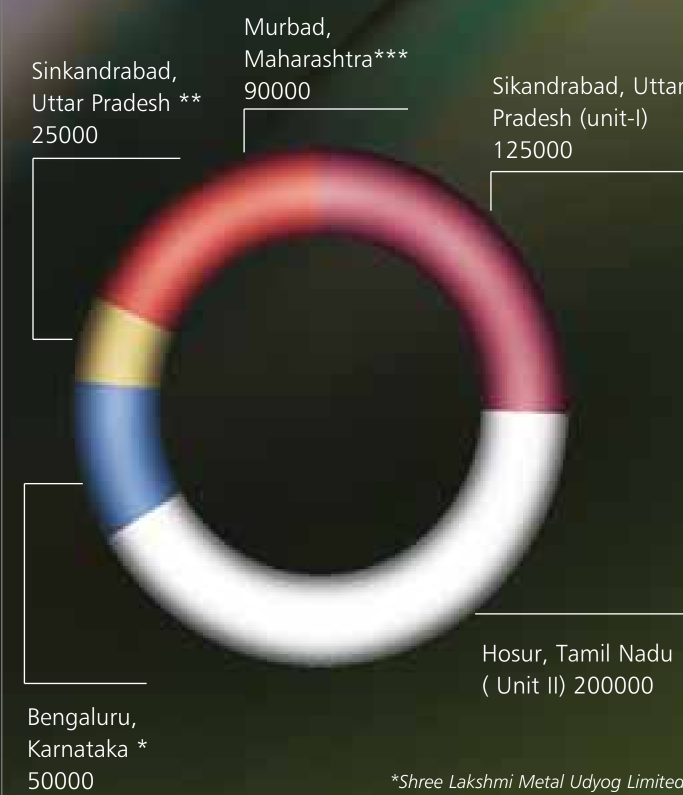
Core industries break-up in the total revenue (%)



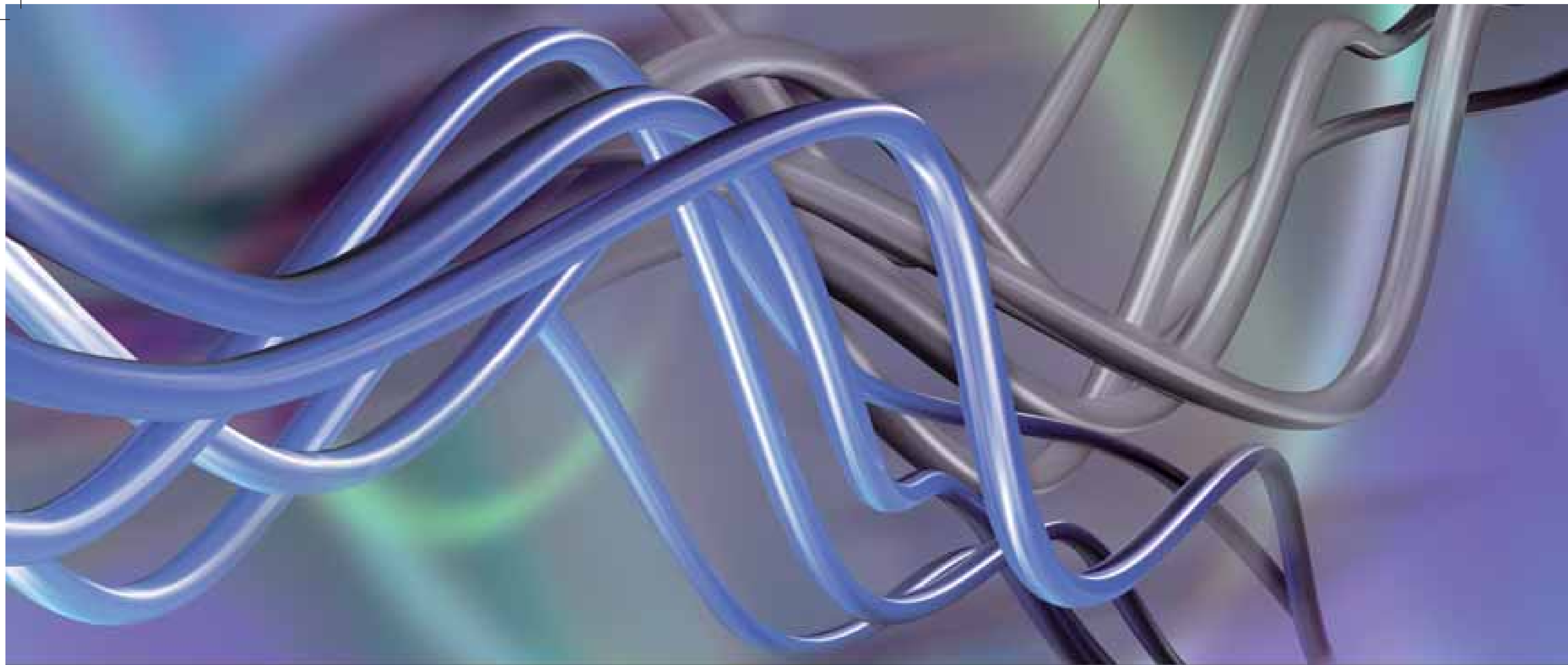
Product-wise sales break-up (%)

Ownership break-up (%)

Production capacity break-up (MTPA)



*Shree Lakshmi Metal Udyog Limited
**Apollo Metalex Pvt. Limited
*** Lloyds Line Pipes Limited

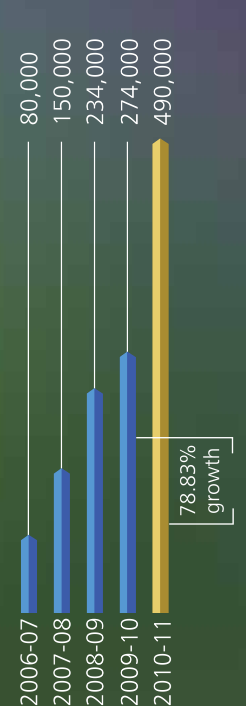


OUR MISSION

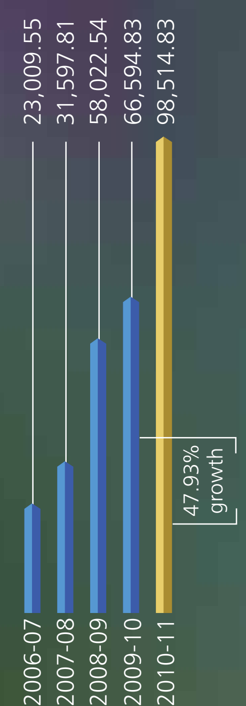
- To satisfy customer requirements by timely supplying high-quality products at affordable rates
- To create sustainable value for all stakeholders
- To involve all employees in our overall development
- To emerge as a 'one-stop' shop for the entire spectrum of steel tube end-users to attain a paramount market position for distinguished products

ATTRACTIVE PAST, EXCITING FUTURE.

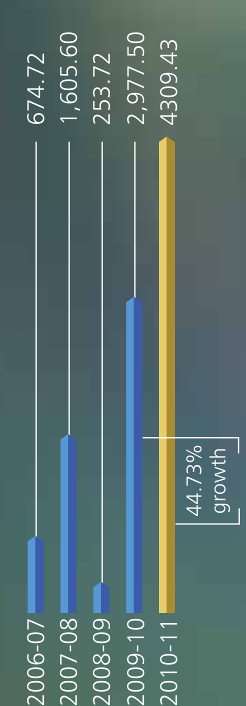
Installed capacities
(MTPA)



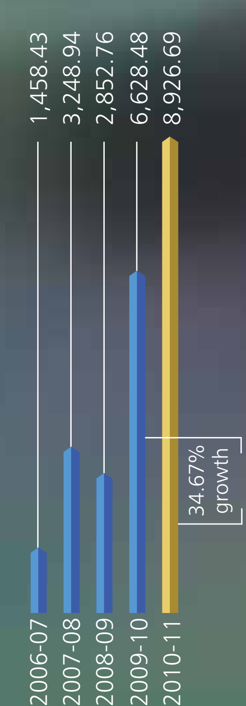
Gross Sales
(₹ lacs)



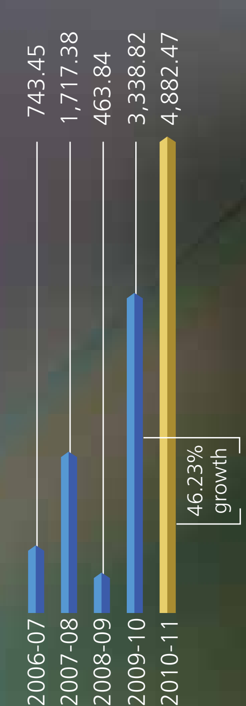
Post tax profit
(₹ lacs)



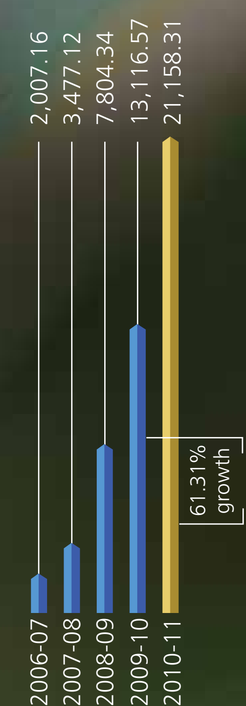
EBIDTA
(₹ lacs)



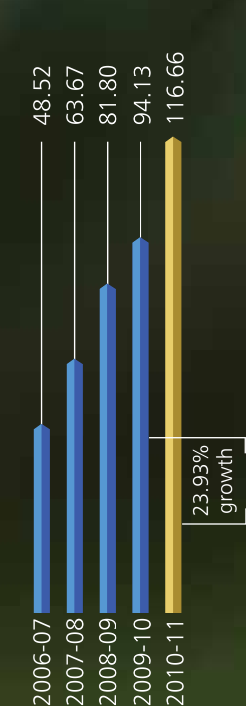
Cash profit
(₹ lacs)



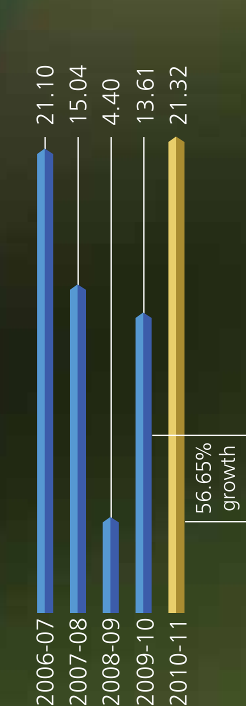
Gross block
(₹ lacs)



Book value per share
(₹)



Earnings per share
(basic) (₹)



OUR JOURNEY...

1986
Founded by the late Mr. Sudesh Gupta as a Private Limited Company

1987
Sikandrabad facility commenced production of 6,000 MT ERW black pipes

1989
Capacity raised to 24,000 MT annually

1995
Issued IPO of ₹ 2.19 mn (₹ 10 each shares tendered at ₹ 20 premium)

2004
Installed cutting-edge technology from Kusakube (Japan) at three mills

2006
Commenced the manufacture of structural and pre-galvanised pipes

2007
Acquired Apollo Metalex Pvt. Limited (100% subsidiary) as a measure of backward integration

2008
Acquired Shri Lakshmi Metal Udyog Limited (100% subsidiary) for penetrating in South India

2009
Initiated establishment of Unit II at Hosur, Tamil Nadu and received UL, CE & SGF France certifications with other approvals

2010
Changed name to APL Apollo Tubes Limited and Acquired Lloyds Line Pipes Ltd (100% subsidiary) and extended footprint in West India

2011
Completed the Hosur project successfully and introduced RSM Technology and commissioned another sheet galvanising plant in South India

CORPORATE PILLARS

Experience
Possesses more than 25 years of rich experience within the tubes, pipes and hollow sections industry

Assets
Annual installed capacity of 490,000 MT (including subsidiaries); additional 110,000 MTPA capacity projected in West India by 2012

Integrated
Apollo Metalex and Shri Lakshmi Metal Udyog (wholly-owned subsidiaries) is integrated backwards into in-sheet galvanising

Distribution
Vibrant dealer network across India and exports to 35 countries

Quality
ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007-certified. Products are ISI and British Standards-compliant

Technology
Cutting-edge technology ensuring high quality, operational efficiency and cost optimisation

Range
More than 300 product types, servicing a range of core national sectors

Clients
Services prominent institutional clients and retail customers

Presence
Manufacturing facilities across North, West and South India

HOW WE MADE THE IMPOSSIBLE POSSIBLE

Invested systematically	▪ In latest technology ▪ In R&D for product development ▪ In state-of-the-art, completely synchronised plants
Grew exponentially	▪ Expanded capacities with backward integration ▪ Grew market presence ▪ Developed contemporary products catering to multiple sectors
Strengthened brand equity	▪ Manufactured customised products ▪ Serviced demanding clientele ▪ Created more warehouse-cum-branches to expand APL Apollo®
Sustained the APL Apollo spirit	▪ Maintained high standards of corporate governance ▪ Maintained organisational culture and values ▪ Maintained transparency, commitment and dedication towards customers

The Indian economy grew 8.5% in 2010-11. APL Apollo Tubes' revenues grew 47.93% in the same year.

Product analysis

HOLLOW SECTIONS

Hollow sections represent the fastest-growing segment in the pipe and tube industry and have become increasingly important as a construction material in comparisn to steel beams and open formations. Hollow sections posess high tensile capacity, compressive strength, superior torsional rigidity and fire resistance, making the most complicated constructions possible. Also, the size of projects forms no limit to the application of steel hollow sections. Besides their technical advantages, hollow sections are also increasingly used because of their aesthetic characteristics. Hollow sections are used as visible construction elements in structural steel projects, contributing to the artistic impact of design.

Apart from construction, hollow sections find application in transport, mechanical, heavy engineering, mining, process engineering and agricultural sectors.

The Company sources raw material, HR coils from outstanding manufacturers, namely SAIL, JSW Steel and Ispat Industries state-of-the-art hot strip mills. It addresses a wide product range (1.60mm to 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.

The 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.

PRE-GALVANISED TUBES

Pre-galvanised tubes are made from pre-galvanised sheets. Many preventive coatings are applied either before or after tube production. To make pre-galvanised tubes and hollow sections, Apollo Metalex and Shri Lakshmi Metal Udyog (wholly-owned subsidiaries) were backward integrated with in-house sheet galvanising facilities, whereas we directly manufacture pre-galvanised sheets from HR coils. These tubes are tough and durable, yet light with controlled zinc coating and are popular for an increasing number of applications including fencing, cabling, and ducting, automotive (bus body) and greenhouse structures.

The Company pioneered the manufacture of pre-galvanised tubes in India and emerged as the only organised player of this product in India. Its state-of-the-art technology facilitates the manufacture of superior quality customised products. The product range comprises various sizes from ½ inch to 4 inches, with 19 mm to 114.3 mm outer diameter.

GALVANISED TUBES

Galvanised tubes are steel tubes that have undergone the hot dipped galvanisation process, which prevents steel from aging and rusting. These are pre-manufactured steel tubes dipped in molten zinc providing excellent corrosion resistance, where exposure to the outside element is common.

The Company manufactures galvanised tubes ranging from 21 mm to 273 mm outer diameter. This product is used in underground piping, overground piping systems, power, refineries, scaffolding, engineering structurals, scientific experiments and fire fighting systems.

MS BLACK TUBES

The Company is one of the India's largest manufacturers of MS black tubes with outer diameter ranging from 21.03 mm to 355 mm. The Company's manufacture is accredited with a number of certifications including 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.

Due to coating with oil or black lacquer base, these tubes require low maintenance and are used in boilers, fire fighting, power transmission and gas distribution systems.

