

APL APOLLO TUBES LIMITED

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

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2017

(Rupees in Crores, except EPS)

Particulars	Quarter ended December 31, 2017	Quarter ended September 30, 2017	Quarter ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
I Revenue from operations					
(a) Sale of products [^]	1,275.76	1,298.77	1,028.18	3,839.16	3,081.29
(b) Other operating income	38.62	38.70	28.31	113.81	91.20
Total revenue from operations	1,314.38	1,337.47	1,056.49	3,952.97	3,172.49
II Other Income	2.08	(5.50)	4.80	6.11	6.81
III Total income (I +II)	1,316.46	1,331.97	1,061.29	3,959.08	3,179.30
IV Expenses					
(a) Cost of materials consumed	1,066.70	1,075.63	805.76	3,173.35	2,313.80
(b) Purchase of stock-in-trade (traded goods)	5.27	36.17	9.05	44.52	54.41
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	49.46	11.67	(40.20)	1.33	(49.99)
(d) Excise duty expenses [^]	-	(7.89)	112.98	137.61	330.82
(e) Employee benefits expense	20.02	21.57	18.99	62.76	57.72
(f) Finance costs	20.25	20.76	20.98	58.70	56.58
(g) Depreciation and amortisation expense	13.90	12.35	10.93	38.45	37.82
(h) Other expenses	84.48	99.07	75.43	264.99	218.48
Total expenses	1,260.08	1,269.33	1,013.92	3,781.71	3,019.64
V Profit before tax (III-IV)	56.38	62.64	47.37	177.37	159.66
VI Tax expense:					
(a) Current tax	13.72	24.40	14.64	53.71	52.93
(b) Deferred tax	6.73	(2.83)	0.40	7.81	1.26
(c) Income tax of earlier year	-	0.37	3.22	0.37	3.27
Total tax expense	20.45	21.94	18.26	61.89	57.46
VII Profit for the period (V-VI)	35.93	40.70	29.11	115.48	102.20
VIII Other Comprehensive Income					
Items that will not be reclassified to profit and loss					
Remeasurement of post employment benefit obligation	(0.17)	(0.17)	(0.12)	(0.41)	(0.35)
Income tax relating to above item	0.06	0.06	0.04	0.14	0.12
Other Comprehensive Income for the period	(0.11)	(0.11)	(0.08)	(0.27)	(0.23)
IX Total Comprehensive Income for the period (VII+VIII)	35.82	40.59	29.03	115.21	101.97
X Earnings per equity share of Rupees 10 each:					
(a) Basic	15.17	17.20	12.36	48.79	43.42
(b) Diluted	14.94	16.77	12.15	48.06	42.68

[^] Refer Note 5(a)

APL APOLLO TUBES LIMITED

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

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2017

Particulars	(Rupees in Crores, except EPS)				
	Quarter ended December 31, 2017	Quarter ended September 30, 2017	Quarter ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
I Revenue from operations					
(a) Sale of products*	1,054.79	1,014.58	811.80	3,067.10	2,417.75
(b) Other operating income	29.99	56.45	20.91	87.81	71.71
Total revenue from operations	1,084.78	1,071.03	832.71	3,154.91	2,489.46
II Other Income	2.19	23.39	1.23	33.40	4.85
III Total income (I +II)	1,086.97	1,094.42	833.94	3,188.31	2,494.31
IV Expenses					
(a) Cost of materials consumed	797.92	760.76	582.03	2,298.79	1,651.27
(b) Purchase of stock-in-trade (traded goods)	100.32	178.81	77.23	354.63	268.76
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	51.99	(10.31)	(27.36)	(6.57)	(33.06)
(d) Excise duty expenses*	-	(6.62)	81.55	95.37	236.03
(e) Employee benefits expense	15.22	15.44	13.72	46.24	42.16
(f) Finance costs	18.04	18.00	17.00	50.89	49.90
(g) Depreciation and amortisation expense	11.41	10.10	8.38	31.42	29.26
(h) Other expenses	62.11	73.04	55.93	196.27	161.09
Total expenses	1,057.01	1,039.22	808.48	3,067.04	2,405.41
V Profit before tax (III-IV)	29.96	55.20	25.46	121.27	88.90
VI Tax expense:					
(a) Current tax	4.97	8.98	7.08	23.91	28.32
(b) Deferred tax	6.45	0.04	2.49	8.47	3.79
(c) Income tax of earlier year	-	0.02	0.37	0.02	0.42
Total tax expense	11.42	9.04	9.94	32.40	32.53
VII Profit for the period (V-VI)	18.54	46.16	15.52	88.87	56.37
VIII Other Comprehensive Income					
Items that will not be reclassified to profit and loss					
Remeasurement of post employment benefit obligation	(0.18)	(0.18)	(0.18)	(0.53)	(0.53)
Income tax relating to above item	0.06	0.06	0.06	0.18	0.18
Other Comprehensive Income for the period	(0.12)	(0.12)	(0.12)	(0.35)	(0.35)
IX Total Comprehensive Income for the period (VII+VIII)	18.42	46.04	15.40	88.52	56.02
X Earnings per equity share of Rupees 10 each:					
(a) Basic	7.80	19.52	6.56	37.49	23.86
(b) Diluted	7.68	19.02	6.44	36.93	23.45

