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Department of Corporate Services/Listing  
BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

**Re: Annual Report for the Financial Year 2022-23**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2022-23, being sent to those members by email whose email addresses are registered with the Company/Depository participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Annual Report is also uploaded on the website of the Company at [www.aplapollo.com](http://www.aplapollo.com).

This is for your kind reference and records.

Thanking you

Yours faithfully  
**For APL Apollo Tubes Limited**

**Deepak C S**  
**Company Secretary**

Encl: a/a

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Unit-III : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India Unit-IV : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

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INDIA'S  
**No. 1**  
STRUCTURAL STEEL TUBE COMPANY



# Greater Greener

**APL APOLLO TUBES LIMITED**

INTEGRATED REPORTING &  
FINANCIAL STATEMENTS **2022-23**

This Report contains comprehensive information on our operational and financial performance and how these influence our strategic direction, resulting in our ability to create sustainable value.

### Reporting Period, Scope and Boundary

The reporting period for this Integrated Report is 1 April 2022 to 31 March 2023. It provides an overview of our operations and business development activities. The Report, further, covers information on our business segments in India and abroad, along with associated activities that enable short, medium, and long-term value creation.

### Reporting Standards and Frameworks

In this report, we have attempted to bring in more transparency and accountability through the disclosures and information provided in the initial pages of the Report, following the guiding principles of the International Integrated Reporting Council (IIRC). The other statutory reports, including the Board's Report, Management Discussion and Analysis (MD&A) section, the Corporate Governance Report and the Business Responsibility Report, are in line with the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.

### Management Assurance

Our Company's senior management, under supervision of the Chairman and Managing Director, has reviewed the Report content. The Board members of our Company have provided the required governance oversight.

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## Balancing Profits and the Planet is a very tough call.

Every day, CEOs worldwide face the dilemma of choosing between economic benefits and environmental conservation. Most often, in quest of the former, the latter is compromised. Sustainability is yet to become an uncompromising priority in the business world.

## At APL Apollo, we unified these two conflicting goals.

We leveraged simple wisdom to reconcile environmental and economic concerns.

We reinforced the ethical understanding that going green is not a cost to the business, rather a catalyst for innovation, new market opportunities, and wealth creation.

With this understanding, we ensured success for both business and environment.

Moving forward, our endeavour is to emerge Greener as we become Greater.





# The Big Picture

We are in a business space that is at the cusp of exponential growth in the current decade.

The structural steel tube demand is expected to soar.

by 2030





Structural Steel tubes will soon transform infrastructure creation in India by being that critical input required for change. Be it commercial complexes, airports, railway stations, high rise towers, skyscrapers, among many others, structural steel tubes have emerged as the foundation of skyline-defining infrastructure in most advanced nations across the globe.

In India, till very recently, we used conventional construction methods which were time-consuming and expensive. But not anymore as India now is in a tearing haste to create world-class infrastructure. This intent is already demonstrated by the massive allocation for infrastructure creation in successive Union Budgets. And India has that unique tube manufacturer for large-sized, high-quality structural steel tubes that will form the bedrock of a resurgent and global India.

Back-of-the-envelope calculations suggest some incredible numbers that could catapult structural steel tube manufacturers into a completely new orbit.





**The share of the India's structural steel tube market in the overall steel production is expected to rise from 6% to 8% - which is a whopping 60% increase.**

### Macro scenario

India's steel Consumption in FY23

~ **120** MnT

And, India's structural steel tube market size is only

~ **7.6** MnT

This means that the structural steel tube market in India is a shade above

**6**% of the total domestic steel production. But globally, this number stands at about

~ **10**%.

As speed, efficiency, and environmental concerns emerge as key factors in infrastructure creation, the domestic average is expected to approximate the global average in the near future. For example, when the 5% nudges up to 8% by 2030, the size of the domestic structural steel tube market would swell. The likely scenario could be as follows:

India's Steel Capacity is envisaged to be 300 MnT by 2030. We expect the steel consumption of atleast 200 MnT by 2030

~ **200** MnT

And, India's structural steel tube market size (assuming an 8% share)

~ **16** MnT

### Micro scenario

Let us delve deeper into the 7.6 MnT structural steel tube market comprising two segments:

Primary structural steel tube manufacturers using HR steel as their input

**4.2** MnT

&

Secondary structural steel tube manufacturers using scrap and Patra steel as their input

**3.4** MnT

The Secondary structural steel tube manufacturers supplement the shortage of HR steel and hence the higher cost of branded products. But this is about to change as about 15 MnT of HR steel capacity, previously delayed owing to global headwinds like the pandemic, is expected to commence operation in the next 3-5 years reducing the HR steel prices. When that happens, the secondary players like the Patra steel component (3.4 MnT) would shrink remarkably making room for the primary structural steel tube manufacturers to fill in the vacuum.

In a nutshell, the Primary structural steel tube manufacturers are exposed to two vital opportunities:

- 1) Demand-driven growth owing to increased infrastructure creation
- 2) Market-shift-driven growth owing to the inevitable exit of the secondary players

This suggests that the Indian structural steel tube market will jump from

4.2 MnT  
In FY23



16 MnT  
in FY30

APL Apollo, the market leader and market creator in the Indian structural steel tubes space, is entering a zone replete with unprecedented opportunities unfolding over the foreseeable time.



# A greater APL Apollo

“Being the best is Great, you’re the Number One. Being unique is Greater, you’re the Only One.”

APL Apollo is on an exciting trajectory where a great organisation is poised to becoming greater.







# What makes us great?

## Consistent investment

Consistent investment in capacities over more than a decade has positioned APL Apollo as the largest producer of structural steel tubes as well as has made it one of the largest players in the world in this space. Intelligent capacity creation has facilitated balanced manufacturing infrastructure across regions resulting in a close-to-demand pan-India footprint. These key factors of strategic positioning and capacity investments are the prime enablers of harnessing newer opportunities.