New Products/Initiatives

Being innovative is an APL Apollo mantra. With an objective to enhance margins and as a measure of risk mitigation, the Company endeavours to create innovative products. In the recent past we have conceptualised entering into adjacent business spaces by undertaking horizontal integration into the manufacture of the following products:

API-certified tubes: As a strategic initiative, 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 under penetrated and organised efforts may result huge benefits. Post acquisition, the Company intends to be certified for UL and CE certifications, inter alia, enhancing export prospects.

Seamless equivalent welded tubes: Lower dia-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.

How we make the impossible a reality...

THROUGH QUALITY PRODUCTS AND R&D

At APL Apollo Tubes, our business model can be expressed in one word - ‘Quality’. The Company consistently increased investments in quality control and product testing. This enhanced quality excellence is reflected in zero rejects and repeat customers.

Performance, 2010-11

- Awarded the prestigious CE and UL certifications as well as the BIS license for Hosur and Murbad plants
- Implementing RSM technology from Kusakabe (Japan) in the Hosur plant for high-speed tube manufacture
- Incorporated the new cold sawing process to eliminate off-line processes and reinforce tubes with burr-free ends
- Received IS:9295 (idlers) certification

Agenda

- Install cold sawing across other manufacturing facilities
- Import new technologies and plants
- Develop tubes with specialised characteristics that reduce production costs and enhance productivity
- Enhance product quality

How we make the impossible a reality...

THROUGH AN ABILITY TO GET OUR PRODUCTS TO WHERE CUSTOMERS NEED THEM

The prudent dispersal of our manufacturing locations has replaced the need to transfer material across India, decreasing logistic costs and transit time to bring the Company and its customers closer and optimising operations. We are present in ten locations through our warehouse-cum-branch network. Direct access to marketplace realities provides real-time information for informed decision making, savings and provisions for continuous and contiguous back office support for dealers and end-users.

Performance, 2010-11

- Acquired manufacturing location in West India to strengthen product delivery
- Completed the greenfield project at Hosur.
- Optimised inventory cycle
- Marketed products of over 300 varieties
- Entered new Indian states and territories
- Dispersed manufacturing facilities resulting in lower logistics costs
- Increased the proportion of sales through own distribution network

Agenda

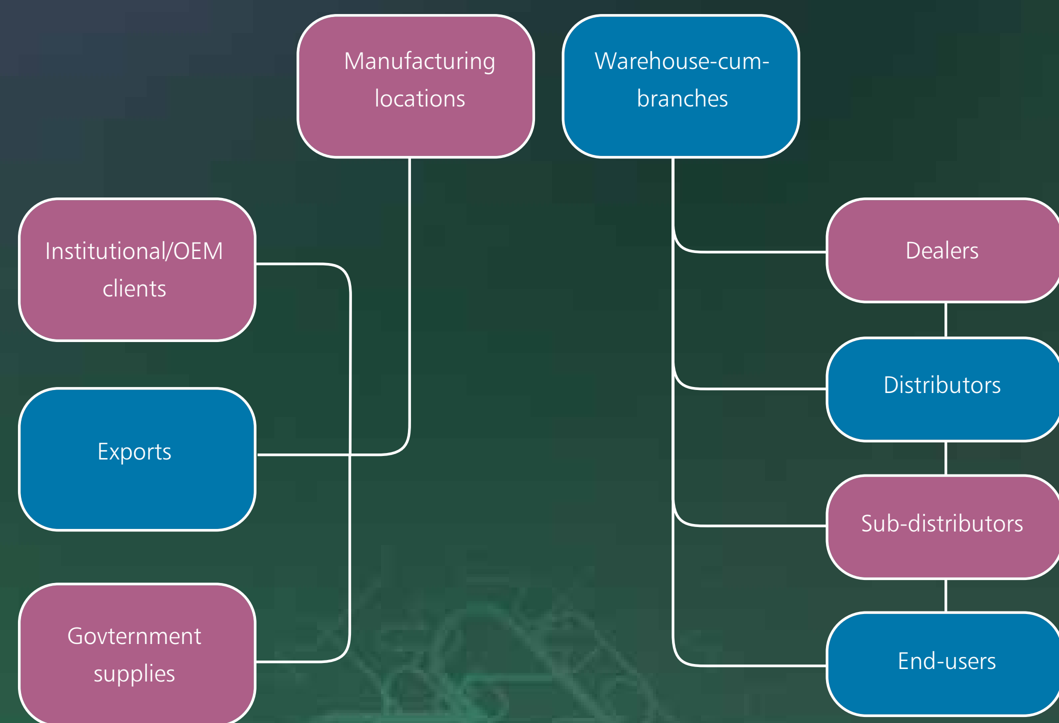
- Enhance exports through the West India plant
- Increase the proportion of value-added products
- Enhance product awareness through relevant collateral, dealer promotions and workshops for target customers
- Increase warehouse-cum-branches from 10 to 30 by 2012
- Establish service centres to provide cutting, bending and screwing facilities

Wider footprint

Our manufacturing presence in three zones strengthened our business in the following ways:

- Accelerated product delivery, making it possible for customers to hold lower inventory
- Enhanced raw material proximity, reducing freight
- Penetrated geographies deeper, addressing emerging demand

DISTRIBUTION CHAIN



How we make the impossible a reality...

THROUGH A CULTURE OF MANUFACTURING EXCELLENCE

We increased volumes due to timely investment in capacities, capabilities, locations, technologies and manufacturing excellence. Our continuous efforts to achieve manufacturing excellence is the key to success and future plans.

We operate at capacity utilisation and yields, higher than the industry average. This manufacturing excellence is achieved through rigorous endeavours that ensure timely delivery of a range of superior quality and cost-effective products.

Performance, 2010-11

- Installed balancing equipment; the synchronisation optimised raw material consumption
- Initiated centralised raw material procurement production planning and marketing
- Established galvanising in our North and South Indian plants (100% subsidiaries), resulting in the manufacture of pre-galvanised steel tubes and hollow sections (with HR coils)
- Incorporated Kusakabe technology across all manufacturing locations (except our Maharashtra plant)
- Achieved 95%-plus yield (industry average 92%)
- Substantially reduced wastages during the year with full functionality of Hosur plant

Road ahead

- Reduce power cost and strengthen environmental compliance through the use of liquefied natural gas
- Upgrade equipment in our western plant; expand capacity and utilisation
- Optimise costs and strengthen margins

How we make the impossible a reality...

THROUGH AN EXPERIENCED AND TALENTED WORKFORCE

Overview

The success of the boardroom strategy is influenced by determined and passionate employees.

Winning philosophy

The Company expanded its capacities and presence around a strong HR foundation comprising team work. This resulted in attractive growth in our production and revenues.

Training, development and appraisal

At APL Apollo, learning is not limited to manufacturing pipes; it extends to every process, skill and knowledge. In view of this, APL Apollo invested in intellectual capital with policies supporting personal and professional growth. The Company invested in classroom training, internal and external training, mentoring and role play, among others. on the one hand and ethical conduct on the other. The Company's performance appraisal system monitored, reviewed and rewarded employee performance to enhance morale.

How we make the impossible a reality...

THROUGH ADVANCED INFORMATION TECHNOLOGY

Overview

At APL Apollo, information technology emerged as a critical business driver, connecting the Company's dispersed operations, facilitating planning accuracy and swift decision making. It allows the Company to access all business functions, within the organisation and with external stakeholders.

Strategic initiatives

The Company installed an efficient management information system with an adequate security and back-up system. Automation enhanced organisational speed, production, quality consistency and reliable service.

Road ahead

The Company is set to move towards ERP, whereby critical information (production, stores, stocks and sales orders, among others) can be generated in real-time, leading to an improvement in performance, workflow synchronisation, standardised information exchange formats and informed decision making.

RISKS AND UNCERTAINTIES

1 The pipe industry growth may de-accelerate.

There is a tremendous opportunity for pipe infrastructure growth emerging from the oil and gas distribution sector with projected investments at ₹ 210 bn. City gas pipelines are projected to cover over 40 Indian cities in five years with an estimated investment of ₹ 250-300 bn. The Budget 2011-12 increased allocation towards the National Rural Drinking Water Programme by ₹ 10,000 cr, strengthening pipe demand.

2 Inability to mobilise funds could affect expansion plans.

The Company possessed a consolidated networth of ₹ 23,637.43 lacs (March 31, 2011) and a debt-equity ratio of 0.14, indicating a increasing fund mobilisation. The Company's warehouse-cum-branch model with a 'cash and carry' preference will shrink receivables and increase cash flow.

3 Geographical concentration in revenues could impact viability in the event of slowdown.

The Company acquired plants in South and West India to penetrate these regions. In 2010-11, the northern, southern and western regions contributed 57.51%, 39.05% and 3.44% respectively to the Company's revenues. The scale up of the western zone plant will increase revenues from that region.

4 The Company may find it difficult to penetrate large and new projects.

The Company enjoys an attractive record of servicing large and prominent national customers across the country. Some of these customers entered into multi-project engagements with the Company. This attractive track record is expected to increase customer accretion. Revenues from repeat and longstanding customers accounted for ~78% of the Company's revenues in 2010-11.

5 Brand dilution could impact offtake.

The Company expanded its retail penetration through the establishment of five additional outlets across five states. The APL Apollo trademark strengthened its brand and service proposition.

6 Strategic errors could lead to a loss of market share.

The Company acquired manufacturing facilities in South and West India and expanded further, integrated backwards, strengthened its direct presence and graduated towards value-added products as a part of its strategic initiative to strengthen its competitive advantage.

7 Technological obsolescence could impact operations.

Investment in latest state-of-the-art technology strengthened pipe quality, enabling the Company to address the global market.

8 Fluctuating raw material costs could impact profitability.

At APL Apollo, we mitigate this by adequately entering into term contracts with raw material suppliers as well as a cost pass through options with our customers.

PROFILE OF THE BOARD OF DIRECTORS

Promoter Directors

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.

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.

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.

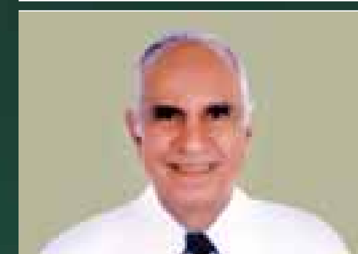
Mr. Aniq Husain

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.

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.

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

Global economy

The global economy grew 5.1% in 2010 against a negative 0.5% in 2009. Stronger than expected growth in the US and Japan strengthened economic growth while growth in emerging economies was buoyed by private demand, accommodative policy stances and resurgent capital inflows.

GDP growth (%)

	2009	2010
Global	(0.5)	5.1
Advanced economies	(3.4)	3.0
Emerging economies	2.8	7.4

Source: IMF

Indian economy

Driven primarily by significant agricultural growth and supported by a 10% growth in the services sector, the Indian economy grew 8.5% in 2010-11 even as inflation remained in two digits for most of 2010. The Indian economic outlook is bright, sustained by growth in the agricultural and services sectors, rising private consumption and infrastructure investments.

Global pipes industry

Despite a decline in demand, North America remained a large pipe market owing to legacy pipe replacement (an estimated 909 projects will create an US$ 88 bn opportunity; an addition of 368,244 km of pipelines could translate into a demand for 74 MT according to Simdex, Wallfort Research)

Opportunity

Region	Projects	Total length (km)	% of total demand	MT	US$ bn
North America	244	79,758	22	16	19
Latin America	62	34,466	9	7	8
Europe	139	48,778	13	10	12
Africa	68	28,413	8	6	7
Middle East	145	49,953	14	10	12
Asia	192	108,761	30	22	26
Australia	59	18,315	5	4	4

(Source: Simdex, Wallfort Research)

Global crude oil production is expected to rise from 80 barrels per day (bpd) in 2009 to a projected 96 bpd by 2035. Further, natural gas production is expected to rise 47% from 2009 levels of 2,696 mn tonnes of oil-equivalent (mtoe) to 4,006 mtoe by 2035.

Indian pipes industry

The Indian pipe industry is categorised under the oil and gas and the non-oil and gas sectors. India is among the three leading pipe manufacturing hubs after Europe and Japan on account of lower manufacturing costs and adherence to stringent quality. Indian pipe manufacturers are expected to increase production capacity over the next five years with an investment of around ₹ 50,000 crore *(Source: Industry)* to reinforce infrastructure (gas pipeline network at only 3.29 km per 1,000 sq km). With large public and private sector investments, the share of oil and gas transportation through pipelines is expected to increase. According to The Ministry of Petroleum and Natural Gas (MoP&NG), penetration through pipes is expected to touch around 45% over the next 2-3 years *(Source: Industry)*.

Country	Area (mn sq. km)	Pipeline (1,000 km)	Pipeline spread (km/1,000 sq. km)
India	3.3	10.8	3.3
USA	9.2	490.8	53.6
France	0.7	31.7	47.0
Pakistan	0.8	56.4	70.8

(Source: IOC, Industry)

Road ahead

The natural gas industry almost trebled production from 60 mn standard cubic metres per day (mscmd) in 2000 to 170 mscmd in 2010. The MoP&NG allocated nine projects aggregating over 8,000 km length and 176 mscmd capacity. Gas demand is estimated to increase from 200 mscmd in 2010-11 to around 440 mscmd by 2019-20, which will trigger growth in pipeline infrastructure and catalyse the construction of 15,000 km of transmission pipelines *(source: India Infrastructure)*.

Growth drivers

Agriculture: Agricultural outlay increased 19.79% to ₹ 147.44 bn in Budget 2011-12, which will drive irrigation and steel pipe demand. The government allocated ₹ 100 bn to NABARD's short-term rural credit fund for FY12 and made an increased allocation of ₹ 78.60 bn to Rashtriya Krishi Vikas Yojana in FY12 (₹ 67.55 bn in FY11).

Irrigation: With only 2.45% of global landmass, India supports nearly 16% of the world's population with a meagre 4% of the world's fresh water resource *(Source: Economic Times, 17 January 2011)*. There is an increase in the drip and sprinkler irrigation methodology compared with flood irrigation. On the one hand, where flood irrigation provides efficiency of only 35-55%, use of micro irrigation increases the efficiency to 200%. Reduced use of fertilisers and pesticides, saving in labour, energy and operational costs will increase the usage of drips and sprinklers for irrigation and propel pipe demand.

Water infrastructure: Some 262 projects were sanctioned under Jawaharlal Nehru National Urban Renewal Mission (value ₹ 3,440.41 bn) to cater to water supply and sewerage. The demand for water connections in India is estimated to rise to over 400 mn by 2017 from the current 300 mn.

Urbanisation: Globally, about 3 bn people or 50% of the world's population live in urban settlements. This is expected to rise to 5 bn (61%) by 2030. According to a McKinsey report (2010), cities are likely to house 40% of India's population by 2030. Indian cities require a capital expenditure of US$ 1.2 tn over the next 20 years, equivalent to US$ 134 per capita per annum. The current annual spending on this is US$ 17 per capita *(Source: India Infrastructure, February 2011)*.

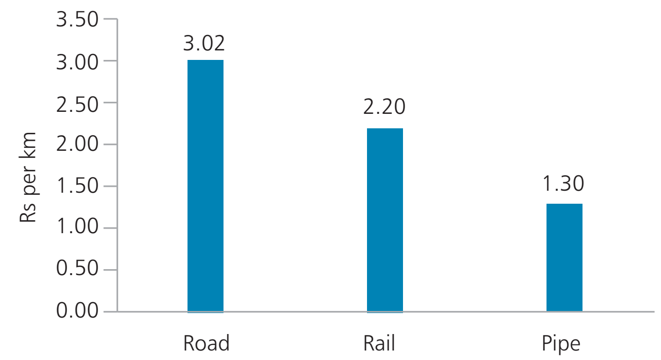
Oil and gas sector: Only 32% of petroleum products are transported through pipelines in India compared with a global average of around 79% in oil and gas transportation. Moreover, India's present natural gas transportation infrastructure is around 10,800 km with a capacity to move 270 mscmd. India's gas supply is pegged at 135 mscmd, likely to go up to 220 mscmd by 2014.