* Refer Note 5(b)

Notes:

1. The above Unaudited Consolidated and Standalone Interim Financial Results for the quarter and nine months ended December 31, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 25, 2018.
2. The Statutory Auditors have carried out the 'Limited Review' of the Unaudited Consolidated and Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2017 in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results of the quarter and nine months ended December 31, 2016 have not been subject to Limited review or Audit. However, the management has exercised necessary due diligence to ensure that the financial results for the quarter and nine months ended December 31, 2016 provide a true and fair view of the Company's affairs.
3. Hon'ble National Company Law Tribunal, Principal Bench at New Delhi vide its order dated August 7, 2017 and rectification order dated September 19, 2017 approved the scheme of Arrangement for amalgamation ("Scheme") of Lloyds Line Pipes Limited (a subsidiary company) with APL Apollo Tubes Limited (APL) under Section 230 and 232 of Companies Act, 2013 with effect from the appointed date i.e. April 1, 2015. The scheme became effective upon filing of the aforesaid order with Registrar of Companies ('ROC') on October 18, 2017. Pursuant to the scheme, the Company :
 - a) has presented current and all earlier period results after giving effect to the amalgamation and accordingly, the unaudited standalone financial results have been presented, after taking the effect of accounting of amalgamation;
 - b) has followed "Pooling of interest method" as per then prevailing Accounting Standard (AS 14) referred in the scheme which requires line by line addition into APL and adjusted the resultant goodwill with the accumulated reserve which is as per the accounting treatment for amalgamation prescribed under the scheme. This does not have any impact of the profit for the current or earlier periods.
4. The Company has adopted Ind-AS with effect from April 1, 2017 with a transition date of April 1, 2016. The Unaudited Consolidated and Standalone Financial Results has been prepared by the Company following the accounting policies consistent with those used in the preparation of the Company's opening unaudited balance sheet as at April 1, 2016, prepared in accordance with Ind-AS prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies. The financial results for all the periods presented have been prepared in accordance with recognition and measurement principles laid down in the 'Ind-AS 34 : Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other accounting principles generally accepted in India. The Company has elected not to present Ind-AS complied financial results and Balance Sheet for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's circular dated July 5, 2016.
5. Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been replaced by GST. In accordance with 'Ind-AS 18 : Revenue' and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations for applicable periods. In view of the aforesaid restructuring of indirect taxes, Revenue from operations for quarter and nine months ended December 31, 2017 are not comparable with the previous periods. Following additional information is being provided to facilitate such comparison:

(a) Consolidated:

S. No.	Particulars	Quarter ended			Nine Months ended	
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
I	Revenue from operations	1,275.76	1,298.77	1,028.18	3,839.16	3,081.29
II	Excise duty	-	(7.89)	112.98	137.61	330.82
III	Revenue from operations (net of excise duty)(I-II)	1,275.76	1,306.66	915.20	3,701.55	2,750.47



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(b) Standalone:

S. No.	Particulars	Quarter ended			Nine Months ended	
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
I	Revenue from operations	1,054.79	1,014.58	811.80	3,067.10	2,417.75
II	Excise duty	-	(6.62)	81.55	95.37	236.03
III	Revenue from operations (net of excise duty)(I-II)	1,054.79	1,021.20	730.25	2,971.73	2,181.72

6. A reconciliation between Unaudited Consolidated and Standalone Financial Results as reported under previous Indian GAAP (referred to as 'I GAAP') and Ind-AS are summarised as below :

(Rupees in crore)