## Technology introduction

APL Apollo's zeal for adopting the new is reflected in its efforts to bring new-age technology to the Indian shores since the past two decades. Technologies that have been a first-time for the domestic industry and are known to create and develop products and new markets have always found a home at APL Apollo

## Product Diversity

The zeal for innovation has resulted in continuous addition to our product basket every year across the last

decade, creating one of the widest product baskets comprising more than 2,000+ SKUs. Intelligent innovation has allowed the Company to widen the product application and sectoral bandwidth, thereby significantly expanding its opportunity horizon.

## Channel strength

Alongside APL Apollo's continued growth in its capabilities, the Company has also worked aggressively on widening its reach through a multi-layer network supported by robust supply chain solutions. Further, as the basket of innovative products ballooned, traders in the structural tube space from across India got drawn to the Company. Today it has the largest, most expansive, and entrenched distribution network in its business space.

## Brand power

In the structural steel space, Apollo APL created brands out of steel. Steel became not just a product to be exchanged, but a brand to be valued and trusted. Branding not just ensured recall but transformed the sector where peers sold structural steel, while APL Apollo sold brands thus rightfully commanding a premium from its channel partners.

## Trade transformation

APL Apollo strategically adopted policies for a complete overhaul of the trade benchmarks within its industry. It gave its channel partners innovative products, the fastest product delivery, the power of brands, and multi-fold growth opportunities and in exchange commanded returns in the form of a cash-and-carry model with its distribution channel plummeting its working capital cycle to about a week. Peers aspire for this benchmark today.





APL Apollo  
enjoys a 55% market share in a  
business space just about to take  
off into a higher league.



# APL Apollo's journey from great to greater

## Focusing on innovation

APL Apollo continues to remain zealous and focused on developing innovative solutions that seamlessly address new-age requirements and provide increased value to customers.

The Company created a 1 Mn TPA facility proximate to Raipur, which will manufacture value-added products, some of which are a first for the Indian markets. They include 500x500 mm columns, colour-coated sheets, Alu-Zinc Galvanised sheets and value-added hollow section structural steel tubes.

## Concentrating on market creation

Consistent with our legacy of introducing innovative solutions to the Indian markets, APL Apollo is adept at marketing fresh concepts to opinion-makers and decision influencers.

A case in point is its 500x500 columns. The Company has worked untiringly for more than two years on engaging with experts in the construction sector to create awareness about the use of tubular technology, highlight their relevance in today's dynamic world, and the benefits to all stakeholders.

As a market creation strategy, the Company deployed its tubular for creating the structure for six hospitals in the national capital – to raise a structure it takes only 3 months. This became the talking point among the construction fraternity in India bringing APL Apollo under the spotlight.

The Company has achieved commendable success:

- \* **It has been selected by Nanavati Hospitals, one of India's largest hospital chains, to supply its columns for its three new hospitals (G+11+T) coming up in Mumbai.**
- \* **It has received an order from GLA University, Greater Noida, to supply its columns for its new Admin block.**
- \* **It has received the work for ten railway stations out of the 25 stations awarded for revamping by the Government where its design team is working with the EPC contractor for a tubular redesign. Another 100 more stations in the pipeline are expected to be awarded over the next two to three years.**

Under the rural water supply project in Uttar Pradesh as part of the JJM scheme for SWSM, APL Apollo's deployment of columns to erect overhead water tanks brought down the time-line for creating such a structure from two months to only a week. The UP Government plans to set up 60,000 such overhead tanks across the state which could open an interesting window of opportunity for APL Apollo.

With these initial successes, APL Apollo holds the potential to revolutionise the construction landscape across the nation.





# A greener APL Apollo

“Our green will be greener only when we fully comprehend the infinite vivacity of the green.”

APL Apollo remains firm in making its green operations even greener over the coming years.







# Why do we call ourselves green?

### Mindset

Because our environmental management is not a strategy but a philosophy embedded in the substrata of the enterprise, it allows us to reduce our carbon footprint and also inspires our customers meet their own environmental management aspiration.

### Products

We are the first and pioneering Company to innovate readymade Chaukhat, Fence, Plank, and Hand rails under Steel for Green concept which replaced conventional wood applications in building construction. Our product saves approximately 250,000 trees every year.

### Energy

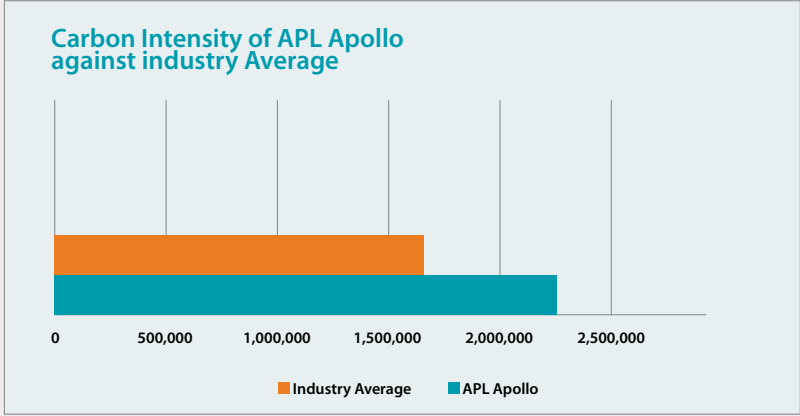
Our total renewable energy stood at 49,618 MW, which was 38% of APL Apollo's total energy consumption. To achieve its near-term emissions reduction targets, APL Apollo plans to increase the use of renewable energy. At two of APL Apollo's plants (in Malur, Karnataka and Hosur, Tamil Nadu), over 85% of energy needs were met through renewable energy.

### Water

Over the years, we have persevered to optimise water consumption at our facilities by strengthening our shop-floor processes. Our patient efforts have yielded heartening results. Over the last three years (FY20-FY23), our total water consumption declined by 9% YoY despite a 30% jump in production. Our two facilities at Murbad and Malur are Zero-Liquid Discharge certified. To rejuvenate the groundwater table, we have created rainwater harvesting pits of around 353 cubic meters.