Pre-fabricated steel: Pre-fabricated structures lead to savings in construction, freight and energy consumption. The sector is expected to touch ₹ 25 bn by 2011 *(Source: FICCI)*. According to reports, it is the fastest-growing sector with a 10-12% CAGR.

Telecommunications: Out of 811.59 mn telephone subscribers in the country, only 33.35% are rural. With 70% of the population residing in rural India across its 6 lac villages and contributing 45% to its GDP, the opportunity is large *(Source: India Infrastructure, June 2011)*. Value-added telecom services are valued at ₹ 110-120 bn, translating into around 10% of wireless industry revenues which is likely to rise further.

Automobiles: A surging economy and newer models witnessed increased passenger vehicles sales in India in 2010, making it the world's second fastest growing market ahead of Japan, Brazil, the US and the UK. The country also outgrew China in regard to commercial vehicles backed by strong growth in infrastructure. Despite rising interest rates and higher inflationary pressures, the industry is expected to grow at 12-14% in 2011.

Fig: Cost of Transport (Rs per km) India



Source: Industry, Wallfort Research

Engineering sector: The engineering sector witnessed a robust growth of around 15% year-on-year revenue growth in 2010. There is tremendous growth in the metallurgical industry, fabrication of metal products, machinery and equipment, electricals and automotives, among others. The sector is expected to attract an investment to the tune of ₹ 238,896.24 crore.

Low-floor buses: Since 2009, petrol prices increased 50% with over 30% increase in 2010-11. This induced bus makers (Volvo and Mercedes-Benz) to introduce low-floor buses. A production of 52,000 units in 2010-11 is expected to rise to 65,000-70,000 units by 2011-12 *(Source: Times of India, May 30, 2011)* The bus market is expected to grow at a healthy 20% over three years with ₹ 15,260 cr allocated under JNNURM for low-floor buses in Budget 2011-12.

Power: Ernst&Young ranked India as the fourth-most attractive country for renewable energy investment. India's wind power potential is estimated at 48,000 MW. By 2022, India expects to commission 38,500 MW wind power capacity (with large investments from the private sector) in Tamil Nadu, Gujarat, Maharashtra, Karnataka and Rajasthan.

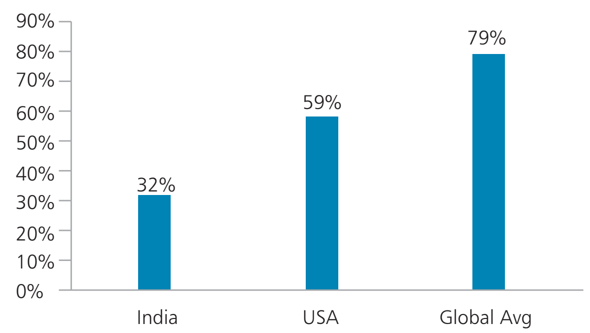
City gas distribution pipelines (CGD): Owing to discretionary demand, the gas distribution lines are presently found in select cities. However, aggressive plans and expansion will drive the CGD networks to more than 250 cities by 2015. This will require adequate pipeline infrastructure and increase pipe demand. Multiple imperatives for incumbent and emerging players are set to leverage the opportunity and ensure a CAGR of 25-30% by 2020.

Ports: India's coastline is spread over 7,500 km with 13 major and 200 non-major ports (minor and intermediate). Indian ports registered a 3.95% cargo traffic growth in 2010-11 at 883.48 MT, compared with 849.89 MT in the previous year. The Ministry of Shipping estimates that Indian ports are likely to handle 1,032 MT and 2,495 MT cargo by 2011-12 and 2019-20 respectively. By the end of 2011-12, major ports target 741 MT capacity, implying an addition of 96 MT in the current fiscal *(Source: India Infrastructure, June 2011)*.

Airports: Passenger traffic, aircraft movement and freight traffic registered 15.25%, 11.82% and 11.89% CAGR respectively between 2001 and 2011 *(Source: India Infrastructure)*. The Twelfth Plan envisages an investment of nearly US$ 10 bn in the country's airport sector, 90% is expected from the private sector. The construction of greenfield projects is on the rise as nearly 15 greenfield projects were approved by the Steering Committee of the Ministry of Civil Aviation *(Source: India Infrastructure, January 2011)*.

Real estate: According to reports, pan-India demand for office space is expected to be 196 mn sq. ft (msf) for 2009-13. Over the same period, retail space demand is expected to be 43 msf and the residential sector at 7.5 mn units *(Source: India Infrastructure)*.

Fig: Pipe Penetration level



The growth in all these sectors will translate into better margins and growth in Company's turnover.

Environment management

The Company's stringent environment policy complied with the directives issued by the Government of India, state governments and pollution control board (PCBs). 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 varities. Besides, blowing ash, generated from galvanizing zinc, is processed and oxides separated from zinc powder and marketed to brass manufacturers.

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 trend, 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 - were 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.

APL Apollo's SCOT analysis

Strengths

- APL Apollo was accredited with ISO 9001:2000 ISO 14001:2004, OHSAS 18001:2007, and UL, CE and SGF France certifications
- The only steel tube manufacturer with units located in North, South and West India, proximate to customers
- Possesses a range of more than 300 products
- Installed cutting-edge manufacturing technology (Kusakabe, Japan) at all plants
- International footprint across 35 countries
- Direct reach to retail consumers through own distribution network
- Distinct business model with the capacity to inroad into adjacent business space

Challenges

- Products are commoditised
- Non-significant presence in exports so far, though the Company acquired Lloyds Line Pipes Limited to fortify its export turnover
- Industry is fragmented among small regional players and is highly competitive
- Volatility in raw material prices requires proactive handling
- Effective management of conflict of interest that may arise between dealer network and own distribution network
- Management of affairs at multiple locations

Opportunities

- Pipeline infrastructure is more cost-effective than rail and road transportation
- India enjoys low production costs (labour and power)
- Negligible city gas distribution pipeline penetration in the country, providing tremendous opportunity
- Increased focus by the government on infrastructure
- Emerging replacement demand
- Increasing pipe consumption with increased per capita disposable income
- Increasing lifestyle spend by both government and individual.

Threats

- Increased capacity addition in the industry
- Rising interest rates

International footprint across 35 countries

DIRECTORS' REPORT

Dear members

The Board of Directors hereby presents the 26th Annual Report on the business and operations of your Company along with the financial statements, consolidated and standalone, for the year ended March 31, 2011.

Performance

Your Company recorded a significant growth during the financial year under review. The consolidated gross sales grew to ₹ 98,514.83 lacs, registering a growth of 47.93% over the previous year's sales of ₹ 66,594.83 lacs. Earnings before depreciation, interest and taxation [EBIDTA] stood at ₹ 8,926.69 lacs for the current year, whereas net profit is ₹ 4,309.43 lacs, as compared with ₹ 2,977.50 lacs in the previous year. During the year under report, consolidated sale of steel tubes was 225,142 MT, compared with 156,584 MT in the preceding year.

Dividend

As a part of the Silver Jubilee celebrations, the Company declared two interim dividends at 10% each during the financial year 2010-11 on the 2,02,96,683 outstanding equity shares. The total dividend payout works out to ₹ 4,05,93,366, i.e. ₹ 2 per equity share.

Further, with a view to conserve resources to support the increased level of activities and ongoing capital expenditure, your Directors considered it prudent not to recommend final dividend on the equity shares, hence, the aforesaid interim dividends be considered and approved as final dividend for the financial year under discussion.

Overview

During the financial year 2010-11, the world continued on a path to regain economic stability. Emerging markets like India, China and other Asian countries, as also certain countries in Latin America, continued to register high levels of growth and continued to be centres of significant economic activity as compared with the developed countries, which experienced modest economic activities, and accordingly, in contrast with its global counterparts, the Indian steel industry continued to enjoy strong demand from several sectors resulting in increased volumes and a richer product mix.

The Indian steel industry, the fourth-largest producer of steel in the world after China, Japan and the US, diversified its product mix to include sophisticated value-added steel used in the automotive sector, heavy machinery and physical infrastructure. The steel pipe industry, which forms a major segment of the steel industry by virtue of its various critical and non-critical uses, showed robust growth on account of strong demand from the domestic and export market. Additionally, the industry's impressive performance also owes a great deal to the economic stimulus packages mooted by the government towards sustaining infrastructure spending and measures to promote spending on consumer durables and transportation.

Continued steel usage growth in India not only ensured the Company's phenomenal performance during the year under review but also encouraged it to deliver more and more via continuous improvement, consolidation, magnification of its operations and enrichment of its product mix.

In the recent past, we focused on brand strengthening, entered into new territories, increased our market penetration by reaching smaller consumption centers which enabled us to cut intermediaries' margin and make our products more competitive. We are continually endeavouring to invest in new technologies resulting into new and better products to create unprecedented value for our stakeholders.

However, inflation has now emerged as the new global economic challenge, driven by a substantial rise in the prices of almost all commodities, mineral resources and energy, impacting almost all industrial sectors. Consequently, the years ahead could be challenging, as the Indian government endeavours to curb inflationary growth. Central Banks' anti-inflation measures will affect access to credit and could slow down investment levels as also consumer demand. The most significant impact will however be from the slowdown in major infrastructure projects in the areas of road construction, mass transit systems and power generation. These would have further impact on per capita disposable income and the demand for goods and services.

Detailed analysis covered in the 'Management Discussion and Analysis' pages forms part of this Directors' Report.

Acquisition

To strengthen your Company's position in the emerging markets, especially in the high-end segment, and in the western part of India and for the accelerated pace of growth in the market expansion geographically, your Company strategically acquired 100% shares of M/s Lloyds Line Pipes Limited (hereinafter known as LLPL) from its erstwhile shareholders in all cash deal, inter-alia making it the Company's wholly-owned subsidiary on November 11, 2010.

The ready to use manufacturing facilities of LLPL are API certified and being proximate to ports, these facilities will not only ensure savings in logistics cost, but would also enable higher exports. This will further help the Company in extending its presence into potential markets and to take advantage of the increased demand for all its products. Besides these visible benefits, some yet unidentified synergies are also anticipated from, among other things, the new customer franchise, product development, the impact of consolidation, bidding synergies and other financial synergies.

Operations

There was a turnaround since outburst of recession, for the economy at large and the Company witnessed the effects of the same. In line with the growth plans of the Company, your Directors continued making constant efforts towards enhancement of value for all stakeholders. The Company is the only player having nationwide distribution network supported by multi-location manufacturing facilities, thus leveraging the benefits of chain economics. With the full operation of Phase II and III of the Hosur manufacturing facility during the year, the Company significantly enhanced its product offerings and witnessed improvement in its overall margins. Five additional warehouses-cum-branches were opened at Nagpur, Goa, Bengaluru, Hyderabad and Cochin to cater to the burgeoning demand in various industrial applications, thereby, strengthening the APL Apollo brand.

Further, with an objective towards continuous growth coupled with achieving leadership footprint, the Company is focused on expanding its capacity through both organic and inorganic routes and entering into adjacent business spaces via various initiatives. Post acquisition of LLPL, having API certified manufacturing lines, the consolidated production capacity was augmented to 490,000 MTPA against 274,000 MTPA in FY10 and the Company is targeting emerging demand in the city gas distribution, tubing and casing, a niche area which is under penetrated at present. Efforts are being made to break through into manufacture of low dia high thickness seamless equivalent tubes and dynamically balanced special tubes through the implementation of RSM technology. Your Directors are confident that these efforts will reap huge benefits in future.

Capital

There was no change in the Company's issued, subscribed and paid-up capital and it stands at ₹ 2,029.67 lacs as on date. The authorised share capital of the Company remained at ₹ 25 crores, comprising 250 lac shares of ₹ 10 each.

Preferential Issue

With a view to raise funds for financing the Company's growth and expansion projects, acquisitions, investment in subsidiaries, working capital requirements and general corporate purposes, the Company allotted 16,41,953 Compulsorily Convertible Warrants, to APL Infrastructure Private Limited, a promoter group entity, on preferential basis, on December 22, 2010.

Each warrant entitles the holder thereof, to subscribe to one ordinary share of the Company at a price of ₹ 176 per share. In compliance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, an amount equivalent to 25% of the price aggregating to ₹ 7,22,45,932 (Rupees seven crores twenty two lacs forty five thousand nine hundred thirty two only) was received from the allottee and the option to convert the warrants into ordinary shares is exercisable before June 22, 2012. The aforesaid warrants are outstanding for conversion till date.

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.

Subsidiaries

The Company has three wholly-owned subsidiaries namely, Apollo Metalex Private Limited, Shri Lakshmi Metal Udyog Limited and Lloyds Line Pipes Limited. The Ministry of Corporate Affairs, Government of India, vide its general circular No. 2/2011 dated February 8, 2011 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, 2011 is included in the annual report. The Company will make available the annual accounts of the subsidiary companies and the related detailed 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. Sameer Gupta and Mr. Chandra Shankar Johri retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Necessary resolutions for the appointment/reappointment of the aforesaid Directors have been included in the notice convening the AGM.

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.

Further, Mr. Mukesh K. Jain, an Independent Non-Executive Director on the Board of the Company, left for his heavenly abode on July 2, 2010. The Board places on record, its since appreciation for his leadership and contribution to the growth of the Company.

Auditors and Audit Report

The Auditors M/s VAPS & Co., Chartered Accountants, retire at the Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed.

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

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, 2011 the applicable accounting standards were followed by the Company and there has 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, 2011 on a going-concern basis.

Energy conservation, technology absorption, R&D and foreign exchange earnings 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 is as follows:

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, among others.

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 environmental 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:

(Amount in ₹)

Particulars	2011	2010
Power and Fuel Consumption		
Purchase		
Unit	13,443,054	10,159,028
Total Amount (₹)	78,789,052	50,569,426
Rate per unit (₹)	5.86	4.98
Own Generation through DG		
Unit	1,131,772	2,713,278
Fuel Consumed (Ltr.)	292,750	805,569
Fuel Consumed (₹)	11,830,010	25,539,176
Cost per Unit (₹)	10.45	9.41
Furnace oil		
Fuel Consumed (MT)	1,436	1,545
Fuel Consumed (₹)	41,509,897	39,698,085
Cost per Unit (₹)	28,904	25,703

II. Technology Absorption

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 processes 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 various other applications. 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 Kusakabe, 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 will contribute towards improving 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 presence in new geographies and territories, the Company acquired LLoyds Line Pipes Limited during FY11, having manufacturing facilities contiguous to the ports in western part of the country, thus providing an opportunity to augment export sales.

(b) Total foreign exchange used and earned:

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

(Amount in ₹)

Particulars	2011	2010
Foreign Exchange Earnings	599,909,566	585,759,453
Foreign Exchange outgo	77,257,235	79,060,803

Particulars of Employees

There is no employee whose particulars are required to be furnished in terms of Section 217(2A) of the Companies Act, 1956 and rules made there under.

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 also implemented several best Corporate Governance practices as prevalent globally.

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 the annual report.

Fixed deposits

We have not accepted any fixed deposits till date and, hence, no amount of principal or interest was outstanding as on the date of balance sheet.