S. No.	Particulars	Consolidated		Standalone	
		Quarter ended December 31, 2016	Nine months ended December 31, 2016	Quarter ended December 31, 2016	Nine months ended December 31, 2016
	Net Profit as per I GAAP (A)	29.56	104.66	15.69	58.31
1	Increase in expense on account of share based payments accounted based on fair value	(0.81)	(2.92)	(0.59)	(2.42)
2	Decrease in expense on accounting of financial instruments in accordance with 'Ind-AS 109 : Financial Instruments'	0.67	0.60	0.62	0.45
3	Others	(0.03)	(0.04)	0.06	0.10
4	Deferred tax impact on above Ind-AS adjustments	(0.28)	(0.10)	(0.26)	(0.07)
	Total adjustments (1+2+3+4) (B)	(0.45)	(2.46)	(0.17)	(1.94)
	Net profit before Other Comprehensive Income (C=A+B)	29.11	102.20	15.52	56.37
	Remeasurement of post employment benefit obligation (net of tax) through Other Comprehensive Income (OCI) (D)	(0.08)	(0.23)	(0.12)	(0.35)
	Total Comprehensive Income as per Ind-AS (C+D)	29.03	101.97	15.40	56.02

7. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108: Operating Segments'.
8. The Unaudited Consolidated and Standalone Financial Results for the quarter and nine months ended December 31, 2017 are available on the website of the Company (www.aplpollo.com) and on Stock Exchanges website (www.bseindia.com and www.nseindia.com).

For APL APOLLO TUBES LIMITED

SANJAY GUPTA
CHAIRMAN

Ghaziabad
January 25, 2018



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONSOLIDATED UNAUDITED INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Interim Financial Results of **APL APOLLO TUBES LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and nine months ended December 31, 2017, (collectively, "the Statement") being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. These Consolidated Unaudited Interim Financial Results included in the Statement includes the results of the following entities:
 - (i) The Holding Company
 - APL Apollo Tubes Limited
 - (ii) Wholly owned subsidiary companies :-
 - Apollo Metalex Private Limited
 - Shri Lakshmi Metal Udyog Limited
 - Blue Ocean Projects Private Limited
4. Based on our review conducted as stated above and based on the consideration of the review reports of other auditor referred to in paragraph 5(b) below, nothing has come to our attention that causes us to believe that the accompanying Consolidated Unaudited Interim Financial Results included in the Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We draw attention to the following matters :

a) Note 3 of the Unaudited Interim Financial Results in respect of scheme of Amalgamation ("Scheme") approved by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi. The Holding Company has applied the accounting treatment in accordance with the said scheme for accounting for amalgamation of Lloyds Line Pipes Limited (a subsidiary company) with APL Apollo Tubes Limited (Holding Company) under Section 230 and 232 of Companies Act, 2013 with effect from the appointed date i.e. April 1, 2015.

b) We did not review the interim financial results of one subsidiary included in the Consolidated Unaudited Interim Financial Results, whose interim financial results reflect total revenues of Rs. Nil for the quarter and nine months ended December 31, 2017 respectively, total (loss) after tax of Rs. 303,328 and Rs. 915,658 for the quarter and nine months ended December 31, 2017 respectively and total comprehensive loss of Rs. 303,328 and Rs. 915,658 for the quarter and nine months ended December 31, 2017 respectively, as considered in the Consolidated Unaudited Interim Financial Results. These interim financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor.

Our conclusion is not modified in respect of these matters.

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



Ghaziabad, January 25, 2018
RT/SK/2018

A handwritten signature in black ink, appearing to read "RASHIM TANDON".

RASHIM TANDON
Partner
(Membership No. 095540)

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF STANDALONE UNAUDITED INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Interim Financial Results of **APL APOLLO TUBES LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2017, (collectively, "the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Deloitte Haskins & Sells LLP

4. We draw attention to Note 3 of the Unaudited Interim Financial Results in respect of scheme of Amalgamation ("Scheme") approved by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi. The Company has applied the accounting treatment in accordance with the said scheme for accounting for amalgamation of Lloyds Line Pipes Limited (a subsidiary company) with APL Apollo Tubes Limited under Section 230 and 232 of Companies Act, 2013 with effect from the appointed date i.e. April 1, 2015.

Our conclusion is not modified in respect of this matter.

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



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RASHIM TANDON
Partner
(Membership No. 095540)

Ghaziabad, January 25, 2018
RT/SK/2018