### Green cover

We have planted 5,000 plants on 3.1 acres of government-provided land in Gendupur Village, Sikandrabad, close to our AMPL (A25/Plot 22) and APL A19 manufacturing plants. Furthermore, we have undertaken a large number of plantation activities in our plants at APL Apollo Building Products Private Limited (ABPL). For the plantation of thick, natural mini-forests, we have adapted the Miyawaki technique pioneered by the Japanese botanist Akira Miyawaki. The method will result in ten times faster plant growth and a plantation that is 30 times denser than typical.



### Our position in FY22



### Our position in FY23





# APL Apollo's journey from Green to Greener

## Widening our scope

In FY22, we calculated the Scope 3 emissions from our operations for the first time. The exercise gave us critical insights into the emissions from our value chain. Going forward, we plan to undertake targeted initiatives to reduce our carbon footprint working in close association with value chain partners and stakeholders. We also expanded the limits of our Scope 1 emissions to include our consumption of LPG and furnace oil, besides diesel.

## Commitment towards betterment

By 2030, APL Apollo Tubes Limited has committed to reducing Scope 1 & 2 emissions per metric ton of steel produced by 25%, against a 2022 base-year. By the same year, we plan to increase our renewable energy contribution in our overall energy mix to 47% from 38%.

## Steel for Green

Keeping the Steel for Green as our mantra, we have recently pioneered narrow and thicker colour-coated galvanized sheets to save more trees.

## Revolutionising construction

We introduced the concept of structural steel tubes (300x300 and 500x500) with tangible on-ground proofs (six hospital super structures in Delhi and our Raipur greenfield plant). Our high strength columns promise to revolutionise construction and empower users to meet their environment management aspirations.

## Structural tubes could be the next big thing in construction.

Construction sector contributes 30% of direct and indirect Co2 emissions.

Structural steel is preferred for steel buildings because steel is infinitely recyclable

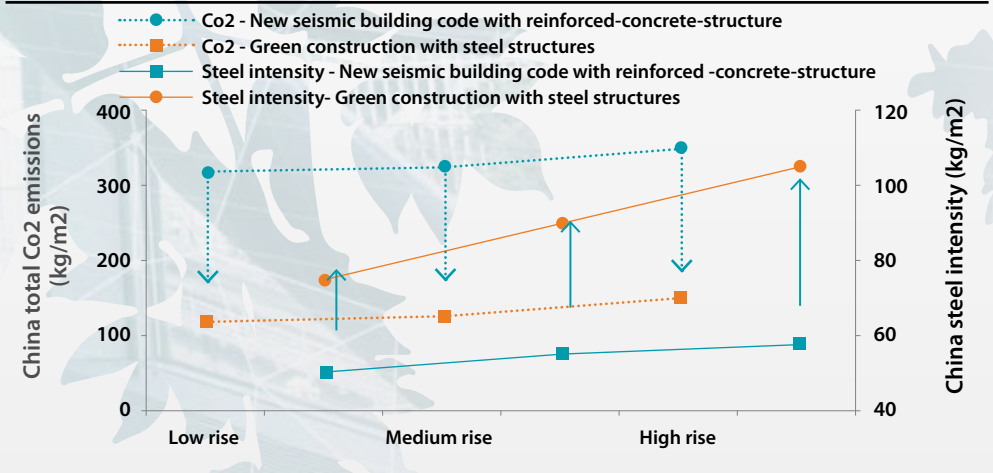
- Easy to pre-fabricate
- High volume to weight ratio
- Lighter/ stronger structure allow gains in vertical space

Research indicates replacing reinforced concrete with steel structures can reduce emission by 60%.



## Steel Structure - RCC Structure

**HAVE YOU SEEN THIS?** Decarbonisation trend in buildings could lead to higher steel intensity/gains over concrete





From the Chairman's desk

“I am confident that APL Apollo will play an important role in creating a **Greater and Greener nation** that the world will look up to. Our best has only just begun.”

**Sanjay Gupta**

*Chairman & Managing Director*







**Sanjay Gupta**

Chairman & Managing Director

*Dear Shareholders.*

It is an excellent time to share this communicate as the Company has sustained its growth momentum in a year rife with challenges from unexpected quarters. This growth demonstrates the resilience and robustness of our Company's business model in surmounting all kinds of odds and emerging ever so stronger. Our sales volumes crossed the 2 Mn mark – a goal which remained elusive for quite some years. We reached a sales volume of 2.3 Mn in a year when the environment was not conducive to volume growth.

Revenue, EBITDA and Net Profit increased by 24%, 8% and 4%, respectively, which is very commendable considering the inflationary headwinds and other negatives that prevailed during the year. EBITDA per tonne stood at ₹4,481 in FY23 against ₹5,386 in FY22, which is owing to our Raipur facility, the most demonstrative milestone of our journey.

### **The Raipur facility**

It is with great pride that I mention that we started the commercial operations of our Raipur facility, which rolled out approx 167K tonnes of super-value-added products in FY23, and are novel innovations for the Indian market.

The team went above and beyond to create markets for these innovative products by traveling nationwide to engage with diverse categories of product influencers, thus creating a demand pull for the products as they rolled out of our Raipur facility.

But since this is a new facility in its first year of commercial operations, we staggered our production. As a result, the average utilization of the Raipur facility was about 16.7%, which weighed down profits and profitability. Our ROCE was 29.2% in FY23 against 34.6% in FY22. If we exclude Raipur from the equation, our ROCE would be 37% for FY23. This showcases the relevance of our products and the resilience of our all-weather business model.

I am very excited and hopeful about the Raipur facility. Our market creation efforts have already yielded good results as more orders await in the pipeline. This success is mainly owing to the creation of large and pin code-defining structures deploying our tubular technology. These are work-in-progress as I speak.

I am confident that the demand for our heavy sections will surge in the current year (FY24). My confidence stems from the Government's resolve to create world-class infrastructure in India, evidenced in the Union Budget 2024 proposals.