Health & Safety

The Company is strongly committed to providing and maintaining a safe, healthy workplace for the employees and anyone else likely to be affected by hazards in the workplace. Initiatives that ensure a working environment that minimises incidents of risks or personal injury, ill health or damage to property include employee and workplace inductions, appropriate training for all employees, effective supervision, safe 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 environmental impact of its operations and its products by adopting sustainable practices and continuous improvements in environmental performance. 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 ensuring the incorporation of environmental responsibility as a part of its normal business practice.

Personnel

The Company believes that its employees are key contributors to its business success and efficiency 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 very cordial relations with all its employees.

Acknowledgement

The Directors take this opportunity to place on record their thankful appreciation for the assistance and co-operation received from the Company's shareholders, customers, suppliers, bankers, 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-cum-Managing Director

Delhi 110092
August 30, 2011

Vinay Gupta
Director

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

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 of 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 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 independent 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, 2011, the Board comprised six Directors. The Board meets the requirement of not less than one half being Independent Directors. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement (Corporate Governance Code) with the Stock Exchanges.

None of the Directors hold chairmanship of more than five committees or membership in more than ten committees of public limited companies.

Board functions and procedure

The Board plays a pivotal role in ensuring good governance. It's style of functioning is democratic. The Board members always had complete freedom to express their opinion and decisions are taken after detailed discussions after which, 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 of 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 2010-11, ten Board Meetings were held on April 26, 2010, June 4, 2010, June 21, 2010, July 14, 2010, July 28, 2010, September 1, 2010, September 20, 2010, October 18, 2010, December 22, 2010 and January 31, 2011.

The Composition of 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, 2011 are given below:

Directors	Category	Shares Held	Attendance		No. of other Directorships#
			Board Meetings	Last AGM	Directorships
Mr. Sanjay Gupta	CMD	1,96,450	10	Yes	3
Mr. Vinay Gupta	NE	21,900	9	Yes	3
Mr. Sameer Gupta	NE	20,103	9	Yes	4
Mr. Aniq Husain	NE*	2,200	8	Yes	-
Mr. S T Gerela	NE*	-	2	No	1
Mr. C S Johri	NE*	-	10	Yes	-

C = Chairman, MD = Managing Director, NE = Non-Executive Director
** Also Independent in terms of Provisions of Clause 49 (1) (A) (iii)*
 # Excludes private/foreign companies.

All the Independent Directors fulfill 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.*

3. 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 April 26, 2010, July 28, 2010, September 1, 2010, October 18, 2010 and January 31, 2011. The composition of the Audit Committee as on March 31, 2011 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 Wholetime 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 September 1, 2010, which was duly attended by all Committee members. The constitution of the Remuneration Committee as on March 31, 2011 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, 2011 only Mr. Sanjay Gupta was paid Salary: ₹ 24,00,000 Other Benefits: Nil and no payment was made to any other Director.

5. Investor Grievance Committee

The Investor Grievance Committee constituted by the Board comprises three members with an Independent Non-executive Director as Chairman of the Committee. The constitution of Investor Grievance Committee as on March 31, 2011 is as follows:

S. No.	Name of Directors	Status
1.	Mr. S T Gerela	Independent Non-Executive
2.	Mr. C S Johri	Independent Non-Executive
3.	Mr. Vinay Gupta	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 once on October 18, 2010, which was duly attended by all the Committee members. Details of share transfer/transmission etc. as approved by the Committee are placed at the Board Meetings from time to time.

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, five investor's complaints was received and resolved within the stipulated period. By March 31, 2011 no investor complaint was pending.

6. Details of last three Annual General Meeting

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

Financial Year	Date	Time	Venue
2007-08	30.09.2008	12.30 P.M.	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi
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.	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi

b) Two Extra-Ordinary General Meetings on June 30, 2010 and October 18, 2010 of the shareholders were held during the financial year for change of name of the company from Bihar Tubes Limited to APL Apollo Tubes Limited and issue of warrants on preferential basis to APL Infrastructure Private Limited, vide special resolution, respectively.

c) No resolution was put through postal ballot in last years.

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, strictures etc.

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 capital market.

d) Whistle Blower Policy

The Company has adopted a proper procedure in this regard. Employees can report to the management their concerns about unethical behavior, 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, 2011

Sanjay Gupta

Delhi 110 092 Chairman-cum-

August 30, 2011 Managing Director

f) Certification by CEO

A certificate obtained from 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 took 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 form and total number of demat shares held with NSDL and CDSL.

h) Brief resume of Director being appointed / re-appointed

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 etc. of the Company are published in the newspapers like Economic Times, Financial Express, Business Standard, Navbharat Times (hindi) and Jansatta (hindi).

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

10. Share holders information

Annual General Meeting

Date and time	:	September 30, 2011 at 1.30 P.M.
Venue	:	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi
Book closure	:	September 27, 2011 to September 30, 2011 (both days inclusive)

Financial calendar (tentative)

Period	:	Board meetings
Results for quarter ended June 30, 2011	:	end July 2011
Results for quarter ended September 30, 2011	:	end October 2011
Results for quarter ended December 31, 2011	:	end January 2012
Results for quarter ended March 31, 2012	:	end April 2012

Listing information

1. Delhi Stock Ex. Limited [RSE]
2. U.P. Stock Ex. Limited, Kanpur
3. Ahmedabad Stock Ex. Limited, Ahmedabad
4. Calcutta Stock Ex. Limited, Kolkata

In addition, Equity Shares of the Company are permitted to trade at Bombay Stock Exchange under BSE-Indonext segment (Scrip Code : 590059)

The listing fees of all the stock exchanges has been paid.

Distribution schedule as at March 31, 2011

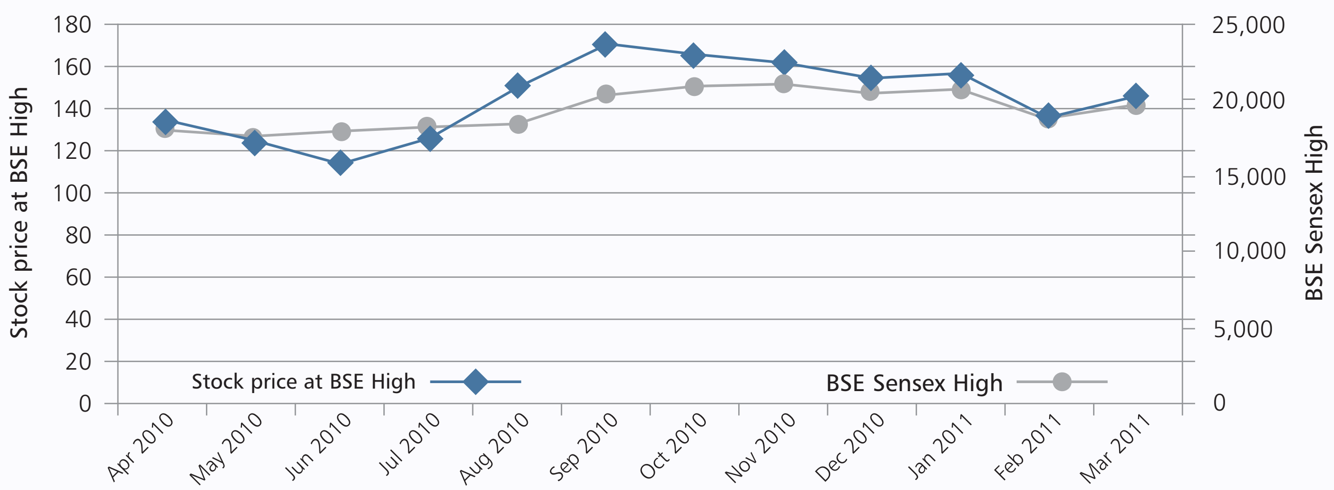
Nos. of Equity Shares held	No. of Shareholders	% to Total	No. of Shares	% to Total
Up to 500	4,342	83.82	5,36,507	2.64
501-1000	321	6.20	2,77,452	1.37
1001-2000	171	3.30	2,68,026	1.32
2001-3000	71	1.37	1,83,690	0.91
3001-4000	49	0.95	1,79,440	0.88
4001-5000	42	0.81	2,01,239	0.99
5001-10000	58	1.12	4,70,822	2.32
10001 and above	126	2.43	1,81,79,507	89.57
Total	5,180	100.00	2,02,96,683	100.00

Shareholding pattern as on March 31, 2011

Category	No. of Shares Held	% to Total Voting Rights	% to Total Holding
Indian Promoters	83,00,000	40.89	40.89
Foreign Institutional Investors [FII]	1,56,000	0.77	0.77
Bodies Corporate	48,66,109	23.98	23.98
Indian Public	68,76,544	33.88	33.88
NRIs / OBCs	98,030	0.48	0.48
Total	2,02,96,683	100.00	100.00

Market Price Data*

Months and year	Stock price at BSE (In ₹ per share)			BSE Sensex	
	High	Low	Traded Quantity	High	Low
April 2010	134.20	106.00	52,48,709	18,047.86	17,276.80
May 2010	124.70	99.40	33,38,788	17,536.86	15,960.15
June 2010	114.00	103.10	12,59,512	17,919.62	16,318.39
July 2010	125.70	104.75	43,46,772	18,237.56	17,395.58
August 2010	150.20	119.65	96,51,893	18,475.27	17,819.99
September 2010	170.25	133.30	44,10,588	20,267.98	18,027.12
October 2010	165.90	147.05	36,67,765	20,854.55	19,768.96
November 2010	162.00	122.55	32,77,695	21,108.64	18,954.82
December 2010	154.45	109.00	38,12,422	20,552.03	19,074.57
January 2011	157.00	131.25	8,49,181	20,664.80	18,038.48
February 2011	136.80	111.00	8,90,602	18,690.97	17,295.62
March 2011	147.00	113.25	45,12,371	19,575.16	17,792.17



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 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).

20187612 equity shares of the Company representing 99.46% of the Company's share capital were dematerialised as on March 31, 2011. The trading of the Company's equity share falls under the category of compulsory delivery in dematerialised mode by all categories of investors.

Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments

During the year under review, 16,41,953 warrants were allotted to APL Infrastructure Private Limited, a promoter group entity, on preferential basis, on December 22, 2010. 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 ₹ 176 per share, at any time within a period of 18 months from the date of allotment of warrants i.e. before June 22, 2012.

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, Additional MIDC Area,
Murbad, Thane
Maharashtra- 421401

Investors correspondence

Investors correspondence can be made at Regd. 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
Mail : investors@aplapollo.com

For and on behalf of the Board

Sanjay Gupta
Chairman-cum-Managing Director

Vinay Gupta
Director

Delhi 110 092
August 30, 2011

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, 2011, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the stock exchange(s).

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

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 above mentioned 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
Membership No. 82515

New Delhi
August 30, 2011

FINANCIAL SECTION

To
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, 2011, and also the Consolidated Profit and Loss Account 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 ₹ 12,591.82 Lacs as at March 31, 2011, total revenues of ₹ 19,804 Lacs and net cash out flows amounting to ₹ 229.40 Lacs for the year then 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 Standard 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, 2011.

   b) in the case of the consolidated profit and loss, of the profit/loss 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
Membership No. 82515

Place: New Delhi
Date: August 30, 2011

Consolidated Balance Sheet As at March 31, 2011

(Amount in ₹)

Particulars	Schedule	As at 31.03.2011		As at 31.03.2010	
SOURCES OF FUNDS					
1. Shareholders' Fund					
(a) Share Capital	1	202,966,830		202,966,830	
(b) Share Warrants		72,245,932		-	
(c) Reserve & Surplus	2	2,091,188,489	2,366,401,251	1,707,580,623	1,910,547,453
2. Loan Funds					
(a) Secured Loan	3	2,401,794,370		1,572,502,749	
(b) Unsecured Loan	4	61,375,949	2,463,170,319	-	1,572,502,749
3. Deferred Tax Liability	5		179,542,694		108,983,104
Total			5,009,114,264		3,592,033,305
APPLICATION OF FUNDS					
1. Fixed Assets	6				
Gross Block		2,115,830,563		1,311,656,659	
Less : Depreciation		181,369,252		102,260,114	
		1,934,461,311		1,209,396,545	
Net Block			1,934,461,311		1,209,396,545
2. Goodwill on Consolidation			199,000,163		-
3. Investments	7		23,131,829		-
4. Net Current Assets					
Current Assets, Loans & Advances					
(a) Inventories	8	1,465,418,074		805,015,731	
(b) Sundry Debtors	9	1,012,902,741		781,721,497	
(c) Cash and Bank balance	10	218,302,854		271,861,628	
(e) Loans and Advances	11	441,361,706		768,960,221	
(f) Other Current Assets	12	266,753,849		105,868,795	
		3,404,739,224		2,733,427,871	
Less : Current Liabilities & Provisions					
(a) Current Liabilities	13	370,335,109		188,658,098	
(b) Provisions	14	198,848,618		169,116,282	
		569,183,727		357,774,380	
Net Current Assets			2,835,555,497		2,375,653,491
Profit & Loss Account					
5. Misc. Expenditure	15		16,965,463		6,983,269
Total			5,009,114,264		3,592,033,305
Notes on Balance Sheet and Profit & Loss Account	25				

As per our separate Audit Report of even date attached

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

for and on behalf of the Board

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

Consolidated Profit and Loss Account For the year ended March 31, 2011

(Amount in ₹)

Particulars	Schedule	Year ended 31.03.2011		Year ended 31.03.2010	
INCOME					
Gross Realisation	16	9,851,483,431		6,659,482,772	
Less : Excise Duty & Cess		799,536,320		479,399,812	
Net Realisation			9,051,947,111		6,180,082,960
Other Income	17		2,594,242		4,995,798
Variation in Stock	18		169,806,513		168,199,198
Profit on Sale of Capital Assets			24,423		22,800,098
Total			9,224,372,289		6,376,078,054
EXPENDITURE					
Raw Material Consumed	19		7,523,448,482		5,218,352,844
Manufacturing Expenses	20		272,075,764		167,000,477
Excise Duty on Increase/Decrease in Stock			7,560,807		21,875,459
Power and Fuel	21		144,065,690		116,377,987
Administrative and Other Expenses	22		88,131,299		58,217,376
Financial Charges	23		209,344,623		108,305,638
Selling and Other Expenses	24		289,930,872		192,227,076
Depreciation	6		57,304,041		36,132,869
Misc Expenditure Written off	15		4,590,073		1,758,842
Loss on Sale of Capital Assets			1,827,497		1,299,735
			8,598,279,149		5,921,548,303
Profit for the Year Before Tax			626,093,140		454,529,751
Less : Provision for					
Current Year Tax			142,269,259		107,620,931
Deferred Tax Liability (Net)			57,985,413		52,295,481
Wealth Tax			73,446		52,665
Add : MAT Credit Entitlement			8,373,558		4,439,480
Less : Adjustment of Taxes for Earlier Years			3,195,298		1,250,645
			430,943,282		297,749,511
Add : Profit and Loss b/f			502,591,170		272,333,867
Amount Available for Appropriation			933,534,452		570,083,378
Interim Dividend Paid			40,593,366		40,593,366
Dividend Distribution Tax on Interim Dividend			6,742,050		6,898,842
Transfer to General Reserve			40,000,000		20,000,000
Balance Carried to Balance Sheet			846,199,036		502,591,170
Earning Per Share (Basic) - ₹			21.32		13.61
Earning Per Share (Diluted) - ₹			19.73		13.61
(as per Note No. 5 of Schedule 25)					

As per our separate Audit Report of even date attached

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

for and on behalf of the Board

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

(Amount in ₹)

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
1. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items		626,068,717		431,729,654
Add: Adjustments for:				
Depreciation	57,304,042		36,132,869	
Misc Exps Written Off	4,590,073		1,758,842	
Interest & Finance Charges	209,344,623		172,184,866	
Loss on sale of fixed assets	1,827,497		1,235,838	
Adjustment of Taxes Earlier Years	(3,195,298)	269,870,937	(1,228,805)	210,083,610
Operating Profit Before Working Capital Changes		895,939,654		641,813,263
Adjustments for:				
Increase/Decrease in Sundry Debtors	(214,797,667)		(85,189,701)	
Increase/Decrease in Other Receivables	259,760,798		(132,843,910)	
Increase/Decrease in Inventories	(660,402,343)		(360,688,863)	
Increase/Decrease in Trade & Other Payable	183,174,092	(432,265,120)	83,401,018	(495,321,456)
Cash Generated From Operations		453,674,534		146,491,807
Direct Taxes paid including Fringe Benefit Tax		(130,126,380)		(30,724,538)
Cash Flow before extra ordinary items		333,548,154		115,767,269
Extra ordinary items		24,423		22,800,098
Net Cash from Operating Activities (A)		333,572,577		138,567,367
2. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(790,529,186)		(559,090,967)	
Investment in Subsidiaries(Net Off)	(196,342,153)		-	
Misc Expenditure	(14,572,268)		(8,663,961)	
Sale of Fixed Assets	7,686,125		22,440,047	
Advances for Fixed Assets	(76,475,505)		160,219,653	
Misc investments	(23,131,829)		20,387,612	
Net Cash from Investing Activities (B)		(1,093,364,816)		(364,707,616)
3. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Shares/Warrants Issued during the Year	72,245,932		-	
Receipt / Repayment of Secured loans	829,291,622		(221,244,749)	
Receipt / Repayment of Unsecured loans	61,375,949		-	
Dividend & DDT paid	(47,335,416)		(47,492,208)	
Interest & Finance Charges	(209,344,623)		(172,184,866)	
Net Cash from Financing Activities (C)		706,233,464		(440,921,823)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(53,558,775)		(667,062,072)
ADD: Cash & Cash Equivalents at the Beginning of the Year		271,861,628		938,923,700
		218,302,853		271,861,628
Cash & Cash Equivalents at the End of the Year		218,302,853		271,861,628

Notes :
1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Schedule-10.
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.

As per our separate Audit Report of even date attached

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

for and on behalf of the Board

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
1 SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares of ₹ 10/- each	250,000,000	250,000,000
(Previous year 25,000,000 Equity Shares of ₹ 10/- each)		
Issued, Subscribed and Paid Up		
20,296,683 Equity Shares of ₹ 10/- each fully paid up		
(Previous Year 20,296,683 Equity Shares of ₹ 10/- each fully paid up)	202,966,830	202,966,830
Total	202,966,830	202,966,830

Particulars	As at 31.03.2011	As at 31.03.2010
2 RESERVE AND SURPLUS		
i. Security Premium	1,168,590,927	1,168,590,927
	1,168,590,927	1,168,590,927
ii. General Reserve		-
At the commencement of the year	36,398,526	16,398,526
Add : Amount transferred from Profit & Loss Account	40,000,000	20,000,000
	76,398,526	36,398,526
iii. Balance in Profit and Loss Account	846,199,036	502,591,170
Total (i+ii+iii)	2,091,188,489	1,707,580,623

Particulars	As at 31.03.2011	As at 31.03.2010
3 SECURED LOANS		
A. Term Loans	340,957,896	79,996,582
B. Working capital facilities from Banks	2,030,657,157	1,307,445,180
C. Secured Overdraft	30,179,317	185,060,986
Total	2,401,794,370	1,572,502,749

Particulars	As at 31.03.2011	As at 31.03.2010
4 UNSECURED LOANS		
From Body Corporate	58,359,447	-
From Others	3,016,502	-
Total	61,375,949	-

Particulars	As at 31.03.2011	As at 31.03.2010
5 DEFERRED TAX LIABILITY		
Last Year Balance	121,557,281	56,687,623
Add for the Current Year	57,985,413	52,295,481
Total	179,542,694	108,983,104

6 FIXED ASSETS

(Amount in ₹)

Description	Rate @	GROSS BLOCK As at 01.04.2010	Asset of LLPL	Addition during the Year	Sales during the Year	As at 31.03.2011	DEPRECIATION Up to 31.03.2010	LLPL Asset Upto 10.11.2010	For the Year	Adjusted During the Year	Up to 31.03.2011	NET BLOCK As at 31.03.2011	As at 31.03.2010
A. Fixed Assets													
Land	--	75,210,275	14,384,752	503,316		90,098,343	-	-	-	-	-	90,098,343	75,210,275
Building	3.34%	293,759,795	24,637,285	39,417,389		357,814,469	15,850,735	1,594,132	10,520,548	-	27,965,415	329,849,053	277,909,060
Staff Residential Building	1.63%	-	14,513,570	-	-	14,513,570	-	458,296	97,869		556,165	13,957,405	-
Plant & Machinery	4.75%	702,345,504	132,874,710	455,824,163	9,000,910	1,282,043,467	75,541,162	20,620,144	42,492,188	1,235,315	137,418,180	1,144,625,287	626,804,342
Office Equipment	4.75%	3,276,799	1,024,277	899,976		5,201,052	750,124	93,117	195,285	-	1,038,527	4,162,525	2,526,675
Vehicle	9.50%	25,527,021		9,245,687	446,497	34,326,211	8,079,531	-	2,822,828	51,714	10,850,645	23,475,566	17,447,490
Furniture & Fixture	6.33%	1,712,048	2,142,358	1,094,240		4,948,646	237,491	263,978	188,855	-	690,324	4,258,322	1,474,557
Computer	16.21%	5,219,953	262,040	1,449,583		6,931,576	1,791,132	62,457	984,424	-	2,838,013	4,093,563	3,428,821
Trade Mark	9.50%	21,500		-		21,500	9,940	-	2,043		11,983	9,517	11,560
Zinc (46.142 M.T.)	--	2,132,553		-		2,132,553	-				-	2,132,553	2,132,553
Sub Total (A)		**1,109,205,448**	**189,838,992**	**508,434,354**	**9,447,407**	**1,798,031,387**	**102,260,115**	**23,092,125**	**57,304,041**	**1,287,029**	**181,369,252**	**1,616,662,134**	**1,006,945,333**
B. Work-In-Progress													
WIP (Plant)	--	114,872,249	-	319,961,488	306,764,704	128,069,033	-	-	-	-	-	128,069,033	114,872,249
WIP (Building)		74,217,872	-	131,475,282	28,579,592	177,113,562	-	-	-	-	-	177,113,562	74,217,872
WIP (Office Equipment)		1,779,423	-	6,949,893		8,729,316	-	-			-	8,729,316	1,779,423
WIP (Furniture & Fixture)		1,380,167	-	2,507,098		3,887,265	-	-			-	3,887,265	1,380,167
Expenses Pending For Allocation		10,201,500	-	-	10,201,500	-	-	-	-	-	-	-	10,201,500
Sub Total (B)		**202,451,211**	**-**	**460,893,762**	**345,545,796**	**317,799,177**	**-**	**-**	**-**	**-**	**-**	**317,799,177**	**202,451,211**
Current Year Figure		**1,311,656,659**	**189,838,992**	**969,328,115**	**354,993,203**	**2,115,830,563**	**102,260,115**	**23,092,125**	**57,304,041**	**1,287,029**	**181,369,252**	**1,934,461,311**	**1,209,396,544**
Previous Year Figure		780,433,710	-	825,072,922	320,849,974	1,311,656,659	70,319,378		36,132,869	4,192,133	102,260,114	1,209,396,544	710,114,332

Particulars	As at 31.03.2011	As at 31.03.2010
7 INVESTMENTS		
Quoted Long Term		
(300000 Equity Shares of Sharp Industries Ltd.)	23,131,829	-
Market Value as on March 31, 2011 ₹ 9,729,000/-		
	23,131,829	-

8 INVENTORIES (As physically verified and valued by the management)

Raw Material	604,352,942	281,816,981
Finished Goods	729,318,041	478,449,045
Scrap & Rejections	21,452,344	18,325,721
Consumable Store	60,847,214	24,445,551
Trading Goods Stock	49,447,533	-
Stock (Lying at Branches)	-	1,978,433
	1,465,418,074	805,015,731

9 SUNDRY DEBTORS (Unsecured considered good)

Outstanding for a period exceeding six months	17,911,082	20,335,029
Others	994,991,659	761,386,468
	1,012,902,741	781,721,497

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
10 CASH & BANK BALANCES		
Cash and Bank Balance	43,276,689	11,533,522
FDR's with Schedule Banks	144,077,934	241,088,645
Accrued Interest on FDR's & Securities	30,948,231	19,239,461
Total	218,302,854	271,861,628

11 LOANS AND ADVANCES (Unsecured and Considered good, unless stated otherwise)

Claims Receivable	124,165,371	104,430,054
Income Tax Deducted at Source	3,293,650	24,520,108
Securities	21,108,207	170,873,581
Advance to Suppliers and Other Loans & Advances	237,312,250	441,065,410
Prepaid Expenses	11,067,026	4,591,124
Advance Tax	31,602,164	19,040,463
MAT Credit Entitlement	12,813,038	4,439,480
Total	441,361,706	768,960,221

12 OTHER CURRENT ASSETS

Sales Tax Recoverable	96,248,331	26,556,382
Service Tax Recoverable	16,680,438	10,948,341
Export Incentive Receivable	44,861,116	29,827,423
Excise Duty & Cess Receivable	108,963,964	38,536,650
Total	266,753,849	105,868,795

13 CURRENT LIABILITIES

Sundry Creditors for Raw Material	156,800,139	13,783,721
Sundry Creditors for Others	112,931,860	32,980,069
Expenses Payable	70,534,205	90,821,386
Advances from Parties	29,671,629	50,675,647
IEPF-Unclaimed Dividend	397,275	397,275
(shall be credited when due)		
Total	370,335,109	188,658,098

14 PROVISIONS

Provision For Excise Duty on Finished Goods	56,595,598	38,714,941
Provision for Taxation	142,253,020	130,401,341
Total	198,848,618	169,116,282

15 MISC EXPENDITURE

Misc Expenditure	21,555,536	8,742,111
Less: Misc Expenditure Written off	4,590,073	1,758,842
Total	16,965,463	6,983,269

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
16 GROSS REALISATION		
Sales - Domestic	9,108,969,959	6,027,326,664
Sales - Export	700,403,822	592,006,797
Other Operating Income		
Job Work	96,292	1,808,110
Export Incentive	42,013,359	38,341,201
Total	9,851,483,431	6,659,482,772
17 OTHER INCOME		
Miscellaneous Income	2,594,242	4,975,798
Dividend	-	20,000
	2,594,242	4,995,798
18 VARIATION IN STOCK		
Closing Stock		
Finished Goods	645,128,935	478,449,045
Scrap & Rejections	21,452,344	18,325,721
Total (A)	666,581,279	496,774,767
Less : Opening Stock		
Finished Goods	478,449,045	321,290,356
Scrap & Rejections	18,325,721	7,285,213
Total (B)	496,774,767	328,575,569
Total (A-B)	169,806,513	168,199,198
19 RAW MATERIAL CONSUMED		
Opening Stock	281,816,981	104,083,630
Add : Purchase During the Year	7,836,233,212	5,396,086,195
Total	8,118,050,193	5,500,169,825
Less : Closing Stock	594,601,710	281,816,981
Total	7,523,448,482	5,218,352,844
20 MANUFACTURING EXPENSES		
Wages	77,046,723	40,721,602
Consumable Stores	67,634,562	67,439,119
Job Work Charges	12,240,823	684,407
Freight & Cartage Inward	107,599,092	55,824,970
Insurance	35,206	44,498
Factory Rent	1,362,026	1,531,261
Security Services Charges	749,497	708,819
Factory Maintenance Exp	5,407,835	45,802
Total	272,075,764	167,000,477
21 POWER AND FUEL		
Electricity Expenses	79,016,392	50,571,726
Generator Running Charges	23,974,594	26,108,176
Furnace Oil	41,074,704	39,698,085
Total	144,065,690	116,377,987

(Amount in ₹)

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
22 ADMINISTRATIVE AND OTHER EXPENSES				
Remuneration to Employees		35,112,858		15,531,801
Director's Remuneration		3,600,000		3,600,000
Office Rent		5,888,459		5,160,057
Printing & Stationery		2,478,354		1,467,416
Postage & Telephone		4,027,357		2,591,219
Charity & Donation		43,979		80,802
Vehicle Repair & Maintenance		1,806,867		1,439,179
Fees & Taxes		7,206,557		3,302,697
Insurance		307,490		239,884
Travelling Expenses				
Director's Travelling	5,104,464		212,494	
Other Travelling	7,356,287	12,460,751	4,410,229	4,622,723
Legal Expenses		6,442,613		3,748,465
Office Electricity Expenses		-		638,503
Vehicle Running Expenses		1,256,354		416,580
Miscellaneous Expenses		4,520,604		13,720,121
Auditor's Remuneration		1,400,000		1,300,000
Office Maintenance Exp		1,386,386		357,929
Repair & Maintenance		192,670		-
Total		88,131,299		58,217,376

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
23 NET FINANCE CHARGE		
(A) Interest on :		
- Working Capital	183,211,401	110,830,792
- Secured Overdraft	1,675,400	47,380,114
- Others	8,281,485	1,901,883
(B) Other Financial Charges :		
Exchange Difference	-	4,678,846
Forward Contract Charges	11,397,197	2,284,401
Bank & Other Charges	21,972,336	5,108,829
Total	226,537,819	172,184,866
(C) Interest Received on FDR	17,193,196	63,879,228
Total (A+B-C)	209,344,623	108,305,638
24 SELLING AND OTHER EXPENSES		
Advertisement Expenses	4,162,588	1,960,486
Commission and Discount	59,982,262	42,493,212
Freight Outward	221,957,218	145,303,768
Insurance	281,121	183,370
Sales Promotion	2,302,725	955,711
Additional Sales Tax	843,172	1,330,528
Sales Tax Arrears & Interest	401,787	-
Total	289,930,872	192,227,076

25 ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

A. 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 unrealised 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%
Lloyds Line Pipes Ltd.	Subsidiary	100%

Note: The consolidated financial results for the financial year ended March 31, 2011 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 Statements
   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 recognises income and expenditure on accrual basis.
   c. Goodwill represents the difference between the group's share in the networth 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 amortised. 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 recognised 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.

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 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.

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 capitalised.

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

4. Impairment of Assets

The Company recognises 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 net realisable value whichever is lower. Finished Goods are valued at cost or net realisable value whichever is lower. Stock of Scrap is valued at net realisable 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 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 recognised in the 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 recognised in profit and loss account 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.

25 ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS (Contd.)

10. Retirement Benefits

The company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method. However in Apollo Metalex Pvt. Ltd being in the forth year of the operation, the provision for Gratuity Liability is not applicable as per the applicable Indian laws.
Retirement benefits in the form of Provident Fund are charged to the Profit & Loss Account of the period when the contributions to the respective funds are due.

11. Borrowing Cost

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalised 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 crystallised.