The Government has been particularly aggressive in allocating funds in two segments – railways, and water infrastructure. Interestingly, we initiated our engagement with relevant authorities in these sectors since the start of FY23. Further, the Government continues to invest in building airports across Tier 2 and Tier 3 cities to strengthen air connectivity and expand and modernise existing airports in urban India. Across the world, airports of today use tubular technology. Being the first movers in this space with demonstrated capabilities, we feel confident about securing larger volumes of business from the infrastructure creation thrust in India.

What is particularly heartening is that the Raipur facility, because of its super-value-added product basket, will play a pivotal role in scaling the EBITDA per tonne for the organisation. I am confident about achieving optimum

Note: \*EBITDA is excluding Other Income



utilisation of our first greenfield unit in the next 12-18 months. When that happens, it will catapult APL Apollo into a leadership position among global peers.

With Raipur expected to ramp up utilisation, we will be set to increase cash flow into the business with an aim to attain a zero-debt position.

Our investment in Shankara Building continues to yield satisfying results for the group. Our sales volume through their channel was up 168% in FY23 against the previous year. Now that the Raipur products have gone online, we are increasingly confident that Shankara will become our vital/exclusive partner to promote and push our value-added products through its platform.

### Reducing our carbon footprint

APL Apollo has always been a responsible organisation with environmental consciousness enshrined embedded into its core values. Hence every business decision is evaluated from this ethical perspective before being implemented.

This philosophy is evident in our technologies and products which have made a critical difference in saving precious natural resources and has placed APL Apollo firmly in the nation's circular economy. Even as we scaled

our operations, we have intensified our efforts in reducing our carbon footprint – two very conflicting aspirations in our business space. I am delighted that we have successfully reconciled these opposing forces to create a unique organisation that stands as a beacon of possibilities and ethical value.

I would also like to foreground that our efforts towards responsible operations and a Green Earth have earned us a higher ranking. In the DJSI FY2022 score, we stood at the 80th percentile in the peer industry comprising global companies, and our score reached a high of 29 points above the industry average of 22. In the earlier rating, we stood at the 56th percentile. This is a considerable jump and we are happy with our progress.

But we still have considerable ground to cover to emerge as a leader from an ESG perspective as well. We have drawn up a comprehensive plan towards our goal. I am confident that my team, whom I am incredibly proud of, will work together to achieve this benchmark.

Only when this happens, I would consider APL Apollo as a leader in the true sense – a leader in the business space, a leader in innovation and responsible practices.

### Future plans

My goal is very clear – getting to a 5 MnT capacity by 2025. For this, we are setting up operating facilities in Kolkata and Dubai. Moreover, we will be implementing major de-bottlenecking initiatives at all our existing plants. I estimate that we will need an investment of about ₹400 crore to reach the our goal.

From an EBITDA per tonne matrix, we should touch an average blended EBITDA per tonne of ₹6,000/- by FY25. But that will depend on several factors, some of which will be beyond our control. So, it is more of an aspiration rather than a target.

I have no doubts that India has become one of the most enabling/empowering countries for entrepreneurs. The prospects and potential for the future are extremely bright. In India, I see an increasing zeal to finally reclaim our former economic stature and our position as a pivotal force in global affairs. I am confident that APL Apollo will play an important role in creating a Greater and Greener nation that the world will look up to.

I thank my colleagues on the Board, my fellow shareholders, my team, and all other stakeholders for believing in us and partnering with us in this exhilarating journey so far.

I am particularly optimistic that as our business drivers take deeper root within, the quality of our business will evolve, translating into even better financial outcomes and stakeholder value.

Our best has just begun.

### Sanjay Gupta

*Chairman and Managing Director*



## Our structural steel at work



*A large housing project comprising 270,000 sq ft of built-up area*



*The admin block of a large university in Great Noida.*



*A 15 floor hospital in Mumbai of a highly reputed hospital chain.*



*Construction of a large building for a reputed Technology institute.*



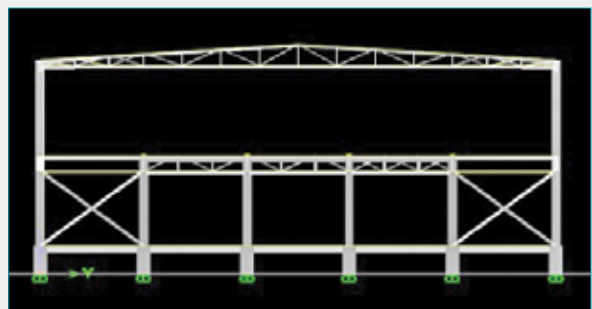
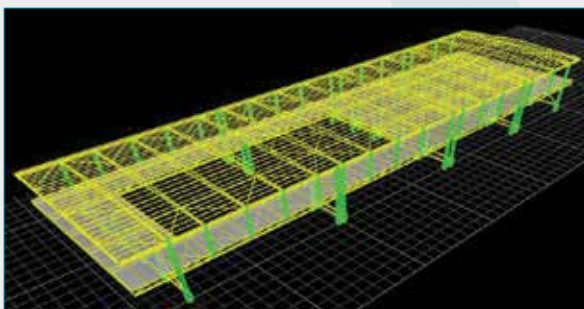
*Building a university campus in Hyderabad*



*A hospital in Imphal.*



*A very large mall in Bengaluru.*



*Redevelopment of a railway station in South India.*





About the Company

# APL Apollo Tubes: Revolutionising construction in India

Beginning humbly in 1986, APL Apollo has emerged as the largest producer of structural tubes in India, strengthening India's infrastructural backbone with its huge array of products.

The Company boasts of 11 manufacturing facilities with a cumulative manufacturing capacity of 3.6 MnT structural steel tubes. All facilities are internationally certified for efficient quality management, environmental management system, and occupational & safety management.

The Company's multi-product offerings include over 2,000+ varieties of Pre-Galvanized Tubes, Structural Steel Tubes, Galvanized Tubes, MS Black Pipes and Hollow Sections, positioning APL Apollo as one of the leading branded steel products manufacturers in India.

The Company's widely spread 3-tier distribution network, and over 800 dealers make it relevant to all kinds of customers pan India.

The Company is headquartered in Kaushambhi in the NCR region. Its equity shares are listed on the BSE Limited and the National Stock Exchange of India Ltd.