13. Misc. Expenditure

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

14. Revenue Recognition

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

B. NOTES FORMING PART OF ACCOUNTS

1. Contingent liability not provided for in respect of:

(₹ in Lacs)

S. No.	Particulars	31.03.2011	31.03.2010
1.	Performance guarantees given to various departments	618.57	565.96

2. Raw Material Consumed*

a. H.R. Strip

	2011		2010	
	Qty. (M.T.)	Value (₹ In Lacs)	Qty. (M.T.)	Value (₹ In Lacs)
Opening Stock	7,356.648	2,595.29	2,012.120	578.99
- with consignee	828.430	317.20	–	–
Add: Purchases	201,175.529	65,523.33	162,282.585	47,028.14
Add: Recd. from Job Work	13.140	4.08	84.280	25.41
Less: Issued for production	181,436.041	57,740.49	149,510.134	42,688.41
Less: Sales	14,224.986	5,232.16	7,769.688	2,408.29
Less: Scrap from Job Work	778.160	241.78	3.170	0.91
Closing Stock at works	12,934.560	5,221.39	6,267.563	2,217.73
Closing Stock at consignee	–	–	828.430	317.20

b. G.P. Coil

	2011		2010	
	Qty. (M.T.)	Value (₹ In Lacs)	Qty. (M.T.)	Value (₹ In Lacs)
Opening Stock	537.695	214.05	578.277	183.89
Add: Purchases	18,863.500	7,206.33	13,198.255	4,498.38
Add: Recd. from Job Work	652.740	221.93	-	-
Less: Issued for Production	18,774.986	7,081.87	12,492.116	4,234.00
Less: Sales	479.615	208.86	746.721	234.22
Closing Stock at works	799.334	351.58	537.695	214.05

25 ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS (Contd.)

c. Zinc

	2011		2010	
	Qty. (M.T.)	Value (₹ in Lacs)	Qty. (M.T.)	Value (₹ in Lacs)
Opening Stock	216.498	268.86	187.865	175.06
Add: Purchases	2,818.535	3,213.70	3,199.392	3,380.41
Less: Issued for Production	2,463.494	2,788.80	2,926.449	3,015.96
Less: Sales	259.904	317.25	244.310	270.65
Closing Stock at works	311.635	376.52	216.498	268.86

d. Socket

	2011		2010	
	Qty. (M.T.)	Value (₹ in Lacs)	Qty. (M.T.)	Value (₹ in Lacs)
Opening Stock	34.197	18.96	36.444	20.24
Add: Purchases	175.894	122.90	165.467	97.62
Less: Issued for Production	161.460	111.97	163.850	97.06
Less: Sales	5.906	4.03	4.660	3.03
Closing Stock at works	42.725	25.86	33.401	17.77

e. Black Pipe

	2011		2010	
	Qty. (M.T.)	Value (₹ in Lacs)	Qty. (M.T.)	Value (₹ in Lacs)
Opening Stock	-	-	-	-
Add: Purchases	3,785.510	1,427.77	356.555	119.28
Less: Issued for Production	3,785.510	1,427.77	356.555	119.28
Closing Stock at works	-	-	-	-

*Sale/purchase among parent and its subsidiary companies has not been adjusted.

3. Licensed and Installed Capacity, Production and Turnover

a) Licensed and Installed Capacity

	2011 Qty. (M.T.)		2010 Qty. (M.T.)	
	Licensed	Installed	Licensed	Installed
M.S. Pipes	N.A.	490,000	N.A.	274,000

b) Production*

i. M.S.Pipe

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock - at works	6,532.223	3,815.059
- lying with Consignee	491.244	2,156.507
Add: Production during the year	156,718.886	127,403.874
Add: Recd. from job work	73.970	17.710
Less: Sale	109,844.461	73,464.138
Less: Issued for GI Pipe	43,902.741	54,025.545
Closing Stock - at works	8,365.093	5,412.223
- lying with consignee	1,704.028	491.244

ii. G.P. Pipe

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock - at works	398.018	422.685
- lying with consignee	19.840	340.777
Add: Production during the year	35,537.770	26,132.938
Add: Recd. from job work	102.090	688.55
Less: Sale	35,107.405	27,167.092
Closing Stock - at works	343.653	242.942
- lying with consignee	606.660	174.916

iii. G.I. Pipe

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock - at works	2,291.353	1,335.964
- lying with consignee	538.387	494.076
Add: Production during the year	44,366.403	56,524.436
Add: Recd. from job work	3,707.756	68.170
Less: Sale	47,542.763	55,594.906
Closing Stock - at works	2,453.642	2,289.353
- lying with consignee	907.494	538.387

iv. G.P. Sheet

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock - at works	687.975	121.363
- lying with consignee	–	–
Add: Production during the year	19,319.151	17,072.739
Less: Sale	17,521.559	2,218.980
Less: Issued for GP Pipe	62.560	14,237.137
Less: Issued for Job Work	2,043.789	50.010
Closing Stock - at works	379.218	687.975

*Sale/purchase among Parent and its subsidiary companies has not been adjusted.

4. Closing Stock of finished goods has been valued inclusive of Excise Duty amounting to ₹ 3,81,90,396 (Previous Year ₹ 3,87,14,941) as per ASI-14 issued by the Institute of Chartered Accountants of India.

5. Earnings per Share (EPS) computed in accordance with AS-20

Basic

	2011	2010
a. Net profit after tax	432,746,356	276,249,148
b. Number of Weighted Average Equity Share of ₹ 10 each	20,296,683	20,296,683
c. Basic Earnings per share	21.32	13.61
d. Nominal Value per Share	10.00	10.00

Diluted

	2011	2010
a. Net profit after tax	432,746,356	276,249,148
b. Number of Weighted Average Equity Share of ₹ 10 each	21,938,636	20,296,683
c. Diluted Earnings per share	19.73	13.61
Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	20,296,683	20,296,683
2. Average fair value of one equity share during the year	10	10
3. Weighted average number of share Warrant issued during the year	1,641,953	-
4. Warrants were issued @ ₹ 176 each entitling the holders to subscribe for one equity share having nominal value ₹ 10 for every warrant issued.	10	-
5. Total Diluted Equity Shares (1+3)	21,938,636	20,296,683

25 ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS (Contd.)

6. Deferred Taxes - As per Accounting Standard (AS-22) on accounting for taxes on income, issued by the Institute of Chartered Accountants of India, the Deferred tax liability as on March 31, 2011 is as following. (₹ in Lacs)

	2011	2010
Deferred Tax Liability	179,804,369	109,262,675
Deferred Tax Assets	261,675	279,571
Net Deferred Tax Liability	179,542,694	108,983,104

7. 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.

8. Brand Building:
During the year the Company incurred an expenditure of ₹ 13,636,008 (Previous Year ₹ 8,663,961) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortised in 5 years equally.

9. Related Party Disclosures

(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 cum Managing Director*

Relatives of Key Management Personnel
Mrs. Neera Gupta - *Wife of Sh. Sanjay Gupta*
Mrs. Saroj Rani Gupta - *Mother of Director*

(B) Detail of Related Party Transactions
As required by Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants 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.
(Figures in ₹)

Particulars	Associates	Key Management Personnel	Relative of key management Personnel	Total
Transfer of DEPB	6,405,411	–	–	6,405,411
Director's Remuneration Paid	–	2,400,000	–	2,400,000
Office/Works/Vehicle Rent Paid	1,648,334	–	2,880,000	4,528,334

(C) Amount due to / from related parties as at March 31, 2011 (Figures in ₹)

Particulars	Associates	Key Management Personnel	Relative of key management Personnel	Total
Amount due to related parties	2,025,249	154,181	15,000	2,194,430
Amount due from related parties	-	-	-	-

	2011	2010
10. Value of Import (₹)	69,176,620	34,286,025
11. Value of Export (₹)	675,634,315	591,363,032
12. Expenditure in foreign currency (₹) (Including Import)	64,297,568	36,886,163

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

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

15. Auditors Remuneration (excluding Service Tax) (Figures in ₹)

	2011	2010
i) Statutory Audit Fee	1,055,000	980,000
ii) Taxation matters	245,000	220,000
iii) Other Services	100,000	100,000
Total	1,400,000	1,300,000

16. Break up of Managerial Remuneration: (Figures in ₹)

	2011	2010
i) Salaries	3,600,000	3,600,000
ii) Contribution to Provident Fund	-	-
iii) Other Perquisites	-	-
iv) Commission	-	-
Total	3,600,000	3,600,000

17. Break up of Directors Traveling Expenses: (Figures in ₹)

	2011	2010
i) Foreign Travelling	3,174,535	223,762
ii) Inland Travelling	1,713,265	688,107
Total	4,887,800	911,869

18. 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, 2011, if any, due to such undertaking could, therefore, not be disclosed.

19. 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 even date attached
for VAPS & Co.
Chartered Accountants
Firm Regn. No. 003612N

P K Jain
Partner
Membership No. 82515

Place : New Delhi
Dated : August 30, 2011

for and on behalf of the Board

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

Auditors' Report

To,
The Members,
APL Apollo Tubes Limited
Delhi - 110092

1. We have audited the attached Balance Sheet of APL Apollo Tubes Limited as at March 31, 2011 and also the Profit & Loss Account 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 kept by the company so far as it appears from our examination of such books.

   (c) The Balance Sheet and Profit & Loss Account 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 Profit & Loss Account 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 Balance Sheet and Profit & Loss Account and Cash Flow Statement read together with the notes thereon give the information as required by the Companies Act,1956 in the manner so required and give a true and fair view:

      i) In so far as it relates to the Balance Sheet of the State of Affairs of the company as at March 31, 2011,

      ii) In the case of Profit & Loss Account 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
Membership No. 82515

Place: New Delhi
Date: August 30, 2011

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 ₹ 2,359 Lacs (Rupees Two Thousand Three Hundred and Fifty Nine Lacs Only) and the year end balance of loan given to this company was ₹ 1,491 Lacs (Rupees One Thousand Four Hundred and Ninety One Lacs Only). In our opinion the rate of interest and other 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 loan 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) Rules, 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, 2011 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 (₹)	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.	36,70,183	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.	36,70,183	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 utilised in contravention of the provisions of Rule 57F(3) of Central Excise Rules, 1944.	3,52,445	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 Rules,1944.	3,52,445	07.08.1996	Before the High Court Judicature of Allahabad
,,	Central Excise duty levied u/s 11 A of Central Excise Act,1944.	4,53,676	15.08.1999	Commissioner (Appeals) Central Excise, Noida
,,	Penalty u/s 11 AC of Central Excise Act,1944.	4,53,676	15.08.1999	Commissioner (Appeals) Central Excise, Noida
,,	Penalty under Rule 9(2) and 173Q of Central Excise Rules,1944.	1,00,000	15.08.1999	Commissioner (Appeals) Central Excise, Noida
,,	Penalty u/s 11 AC read with Rule 25 of Central Excise Rule 2001/2002 and 173Q of Central Excise Rules, 1944.	40,00,000	1.12.2001 to 31.03.2004	CESTAT, New Delhi
,,	Central Excise duty demanded on Zinc ash/Dross in terms of section 11A of Central Excise Act,1944.	6,46,425	May -08 to July- 08	CESTAT, New Delhi
,,	Demand in Terms of section 11A on Zinc Ash/Dross clearance. Penalty under Rule 25 of Central Excise Rules 2002 read with section 11AC of Central Excise Act 1944.	10,83,460 30,000	July-08 to Mar-09	CESTAT, New Delhi
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.	4,47,60,767	Nov-08 to Mar-11	Before the High Court Judicature of Allahabad
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment / Stock Transfer	61,49,143	Jan-08 to Mar-08	Commercial Tax Tribunal, Ghaziabad

10. The company has no accumulated losses as at March 31, 2011 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 (Auditors' 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 not made any preferential allotment of shares to Parties and Companies covered in the register to be maintained under section 301 of the Act. However, during the year 1,641,953 warrants were allotted on preferential basis to promoters group entity covering in the register to be maintained under Section 301 of the Act, entitling the warrant holder to get one equity share of ₹ 10 each for each warrant, converting withing 18 months from the date of allotment of warrants.

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, 2011.

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

P K Jain
Partner
Membership No. 82515

Place: New Delhi
Date: August 30, 2011

Balance Sheet As at March 31, 2011

(Amount in ₹)

Particulars	Schedule	As at 31.03.2011		As at 31.03.2010	
SOURCES OF FUNDS					
1. Shareholders' Fund					
(a) Share Capital	1	202,966,830		202,966,830	
(b) Share Warrants		72,245,932		-	
(c) Reserve & Surplus	2	1,965,368,419		1,758,879,974	
			2,240,581,181		1,961,846,804
2. Loan Funds					
Secured Loan	3	1,727,662,297		1,075,642,320	
			1,727,662,297		1,075,642,320
3. Deferred Tax Liability	4		133,700,094		81,597,190
Total			4,101,943,572		3,119,086,314
APPLICATION OF FUNDS					
1. Fixed Assets	5				
Gross Block		1,334,485,745		966,954,134	
Less : Depreciation		111,718,060		69,177,260	
Net Block			1,222,767,685		897,776,874
2. Investments	6		790,234,953		435,103,747
3. Net Current Assets					
Current Assets, Loans & Advances					
(a) Inventories	7	972,203,029		592,152,612	
(b) Sundry Debtors	8	806,776,530		398,391,874	
(c) Cash and Bank balance	9	183,394,311		263,277,206	
(e) Loans and Advances	10	494,985,698		735,148,012	
(f) Other Current Assets	11	96,088,770		52,568,283	
		2,553,448,339		2,041,537,986	
Less : Current Liabilities & Provisions					
(a) Current Liabilities	12	364,827,695		173,120,595	
(b) Provisions	13	115,786,893		89,142,868	
		480,614,588		262,263,463	
Net Current Assets			2,072,833,751		1,779,274,524
4. Misc. Expenditure	14		16,107,183		6,931,169
Total			4,101,943,572		3,119,086,314
Notes forming part of Accounts	24				

As per our separate Audit Report of even date attached

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

for and on behalf of the Board

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

Profit and Loss Account For the year ended March 31, 2011

(Amount in ₹)

Particulars	Schedule	Year ended 31.03.2011		Year ended 31.03.2010	
INCOME					
Gross Realisation	15	6,433,774,573		4,072,556,591	
Less : Excise Duty & Cess		541,450,025		278,246,467	
Net Realisation			5,892,324,548		3,794,310,124
Other Income	16		1,017,549		4,902,833
Variation in Stock	17		195,794,644		120,072,210
Profit on Sale of Capital Assets			24,423		22,800,098
Total			6,089,161,164		3,942,085,265
EXPENDITURE					
Raw Material Consumed	18		4,999,996,283		3,260,327,310
Manufacturing Expenses	19		151,770,013		83,354,860
Excise Duty on Increase/Decrease in Stock			12,307,325		16,524,707
Power and Fuel	20		86,441,378		70,721,002
Administrative and Other Expenses	21		64,774,867		42,702,803
Net Finance Charge	22		141,683,286		58,319,367
Selling and Other Expenses	23		208,423,069		124,822,341
Depreciation	5		42,685,217		24,768,472
Misc Expenditure Written off	14		4,459,994		1,732,792
Loss on Sale of Capital Assets			1,473,604		1,235,838
			5,714,015,036		3,684,509,492
Profit for the Year Before Tax			375,146,127		257,575,772
Less : Provision for					
Current Year Tax			74,768,500		43,563,500
Deferred Tax			52,102,904		44,751,211
Wealth Tax			73,446		52,665
Add : MAT Credit Entitlement			8,373,558		4,439,480
Less : Adjustments of Taxes earlier years			2,750,974		1,266,217
			253,823,861		172,381,660
Add : Profit and Loss b/f			328,847,775		223,958,323
Amount Available for Appropriation			582,671,636		396,339,983
Interim Dividend Paid			40,593,366		40,593,366
Dividend Distribution Tax on Interim Dividend			6,742,050		6,898,842
Transfer to General Reserve			40,000,000		20,000,000
Balance Carried to Balance Sheet			495,336,220		328,847,775
Earning Per Share (Basic) - ₹			12.58		7.43
Earning Per Share (Diluted) - ₹			11.64		7.43
Notes forming part of Accounts	24				

As per our separate Audit Report of even date attached

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

for and on behalf of the Board

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

(Amount in ₹)

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
1. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items		375,121,705		234,775,675
Add: Adjustments for:				
Depreciation	42,685,217		24,768,472	
Misc Exps Written Off	4,459,994		1,732,792	
Interest & Finance Charges	141,683,286		58,319,367	
Loss on sale of fixed assets	1,473,604		1,235,838	
Adjustment of Taxes Earlier Years	(2,750,974)	187,551,127	1,244,377	84,812,093
Operating Profit Before Working Capital Changes		562,672,832		319,587,768
Adjustments for:				
Increase/Decrease in Sundry Debtors	(408,384,657)		(16,026,769)	
Increase/Decrease in Other Receivables	262,802,949		(70,930,775)	
Increase/Decrease in Inventories	(380,050,417)		(280,054,607)	
Increase/Decrease in Trade & Other Payable	204,014,426	(321,617,699)	72,294,068	(294,718,083)
Cash Generated From Operations		241,055,133		24,869,685
Direct Taxes paid including Fringe Benefit Tax		(39,948,147)		(24,299,341)
Cash Flow before extra ordinary items		201,106,986		570,344
Extra ordinary items		24,423		22,800,098
Net Cash from Operating Activities (A)		201,131,409		23,370,441
2. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(369,932,513)		(459,690,361)	
Misc Expenditure	(13,636,009)		(8,663,961)	
Sale of Fixed Assets	2,136,125		20,740,150	
Advances for Fixed Assets	(79,697,909)		143,423,831	
Misc Investments	(355,131,206)		20,387,612	
Net Cash from Investing Activities (B)		(816,261,512)		(283,802,729)
3. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Warrant Issued during the Year	72,245,932		-	
Receipt / Repayment of Secured loans	652,019,978		(301,703,222)	
Receipt / Repayment of Unsecured loans	-		-	
Dividend & DDT paid	(47,335,416)		(47,492,208)	
Interest & Finance Charges	(141,683,286)		(58,319,367)	
Net Cash from Financing Activities (C)		535,247,208		(407,514,797)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(667,947,085)		(672,800,985)
ADD: Cash & Cash Equivalents at the Beginning of the Year		263,277,206		931,224,290
		183,394,311		263,277,206
Cash & Cash Equivalents at the End of the Year		183,394,311		263,277,206

Notes :

1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Schedule-9.
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.