Even as the Company's mind is focused on growing the business, its heart remains determined on being a responsible corporate – endeavouring to fulfill its responsibility to the Earth and local communities. Because of this persistent effort, the Company was rated by Dow Jones Sustainability Index (DJSI).

## APL Apollo at a Glance

11

Manufacturing Plants

3.6<sup>MnT</sup>

Structural Steel Capacity

2,000<sup>+</sup>

Products

14

Brands

55%

Market share

2,587

Employees

(as on March 31, 2023)

800<sup>+</sup>

Distributors

(as on March 31, 2023)

## Mission

- Pursuing Excellence towards achieving our economic, social and environmental goals
- To lead the Process of transformation from commodity to value added consumer products
- To meet consumer requirements with high-quality products at competitive prices
- Emerge as a one-stop-shop for the largest spectrum of structural steel tubes and to attain the pole position
- To create sustainable value for all stakeholders

## Vision

To be a global leader and high performing organisation recognised for excellence, governance, customer delight, and building long term relationships with all partners

## Values

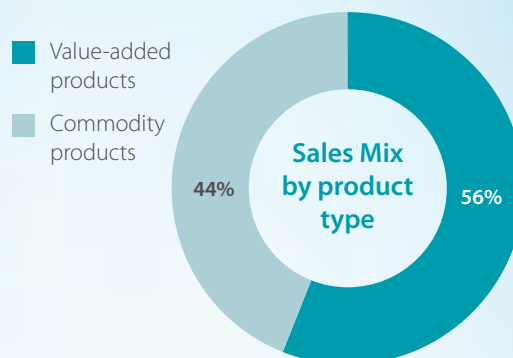
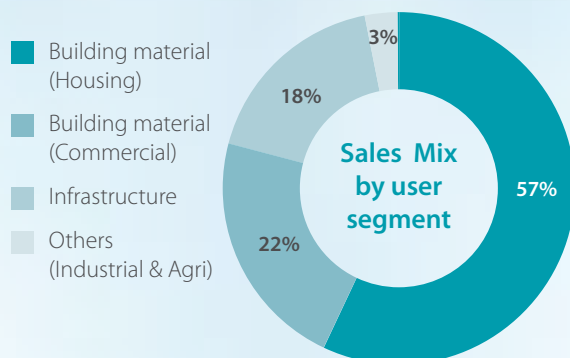
Leadership by Example, Commitment, Trust, Innovation, Integrity



# Products and Brands

APL Apollo has, over its more than three-decade journey, carefully created the widest array of structural steel tubes catering to diverse applications. Currently, it's the only company in the world to make structural steel tubes with a size range of 10x10mm to 1000x1000mm, and a thickness range of 0.23 mm to 40mm. This diversity enables it to grow business sustainably despite external headwinds.

Product category	Construction type	Application	Brands
APOLLO STRUCTURAL	Residential Buildings & Independent Homes Commercial Buildings, Warehouses & Factories	Structural, Piling, Sheds, Handrails, Gates, Fencing, Balcony Grills, Staircase, Light Structures	 
Commercial Buildings, Warehouses & Factories	Infrastructure	Structural for Metros, Airports, Stadiums, Stations etc.	 
	Industrial & Agriculture	Heavy Equipment	 
APOLLO Z	Residential Buildings & Independent Homes Commercial Buildings, Warehouses & Factories	Galvanized structural steel tubes for coastal markets	
APOLLO TRICOAT	Residential Buildings & Independent Homes Commercial Buildings	Door Frame, Staircase Steps, Furniture, Plank, Designer Tubes, Fencing, Electrical Conduits	   
APOLLO GALV	Commercial Buildings Industrial & Agricultural	Galvanized Structural, Greenhouse Structures, Plumbing, Fire-fighting	  



# Our physical presence



11

Manufacturing facilities

29

Sales offices

800+

Distributors

50,000+

Retailers

~200,000

Fabricators, architects & engineers

2000+

Cities and towns in which APL products are available



### Our Mobile App

**60,000+**  
Downloads

**300+**  
Designs

**25,000+**  
Fabricators enrolled



# Our digital presence

## Our social media presence



3,67,000

Followers



13,900

Followers



88,000

Followers



69,985

Followers

# Our approach: Being a step ahead of competition

APL Apollo has carefully carved a competitive moat that has positioned it ahead of competition. With every passing year, the Company has worked passionately to strengthen its competitive positioning, thereby significantly increasing the gap between itself and other players in the business space.

## EXPANSIVE MANUFACTURING CAPABILITY

The Company has consistently invested in capacity creation to emerge as the largest player in the structural tubes business space. It has strategically set up manufacturing facilities across the Indian landmass to cater to burgeoning demand pan-India. The penchant for capacity continues as the Company has recently commenced its greenfield plant near Raipur and is drawing the contours of setting up manufacturing facilities near Kolkata and Dubai (its first international foray).

**Result: Proximity to consuming markets and economies of scale owing to its growing size provide a significant advantage in edging out competition.**

15%

Production

5-year CAGR

## INVESTMENT IN TECHNOLOGY

The Company is unique in its capacity-building strategy. Capacity creation at APL Apollo has always come with new technology. This strategy has allowed it to create path-breaking products and new markets, optimise costs and establish recall as a player that nurtures innovation. Some of its technology investments include

- Introducing hi-speed mills for the first time in India
- Introducing Strip galvanizing lines and Rotary sizing mills in India for the first time
- Introducing DFT technology in India for the first time which allows cost-effective product customisation
- Developing a new tubular technology indigenously within the country
- Introducing a novel Galvant process in India that reduces wastage
- Introducing technology to make structural columns (at Raipur)

**Result: The ability to succeed in the less trodden road has helped the Company cement a unique position as a market creator and market leader.**

55%

Market share

## HUGE PRODUCT BASKET

The Company has the largest product basket in its business space. Its product creation strategy is pivoted on a single premise – replacing conventional products with structural steel tube variants, which are more cost-effective, environment-friendly, and long-lasting. Currently, the Company's product basket caters to every possible requirement in the building product space. Some of its pioneering developments include:

- Structural steel square and rectangular hollow sections introduced for the first time in India
- Pre-galvanized steel tubes introduced for the first in India
- Readymade Chalkhat, window frame, handrail, and fence were also first-time introductions in India

**Result: This differentiated approach has facilitated out-of-the-box thinking and helped to develop innovative products that are a first in India. The most recent development, the 1000x1000mm structural steel tube columns, are the first time in the world.**

32%

Revenue from value-added products

5-year CAGR

### ROBUST DISTRIBUTION NETWORK

The Company has created a robust multi-tiered distribution network that provides for every consuming market in India. This is the largest distribution network in India in the structural tube space. The sales channel has been supported by the Company's 29 branch offices and warehouses for seamless business management and swift product delivery. The Company's ability to replenish shelf spaces with innovative products helps it to strengthen its network year-on-year. Further, the Company's sizeable investments in product branding and advertisement have increased business opportunities for its distribution network, thus strengthening its loyalty to the APL Apollo brand.

**Result:** Sales volumes have continued to move northward despite volatility in the external ecosystem. The loyalty of the distribution channel has enabled the Company to retain its numero uno position in the structural tubes space.

# 15%

Sales volume  
5-year CAGR

### BRAND STRENGTH

The Company's uniqueness rests in its ability to create brands out of mundane steel products. It has invested in brand-building initiatives and an extensive social media outreach exercise. It has onboarded celebrities namely Tiger Shroff and Amitabh Bachchan as brand ambassadors for its products. Further, the Company has sponsored high-decibel national sporting events which have pan-India appeal.

**Result:** These factors have created significant brand pull which allows the Company to earn a premium over competitors.

# 25%

Investment in branding  
5-year CAGR

### STRONG POSITION

The Company's stability is platformed on its deleveraged position. A low debt-equity ratio coupled with an industry-beating working capital cycle and huge operating cash flow provide unparalleled liquidity which the Company intelligently deploys for business expansion and wealth creation.

**Result:** The Company doubled its capacity every 3rd year and invested almost ₹11.7 bn in capacity building.

# 29%

ROCE in FY23





# Our operating environment

The year was mired with unprecedented twists and turns that tested the stability of the organisation and the resilience of the business model. In the face of these trying times, we delivered a superior performance.

## FIRST QUARTER

**Economy:** The Indian economy grew by 13.5% in the April-June fiscal period, the quickest in the prior four quarters, owing to improved performance in the agriculture and services sectors. India remained the fastest-growing major economy, with China posting 0.4% growth in the April-June 2022 quarter.

**Business space:** The uncertainty for the business environment remained very high as you do steep into volatility in global commodity prices, steel being no exception which collapsed 13% in Q1. The price instability led to a massive de-stocking in the channel. The Company lost almost 60,000 tons of sales volume in the quarter.

## SECOND QUARTER

**Economy:** India's gross domestic product (GDP) for July- September 2022 grew by 6.3%, dragged down mainly by the poor performance of the manufacturing and mining sectors. The Q2 GDP figure assumes significance amid widespread speculations of a global recession as economies struggle to cope with the after-effects of the

Covid pandemic and the uncertainties created by the Russia-Ukraine war.

**Business space:** Distributors continued their de-stocking as steel prices had not bottomed out. Despite this trend continuing to play out, the Company achieved all-time high quarterly sales.

## THIRD QUARTER

**Economy:** The GDP growth rate at 4.4% expanded slower than forecast in the three months through December, as a gloomy global outlook dampened activity. Other factors that contributed to the loss in growth momentum were the fading favourable base effect, a slowdown in pent-up demand due to high inflation & interest rates, and a contraction in the manufacturing sector.

**Business space:** The lacklustre economic and manufacturing activity across the Indian landmass did not deter the organisation, rather it further upped its quarterly volumes a few notches higher. This uptick also forced the Company to take a deeper look into augmenting capacities.

## FOURTH QUARTER

**Economy:** GDP growth for January to March was 6.1%, higher than the growth during October to December, 2022. Although it was marginally lower than the RBI estimates, economic activity sustained its momentum. The overall positivity was enhanced by a favourable Union Budget that promises to sustain economic progress.

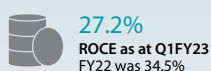
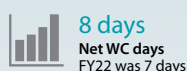
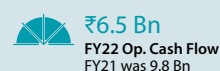
**Business space:** The business momentum accelerated as volumes surged. The Company closed the year with a satisfying performance and energy to create further milestones in the current year.



# Persevering to become better every quarter

We understand that time is the only finite resource that is irreplaceable. Hence, it is necessary to utilise every minute judiciously towards achieving our goal. In keeping with this belief, we focus on improving our performance every quarter to ensure that we maximise shareholder value.

## Quarter 1/FY2022-23 – At a glance



\*Interest Cost does not include interest income of ₹34mn; it has been accounted in Other Income  
Note1: Sales Volume and Financials are on consolidated basis and Net Profit is after Minority interest  
Note2: Capital employed for ROCE computed as Total assets less Current Liabilities & Cash

### Management commentary

Q1 FY23 was a **mixed quarter** with the volume falling short of expectations. The uncertainty for business environment remained very high.

**Sales volumes dipped** owing to significant de-stocking in the channel. Despite low sales volume, profitability was heartening. We maintained the lower range of our EBITDA per ton guidance, which is ₹4,500 per ton.

In terms of the cash flow generation, the **operating cash flow was strong**. However, the capex commitments of up to ₹1.7 billion resulted in an increase

in debt levels. Also, the inventory levels increased given the loss of sales volume and some inventory build-up in our Raipur plant, one that commenced operations in the quarter. These inventory levels also should start coming down moving forward.

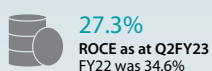
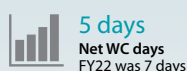
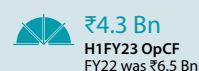
The **value-added product portfolio** sales mix remains around 60% to 65% and this should keep on improving as the Raipur plant kicks in and the contribution from that plant improves our overall sales volume mix. We have aggressively started the market creation efforts for our

innovative products which are to roll out from our Raipur plant.