As per our separate Audit Report of even date attached

for **VAPS & Co.**
Chartered Accountants
Firm Regn. No. 003612N

for and on behalf of the Board

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
1 SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares of ₹ 10/- each		
(Previous year 25,000,000 Equity Shares of ₹ 10/- each)	250,000,000	250,000,000
Issued, Subscribed and Paid Up		
20,296,683 Equity Shares of ₹ 10/- each fully paid up		
(Previous Year 20,296,683 Equity Shares of ₹ 10/- each fully paid up)	202,966,830	202,966,830
Total	202,966,830	202,966,830

2 RESERVE AND SURPLUS		
i. Security Premium	1,398,633,674	1,398,633,674
	1,398,633,674	1,398,633,674
ii. General Reserve		
At the commencement of the year	31,398,526	11,398,526
Add: Transferred during the year	40,000,000	20,000,000
	71,398,526	31,398,526
iii. Balance in Profit and Loss Account	495,336,219	328,847,774
Total (i+ii+iii)	1,965,368,419	1,758,879,974

3 SECURED LOANS		
A. Term Loan	304,802,298	45,406,550
B. Working capital facilities from Banks	1,392,680,682	845,174,783
C. Secured Overdraft	30,179,317	185,060,986
Total	1,727,662,297	1,075,642,320

Notes :

[A] In Term Loan, vehicle loans from HDFC Bank Ltd. & Union Bank of India are secured by hypothecation of vehicles, loan from ICICI Bank Ltd. is secured by mortgage of Estate Home (residential property under construction) at E-11 (Land-II), Jaypee Greens, Greater Noida (U.P.) and loan from HDFC Bank Ltd for fixed assets is secured by charge on current assets, movable and immovable assets, and collaterally secured by immovable assets of the company, present and future and Corporate Guarantee of M/s V.S. Exim (P) Ltd. on first pari-passu charge basis and further guaranteed by Promoter-Directors of the company.

[B] Working capital loan from Union Bank of India, HDFC Bank Ltd and Yes Bank Ltd. are secured by charge on current assets, movable and immovable assets, and collaterally secured by immovable assets of the company, present and future and Corporate Guarantee of M/s V.S. Exim (P) Ltd. on first pari-passu charge basis and further guaranteed by Promoter-Directors of the company. Working capital facilities from banks includes foreign currency loan of US $ 100,00,000

[C] Secured Overdraft availed from Union Bank of India are against pledge of Company's Fixed Deposits.

4 DEFERRED TAX LIABILITY		
Last Year Balance	81,597,190	36,845,979
Add for the Current Year	52,102,904	44,751,211
Total	133,700,094	81,597,190

5 FIXED ASSETS

(Amount in ₹)

Description	Rate @	GROSS BLOCK As at 01.04.2010	Addition During the Year	Sales during the Year	As at 31.03.2011	DEPRECIATION Up to 31.03.2010	For the Year	Adjusted During the Year	Up to 31.03.2011	NET BLOCK As at 31.03.2011	As at 31.03.2010
A. Fixed Assets											
Land	-	39,252,481	-	-	39,252,481	-	-	-	-	39,252,481	39,252,481
Building	3.34%	180,637,520	37,002,679	-	217,640,198	7,907,311	6,382,973	-	14,290,283	203,349,915	172,730,209
Plant & Machinery	4.75%	514,850,328	344,452,704	1,954,405	857,348,627	51,615,847	33,204,367	92,703	84,727,511	772,621,115	463,234,481
Office Equipment	4.75%	2,338,331	674,296	-	3,012,627	684,800	124,986	-	809,786	2,202,841	1,653,531
Vehicle	9.50%	22,468,297	3,199,197	446,497	25,220,997	7,510,313	2,256,323	51,714	9,714,922	15,506,075	14,957,984
Furniture & Fixture	6.33%	467,050	713,116	-	1,180,166	33,402	46,160	-	79,562	1,100,604	433,648
Computer	16.21%	3,597,758	1,107,086	-	4,704,844	1,425,586	670,408	-	2,095,995	2,608,849	2,172,171
Zinc (46.142 M.T.)	-	2,132,553	-	-	2,132,553	-	-	-	-	2,132,553	2,132,553
Sub Total (A)		**765,744,317**	**387,149,078**	**2,400,902**	**1,150,492,493**	**69,177,260**	**42,685,217**	**144,417**	**111,718,060**	**1,038,774,433**	**696,567,058**
B. Work-in-Progress											
WIP (Plant)	-	114,219,985	245,777,314	306,112,440	53,884,859	-	-	-	-	53,884,859	114,219,985
WIP (Building)	-	73,628,742	71,536,507	27,673,437	117,491,812	-	-	-	-	117,491,812	73,628,742
WIP (Office Equipment)	-	1,779,423	6,949,893	-	8,729,316	-	-	-	-	8,729,316	1,779,423
WIP (Furniture & Fixture)	-	1,380,167	2,507,098	-	3,887,265	-	-	-	-	3,887,265	1,380,167
Expenses Pending for Allocation	-	10,201,500	-	10,201,500	-	-	-	-	-	-	10,201,500
Sub Total (B)		**201,209,817**	**326,770,813**	**343,987,377**	**183,993,252**	**-**	**-**	**-**	**-**	**183,993,252**	**201,209,817**
Current year figure (A)+(B)		**966,954,134**	**713,919,890**	**346,388,279**	**1,334,485,745**	**69,177,260**	**42,685,217**	**144,417**	**111,718,060**	**1,222,767,686**	**897,776,875**
Previous Year Figure		533,423,168	697,677,370	264,146,404	966,954,134	48,592,194	24,768,472	4,183,407	69,177,260	897,776,875	484,830,974

Particulars	As at 31.03.2011	As at 31.03.2010
6 INVESTMENTS		
Quoted		
Long Term		
- 300,000 Equity Shares of Sharp Industries Ltd.	22,631,829	-
(Previous Year NIL Equity Shares)		
Market Value as on March 31, 2011 ₹ 9,729,000		
Unquoted		
In subsidiary companies		
- 27,11,100 Equity shares of Apollo Metalex Pvt. Ltd. of ₹ 10/- each fully paid up	72,111,000	72,111,000
- 58,95,000 Equity shares of Shri Lakshmi Metal Udyog Ltd. of ₹ 10/- each fully paid up	362,992,747	362,992,747
-2,00,00,000 Equity shares of Lloyds Line Pipes Ltd. of ₹ 10/- each fully paid up	332,499,377	-
	790,234,953	435,103,747

7 INVENTORIES (As physically verified and valued by the management)

Raw Material	310,110,614	190,621,876
Finished Goods	575,542,881	375,814,316
Scrap & Rejections	9,136,728	13,070,649
Consumable Store	27,965,273	10,667,338
Stock (Lying at Branches)	49,447,533	1,978,433
	972,203,029	592,152,612

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
8 SUNDRY DEBTORS		
Sundry Debtors (Unsecured and considered good)		
Outstanding for a period exceeding six months	14,776,987	19,616,955
Others	791,999,543	378,774,919
	806,776,530	398,391,874

9 CASH & BANK BALANCE

Cash and Bank Balance	11,990,391	9,456,002
FDR's with Schedule Banks	140,455,689	234,581,743
Accrued Interest on FDR's & Securities	30,948,231	19,239,461
Total	183,394,311	263,277,206

10 LOANS AND ADVANCES (Unsecured and Considered good, unless stated otherwise)

Claims Receivable	123,478,633	88,629,765
Income Tax Deducted at Source	2,082,853	24,385,474
Securities	12,414,274	166,733,619
Advance to Suppliers and Other Loans & Advances	318,982,934	433,767,479
Prepaid Expenses	10,723,195	4,520,391
Advance Tax	14,490,772	12,671,803
MAT Credit Entitlement	12,813,038	4,439,480
Total	494,985,698	735,148,012

11 OTHER CURRENT ASSETS

Export Incentive Receivable	17,187,094	11,508,424
Service Tax Recoverable	5,281,627	7,992,857
Excise Duty & Cess Receivable	73,040,425	33,067,003
Sales Tax Recoverable	579,625	-
Total	96,088,770	52,568,283

12 CURRENT LIABILITIES

Sundry Creditors for Raw Material	240,713,095	13,072,499
Sundry Creditors for Others	66,061,274	42,728,569
Expenses Payable	36,424,316	81,209,207
Advances from Parties	21,231,734	35,713,045
Investor Education & Protection Fund-Unclaimed Dividend	397,275	397,275
(shall be credited when due)		
Total	364,827,695	173,120,595

13 PROVISIONS

Provision for Excise Duty on Finished Goods	41,018,393	28,711,068
Provision for Taxation	74,768,500	60,431,800
Total	115,786,893	89,142,868

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
14 MISC EXPENDITURE		
Misc Expenditure	20,567,177	8,663,961
Less: Misc Expenditure written off	4,459,994	1,732,792
Total	16,107,183	6,931,169

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
15 GROSS REALISATION		
Sales - Domestic	6,070,820,465	3,809,804,727
Sales - Export	333,783,123	241,622,927
Other Operating Income		
Job Work	10,621,181	6,763,612
Export Incentive	18,549,805	14,365,324
Total	6,433,774,573	4,072,556,591
16 OTHER INCOME		
Miscellaneous Income	1,017,549	4,882,833
Dividend	-	20,000
Total	1,017,549	4,902,833
17 VARIATION IN STOCK		
Closing Stock		
Finished Goods	575,542,881	375,814,316
Scrap	9,136,728	13,070,649
Total (A)	584,679,609	388,884,965
Less : Opening Stock		
Finished Goods	375,814,316	263,331,395
Scrap	13,070,649	5,481,360
Total (B)	388,884,965	268,812,755
Total (A-B)	195,794,644	120,072,210
18 RAW MATERIAL CONSUMED		
Opening Stock	190,621,876	34,374,524
Add : Purchase During the Year	5,119,485,021	3,416,574,661
Total	5,310,106,897	3,450,949,185
Less : Closing Stock	310,110,614	190,621,876
Total	4,999,996,283	3,260,327,310
19 MANUFACTURING EXPENSES		
Factory Wages	32,487,176	21,287,413
Consumable Stores	34,142,454	38,793,204
Job Work Charges	14,387,544	2,290,220
Freight & Cartage Inward	68,487,034	19,487,293
Insurance	45,526	32,138
Factory Rent	1,343,040	1,464,592
Factory Maintenance Exp	877,240	–
Total	151,770,013	83,354,860

(Amount in ₹)

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
20 POWER AND FUEL				
Electricity Expenses		42,791,398		23,771,368
Generator Running Charges		21,876,918		22,986,044
Furnace Oil		21,773,062		23,963,590
Total		86,441,378		70,721,002
21 ADMINISTRATIVE AND OTHER EXPENSES				
Remuneration to Employees		26,742,169		8,241,338
Director's Remuneration		2,400,000		2,400,000
Office Rent		4,505,259		3,710,992
Printing & Stationery		1,856,833		1,110,570
Postage & Telephone		3,124,113		1,846,754
Charity & Donation		15,829		50,000
Vehicle Repair & Maintenance		1,806,867		1,231,729
Fees & Taxes		4,742,193		2,268,232
Insurance		241,875		171,288
Travelling Expenses				
Director's Travelling	3,766,891		699,375	
Other Travelling	5,929,335	9,696,226	2,855,677	3,555,052
Legal Expenses		3,434,335		3,082,733
Miscellaneous Expenses		4,289,825		13,395,610
Auditor's Remuneration		1,000,000		1,000,000
Office Electricity Expenses		919,342		638,503
Total		64,774,867		42,702,803
22 NET FINANCE CHARGE				
(A) Interest on :				
- Working Capital		121,934,806		65,661,125
- Secured Overdraft		1,675,400		47,380,114
- Others		6,832,110		1,783,107
(B) Other Financial Charges :				
- Forward contract charges		10,858,739		4,678,846
- Bank & other charges		17,153,253		2,284,401
Total (A+B)		158,454,307		121,787,593
(C) Less: Interest Received on FDR		16,771,021		63,468,226
Total (A+B-C)		141,683,286		58,319,367
23 SELLING AND OTHER EXPENSES				
Advertisement Expenses		4,099,539		1,771,622
Commission and Discount		47,414,046		40,339,328
Freight Outward		154,977,163		80,705,391
Insurance(Marine)		82,001		86,000
Sales Promotion		1,309,359		624,528
Additional Sales Tax		540,960		1,295,472
Total		208,423,069		124,822,341

Schedule forming part of Accounts For the year ended March 31, 2011

24 ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1) 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 recognises income and expenditure on accrual basis.

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

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 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.

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 capitalised.

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

3) Impairment of Assets

The Company recognises 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.

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 realisable value whichever is lower. Finished Goods are valued at cost or net realisable value whichever is lower. Stock of Scrap is valued at net realisable 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 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 recognised in the 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 recognised in 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, 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.

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 Profit & Loss Account of the period when the contributions to the respective funds are due.

10) Borrowing Cost

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalised 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 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

24 ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS (Contd.)

accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallised.

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 recognised when the risk and reward of ownership are passed on to the customers. Revenue from services is recognised 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 are recognised 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.

B. NOTES FORMING PART OF ACCOUNTS

1) Contingent Liability

Contingent liability not provided for in respect of;

(₹ in Lacs)

S. No.	Particulars	31.03.2011	31.03.2010
1.	Counter guarantee to Union Bank of India for performance guarantee given to various departments	539.20	493.34
2.	Corporate Guarantee(s) have been given for securing working capital facilities sanctioned to its Subsidiary Companies.		