Our efforts towards the **market creation for heavy structural tubes** has started yielding results. Our proof of concept in form of the Delhi Hospital project is ready - the structures for all the hospitals are completed. Very recently, we got order for a 15-storey, commercial tower as well in the NCR region as well.



### Quarter 2/FY2022-23 – At a glance



\*Interest Cost does not include Interest Income of ₹33mn; it has been accounted in Other Income  
Note1: Sales Volume and Financials are on consolidated basis  
Note2: Capital employed for ROCE computed as Total assets less Current Liabilities & Cash

### Management commentary

The quarter was exceptional in terms of **sales volume** as we registered an all-time high sales volume of 602,000 tonne. We almost hit our peak capacity in September with a sales volume of 230,000 tonnes.

**EBITDA spreads** were under pressure, it was basically because of the following reasons. One was the weak sales mix as the commoditised sales contributed 45% to the overall volume versus 35% to 40% what we have seen historically. Two, contribution from Raipur started in terms of volume, but in terms of

profitability margins, we are just at the break-even level.

Our **partnership with Shankara** has proven to be fruitful. We forged the deal in the first quarter of FY23. And the first half sales with Shankara has grown by 110% on Y-o-Y basis. This suggests that the ROI on that investment is pretty much on expected lines.

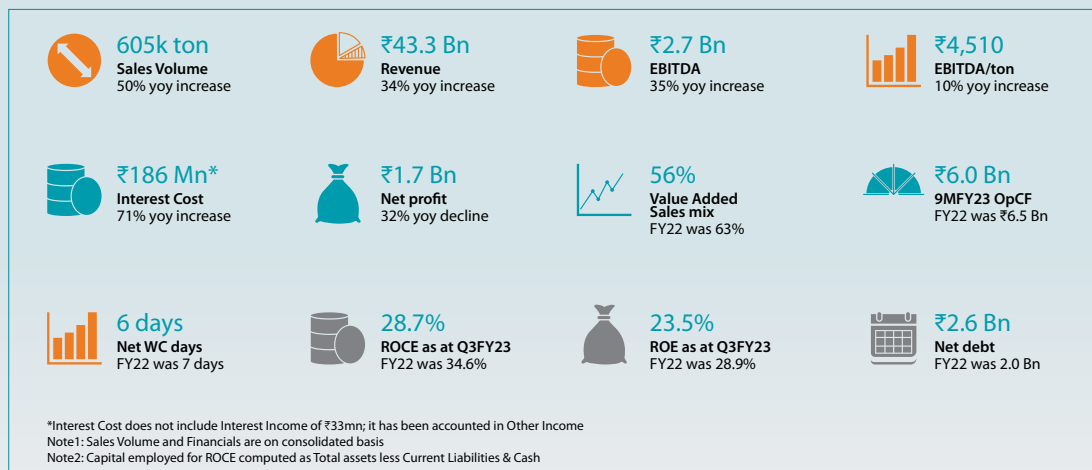
The **operating cash flows** in the first half again were super strong with Operation Cash Flow forming 110% of the first half EBITDA. We could improve working capital slightly as we liquidated inventory. This operating cash flow

of ₹400 crore was utilized for Raipur CAPEX and some other CAPEX. There was dividend payment of around ₹100 crore that led to marginal increase in debt to ₹300 crore.

Our laser sharp focus remains on the **innovation, market creation, and ESG**. We have ensured that most of our new latest products whether starting in Raipur or other plants in APL Apollo are 100% innovative and they are being launched in India or globally for the first time ever.



### Quarter 3/FY2022-23 – At a glance



#### Management commentary

We are very pleased to share that APL Apollo Tubes reported **highest-ever quarterly sales volume, EBITDA and net profit**. We are consistently testing our peak capacity now by doing monthly volume of above 220,000 tons per month. Hence, we are in the process of expanding some capacity in our existing plants through de-bottlenecking apart from the expansion currently underway.

On the **Raipur plant update**, all three complexes are now fully operational. 1 million ton of capacity is on stream

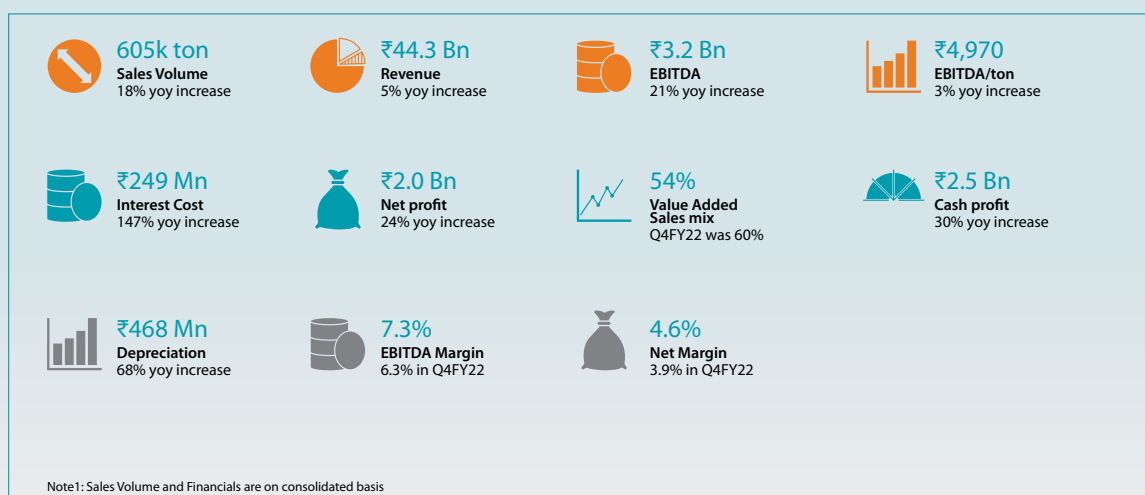
now and the current run rate is 30% utilization as per current month rate. As utilization levels inch up, margin spreads will move closer to the expected levels beyond ₹5,000 per tonne. From Raipur, we launched two products, one is 500 square in the heavy structural segment and second is coated products for the roofing application.