2) Raw Material Consumed

a. H.R. Strip

	2011		2010	
	Qty. (M.T.)	Value (₹ in Lacs)	Qty. (M.T.)	Value (₹ in Lacs)
Opening Balance	4,998.147	1,770.89	913.070	255.66
- with consignee	828.430	317.20	–	–
Add: Purchase	133,074.687	42,350.42	100,447.387	29,009.99
Add: Recd. from Job Work	13.140	4.08	84.280	25.41
Less: Issued for Production	119,131.626	36,945.92	88,887.498	25,108.68
Less : Sales	12,128.101	4490.00	6,727.492	2,093.38
Less : Scrap from job work	–	–	3.170	0.91
Less : Issued from Job Work	778.160	241.78	–	–
Closing Balance				
- at works	6,876.517	2,764.89	4,998.147	1,770.89
- with consignee	–	–	828.430	317.20

b. G.P. Coil

	2011		2010	
	Qty. (M.T.)	Value (₹ in Lacs)	Qty. (M.T.)	Value (₹ in Lacs)
Opening Balance	31.637	11.10	97.594	31.23
Add: Purchase	8,376.945	3,291.88	2,101.621	686.85
Add: Recd. from Job Work	652.740	221.93	–	–
Less: Issued for Production	8,351.633	3,218.76	1,519.932	507.33
Less:- Sales	279.445	119.74	647.646	199.65
Closing Balance	430.244	186.41	31.637	11.10

c. Zinc

	2011		2010	
	Qty. (M.T.)	Value (₹ in Lacs)	Qty. (M.T.)	Value (₹ in Lacs)
Opening Balance	89.369	107.60	42.074	33.87
Add: Purchase	1,649.012	1,846.83	1,951.795	2,001.11
Less: Issued for Production	1,510.881	1,687.11	1,661.670	1,658.61
Less : Sales	110.390	133.22	242.830	268.77
Closing Balance	117.110	134.10	89.369	107.60

3) Licensed and Installed Capacity, Production and Turnover

a) Licensed and Installed Capacity

	2011 Qty. (M.T.)		2010 Qty. (M.T.)	
	Licensed	Installed	Licensed	Installed
M S Pipe	N. A.	325,000	N. A.	200,000

b) Production

i. M.S.Pipe

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock- at works	5,205.663	3,321.747
- lying with consignee/branches	491.244	2,156.507
Add: Production during the year	113,668.710	84,351.253
Add: Recd. from job work	73.970	17.710
Less: Sale	78,990.335	49,738.840
Less: Issued for GI Pipe	31,714.150	34,411.470
Closing Stock- at works	7,031.074	5,205.663
- lying with consignee/branches	1,704.028	491.244

ii. G.P. Pipe

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock- at works	117.453	164.047
- lying with consignee/branches	7.730	91.247
Add: Production during the year	7,914.822	968.931
Add: Recd. from job work	37.380	491.610
Less: Sale	7,433.495	1,590.652
Closing Stock- at works	228.810	117.453
- lying with consignee/branches	415.080	7.730

iii. G.I. Pipe

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock - at works	1,280.631	953.368
- lying with consignee/branches	538.387	494.076
Add: Production during the year	31,817.665	36,544.898
Add: Recd. from job work	3,707.756	68.170
Less: Sale	35,154.441	36,241.494
Closing Stock - at works	1,282.504	1,280.631
- lying with consignee/branches	907.494	538.387

4) The closing stock of finished goods has been valued inclusive of Excise Duty amounting to ₹ 22,706,411 (Previous Year ₹ 28,711,068) as per ASI-14 (Revised) issued by the Institute of Chartered Accountants of India.

5) Employee Benefits

Long Term Employee Benefits

The following table sets forth the status of the Gratuity Plan of the company, and the amounts recognised in the balance sheet and profit and loss account. The liability for Gratuity as at March 31, 2011 have been actuarially determined and provided for in the accounts as against the practice of providing the liability on payment basis only upto the previous financial year ended March 31, 2009.

Particulars	Year ended 31.03.2011 (₹)
Changes in the present value of defined benefit obligation	
Present benefit obligation at the beginning of year	2,066,888
Current service cost	621,986
Interest cost	165,351
Past service cost	15,504
Actuarial (loss)/gain	710,288
Benefits paid	(725,367)
Projected benefit obligation at the end of the year	**2,854,650**
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 (loss)/gain	-
Fair value of plan assets at the end of the year	-
Amount recognised in the balance sheet	
Projected benefit obligation at the end of the year	2,854,650
Fair value of plan assets at the end of the year	-
Funded status of the plans-asset/(liability)- Liability recognised in the balance sheet	**(2,854,650)**
Gratuity cost for the year	
Current service cost	621,986
Interest Cost	165,351
Past service cost	15,504
Expected return on plan assets	-
Net actuarial (loss)/gain recognised in the year	710,288
Net Gratuity cost	**1,513,129**
Assumptions	
Discount rate	8.00
Expected rate of return on plan assets	-
Long term rate of compensation increase	5.50

6) The Company has, on a preferential basis, issued the following securities to APL Infrastructure Private Limited, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations 2009).

Warrants: 16,41,953 where each Warrant would entitle APL Infrastructure Private Limited to subscribe to one Ordinary Share of the Company at a price of ₹ 176 per share. As per the SEBI ICDR Regulations 2009, an amount equivalent to 25% of the price i.e. ₹ 44 per Warrant aggregating to ₹ 7,22,45,932 has been received from APL Infrastructure Private Limited on allotment of the Warrants.

7) Details of utilisation of funds received on preferential allotment of convertible warrants: (Figures in ₹)

	2011	2010
Net issue proceeds	72,245,932	Nil
Less: Part funding of Llyods Line Pipes Ltd's acquisition	72,245,932	Nil
Balance	Nil	Nil

8) Disclosure regarding computation of EPS in accordance with AS-20. (Figures in ₹)

	2011	2010
A. Basic EPS		
Profit After Tax as per P&L A/c (₹)	255,273,042	150,817,401
Weighted Avg. Number of Equity Share	20,296,683	20,296,683
Basic EPS (₹)	12.58	7.43
B. Diluted EPS		
Profit After Tax as per P&L A/c (₹)	255,273,042	150,817,401
Diluted Number of Equity Shares O/s	21,938,636	20,296,683
Diluted EPS (₹)	11.63	7.43
C. Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	20,296,683	20,296,683
2. Average fair value of one equity share during the year	₹ 10	₹ 10
3. Weighted average number of Share Warrant issued during the year	1,641,953	-
4. Warrants were issued at ₹ 176 each entitling the holder to subscribe one equity share of ₹ 10 each for every warrant issued	₹ 10	-
5. Total Diluted Equity Shares (1+3)	21,938,636	20,296,683

9) Deferred Taxes - As per Accounting Standard (AS-22) on accounting for taxes on income, issued by the Institute of Chartered Accountants of India, the Deferred tax liability as on March 31, 2011 is as follows; (₹ in Lacs)

	2011	2010
Deferred Tax Liability	133,961,769	81,876,761
Deferred Tax Assets	261,675	279,571
Net Deferred Tax Liability	133,700,094	81,597,190

10) 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.

11) Brand Building

During the Year the Company incurred an expenditure of ₹ 13,636,008 (Previous Year ₹ 8,663,961) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortised in 5 years equally.

12) 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 recognised MAT Credit Entitlement to the extent of ₹ 12,489,285 (Previous Year ₹ 4,439,480) 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.

13) Related Party Disclosures (AS 18)

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

Related Parties with whom transaction have taken place during the year and 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 Pvt. Ltd.

Key Management Personnel

Mr. Sanjay Gupta (Chairman-cum-Managing Director)

Relatives of Key Management Personnel

Mrs. Saroj Rani Gupta (Mother of Directors)

Mrs. Neera Gupta (Wife of Sh. Sanjay Gupta)

b) Detail of Related Party Transactions (Figures in ₹)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
*Sales of Goods/ Job Work/ Machinery	152,670,897	–	–	–	152,670,897
Purchase of Goods / Job Work/Machinery	246,919,583	–	–	–	246,919,583
Transfer of DEPB	469,360	6,405,411	–	–	6,874,771
Director's Remuneration Paid	–	–	2,400,000	–	2,400,000
Office/Vehicle/ Factory rent paid	–	1,648,334	–	2,880,000	4,528,334
Fund Received	77,811,046	–	–	–	77,811,046
Fund Given	149,050,000	–	–	–	149,050,000

*Sale includes goods sent on consignment

24 ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS (Contd.)

C) Amount due to /from Related Parties as at March 31, 2011

(Figures in ₹)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
Amount due to Related Parties	124,390,162	2,025,249	154,181	15,000	126,584,592
Amount due from Related Parties	149,000,000	–	–	–	149,000,000

	2011	2010
14) Value of Import (₹)	69,176,620	34,286,025
15) Value of Export (CIF) (₹)	333,801,963	241,622,927
16) Expenditure in foreign currency (₹)	59,652,460	35,917,056

17) The outstanding balance of Debtors/Creditors in the books of the company is subject to confirmation.

18) Auditors Remuneration (excluding Service Tax)

(Figures in ₹)

	2011	2010
i) Statutory Audit Fee	750,000	750,000
ii) Taxation matters	150,000	150,000
iii) Other Services	100,000	100,000
Total	1,000,000	1,000,000

19) Break up of Managerial Remuneration (Figures in ₹)

	2011	2010
i) Salaries	2,400,000	2,400,000
ii) Contribution to Provident Fund	-	-
iii) Other Perquisites	-	-
iv) Commission	-	-
Total	2,400,000	2,400,000

20) Break up of Directors Traveling Expenses: (Figures in ₹)

	2011	2010
i) Foreign Travelling	1,857,507	223,762
ii) Inland Travelling	1,692,720	475,613

21) 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, 2011, if any, due to such undertaking could, therefore, not be disclosed.

22) Amounts except number of shares and earnings per share are rounded off to the nearest rupees.

23) The figures of previous year have been regrouped / rearranged wherever considered necessary.

As per our separate Audit Report of even date attached

for **VAPS & Co.** for and on behalf of the Board
Chartered Accountants
Firm Regn. No. 003612N

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

Balance Sheet Abstract and Company's Profile

1. Registration Details

CIN No. L74899DL1986PLC023443 State Code 55

Balance Sheet Date 31 03 2011

2. Capital Raised during the year *(in '000)*

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3. Position of Mobilisation and Deployment of Funds *(in '000)*

Total Liabilities	4582558	Total Assets	4582558
Sources of Funds			
Paid-up Capital	202967	Reserves & Surplus	1965368
Secured Loans	1727662	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	1222768	Investments	790235
Net Current Assets	2072834	Misc. Expenditure	16107

4. Performance of the Company *(in '000)*

Turnover	6089161	Total Expenditure	5714015
Profit Before Tax	375146	Profit After Tax/ Deferred Tax	253824

5. General Name of Two Principal Product of Company (As per Monetary terms)
   1. Manufacturing of G.I. Pipes
   2. Manufacturing of M.S. Pipes

As per our separate Audit Report of even date attached

for **VAPS & Co.** for and on behalf of the Board
Chartered Accountants
Firm Regn. No. 003612N

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

Name of the Subsidiary Company	Apollo Metalex Private Limited [CIN: U27104DL2006PTC146579]	Shri Lakshmi Metal Udyog Limited [CIN: U85110KA1994PLC015550]	Lloyds Line Pipes Limited [CIN:U27320DL2008PLC223550]
Financial year of subsidiary company ended on	March 31, 2011	March 31, 2011	March 31, 2011
Date from which they became subsidiary company	June 15, 2007	April 28, 2008	November 11, 2010
Number of Equity Shares held by APL Apollo Tubes Limited	27111000 Equity Shares of ₹ 10/- each	5895000 Equity Shares of ₹ 10/- each	20000000 Equity Shares of ₹ 10/- each
Extent of interest of APL Apollo Tubes Limited in the capital of the subsidiary	100%	100%	100%
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	80,476,433	64,910,710	29,058,031
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

S. No.	Name of the Subsidiary Company	Apollo Metalex Private Limited [CIN: U27104DL2006PTC146579]	Shri Lakshmi Metal Udyog Limited [CIN: U85110KA1994PLC015550]	Lloyds Line Pipes Limited* [CIN:U27320DL2008PLC223550]
1	Share capital	27,111,000	58,950,000	200,000,000
2	Reserves	205,196,962	237,933,574	-
3	Total Liabilities	628,582,819	625,067,559	634,114,016
4	Total Assets	628,582,819	625,067,559	634,114,016
5	Investment included in Total Assets (Except for investment in subsidiaries)	–	–	–
6	Gross Sales	1,520,600,837	1,642,894,532	337,504,842
7	Profit before taxes	121,435,026	96,719,650	30,118,090
8	Adjustment of Taxes Earlier Years	437,324	7,000	-
9	Provision for taxation	40,521,269	31,801,940	1,060,059
10	Profit after taxes	80,476,433	64,910,710	29,058,031
11	Proposed dividend	–	–	–

* became wholly owned subsidiary w.e.f. November 11, 2010 and as such financials for the period commencing from November 11, 2010 to March 31, 2011 has been considered and incorporated in the consolidated financial statements of the Company.

As per our separate Audit Report of even date attached

for **VAPS & Co.**
Chartered Accountants
Firm Regn. No. 003612N

for and on behalf of the Board

P K Jain
Partner
Membership No. 82515

Sanjay Gupta
Chairman cum Managing Director

Vinay Gupta
Director

Place : New Delhi
Dated : August 30, 2011

Pankaj K. Gupta
GM (Finance and Accounts)

Adhish Swaroop
Company Secretary

“It always seems impossible until its done.”

Nelson Mandela

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 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.

Corporate information

Chairman-cum-Managing Director
Mr. Sanjay Gupta

Directors
Mr. Vinay Gupta
Mr. Sameer Gupta
Mr. Aniq Husain
Mr. S T Gerela
Mr. C S Johri

General Manager (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
Union Bank of India
HDFC Bank Limited
Yes Bank Limited

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

Unit-II
No.332-338, Alur Village
Perandapalli, Hosur (TamilNadu)

Wholly-owned subsidiaries
Apollo Metalex Private Limited
5/82, Gujju Katra
Shahdara, Delhi – 110 032
with effect from June 15, 2007

Shri Lakshmi Metal Udyog Limited
No. 9 to 11, KIADB Industiral 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

APLAPOLLO

Warehouses-cum-branches
JAIPUR: Sikar Road, Rajawas, Near Bus Stand, Jaipur, Rajasthan
GOA: D-2/4, Mapusa Industrial Estate, Dattawadi, Near Sai Service, Mapusa
LUDHIANA: Plot No.39, Main Road, Phase-V, Focal Point, Ludhiana, Punjab
GHAZIABAD: 103, Prakash Industrial Estate, Ghaziabad - 201010, Uttar Pradesh
FARIDABAD: Khasra No.12-13, Sahpur Road, Ballabhgarh-121004, Faridabad, Haryana
KOCHI: 48/425-F, Edapally Raghavan Pillai Road, Elamakkara PO, Ernakulam, Kochi, Kerala
NAGPUR: 895, Plot No.15 & 24, Near Avatar Dhaba, Amravati Road, Wardhman, Nagpur-440023, Maharashtra
BENGALURU: 77-RE SY No.77/1, SY No.76, Hommadevanahalli Village, B.G.Road, Bengaluru, Karnataka
PUNE: S.No.312/1/11, Opp. Indian Oil Petrol Pump, Handewadi Road, Village Devachi & Uruli, Pune-412308 Maharashtra
HYDERABAD: Survey No.154, Doolapally, Qutubullapur, Mandal, Rangareddy, Hyderabad- 500014, Andhra Pradesh

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