On the **heavy structural side**, we have some more reputed projects where the work has started on tubular construction which is in-line with our aggressive plans to create market for our heavy structural tubes.

On the **liquidity front**, the performance remains strong with ₹600 crore of operating cash flow, which was equivalent to 85% of the nine-month EBITDA. The working capital remained in single digit. It's been the 11th quarter where we have been able to maintain our working capital in single-digits, which remains best in the building material sector.



### Quarter 4/FY2022-23 – At a glance



#### Management commentary

We are very pleased to share that APL Apollo Tubes reported **highest-ever quarterly sales volume, EBITDA, and net profit**. Our volumes touched the new highs of 0.65 million tons in Q4FY23 and 2.28 million tons in FY23. The company's capacity increased to 3.6 million tons from 2.6 million tons post-commencement of the new Raipur plant, which is our biggest ever plant.

We have **aggressive capex plans** over the next 2-3 years. We would be expanding in Dubai and in East India and more incremental capacity in

Raipur, plus some de-bottlenecking incremental capacity which will take us to around 5 million ton by FY25.

On the **Raipur plant update**, all three complexes are now operational. 1 million ton of capacity is on stream. While utilization levels inch up to 30% in Q4FY23, it will further improve in quarters to come. Margin spreads will move closer to the expected levels beyond ₹5,000 per tonne from ~₹4000-4500 currently. From Raipur, we launched 500 square diameter mill and the colour-coded products, which are mainly used for roofing and wall cladding

On the **liquidity front**, the performance remains strong with ₹967 crore of operating cash flow in FY23, which was equivalent to 95% of the EBITDA. The working capital days remained in single digit. We have been able to maintain our working capital in single-digits, which remains best in the building material sector.

Our FY23 **ROCE** was 29%, which is slightly lower than FY22. This was owing to ₹600 crore investment for the Raipur facility, which is yet to yield results.



# Key Performance Indicators



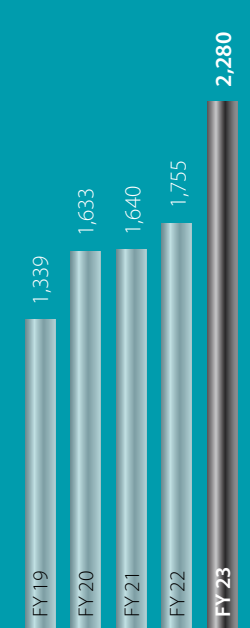
## We delivered where we were questioned the most.

Over the last three financial years (FY20 – FY22), our sales volumes remained range bound despite continued improvement in our financial performance. Shareholders were concerned and rightly so because we continued to invest in capacity building. They questioned the integrity of our strategy.

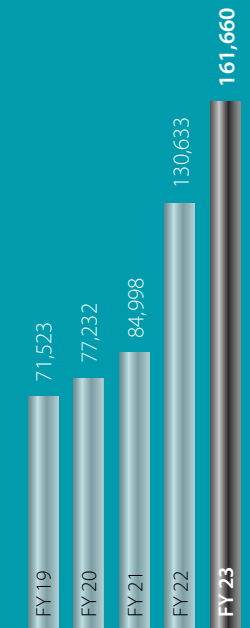
In FY23, a somewhat perplexing year, we lived up to our promise. We delivered a healthy volume growth. Our sales volume peaked – the highest in our business journey. As a result, our topline scaled to a new high and our market share upped in an otherwise dull manufacturing landscape.



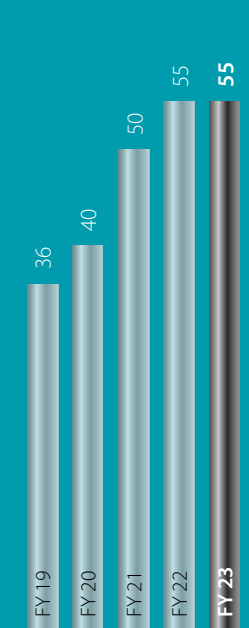
**Sales volume**  
(‘000 Ton)



**Revenue**  
(₹ mn)



**APL's Market Share (%)**



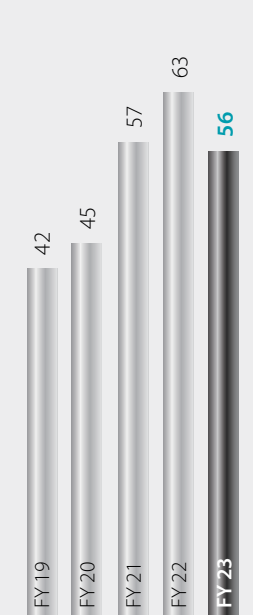
## We set the platform for a better tomorrow.

An increase in sales volumes cascaded into a sizeable growth in EBITDA, but the EBITDA per tonne slipped. The slippage was owing to two factors 1) the sales push to the channel partners with additional incentives, and 2) the start of the Raipur facility. Although Phase 1 of the facility commenced production of value-added products (tubular column for building solutions), the operating leverage remained negative (operating cost remained higher than the earnings).

The Company expects an improved EBITDA in the current year (FY24) as the additional incentives given in the first half of FY23 have been withdrawn, and larger volumes of super value-added products from the greenfield unit promise to shore business profitability.



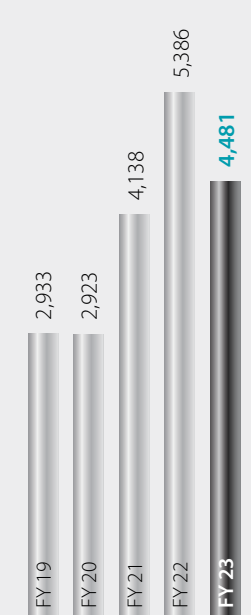
**Share of value-added products in sales mix**  
(%)



**EBITDA**  
(₹ mn)



**EBITDA per ton** (₹)



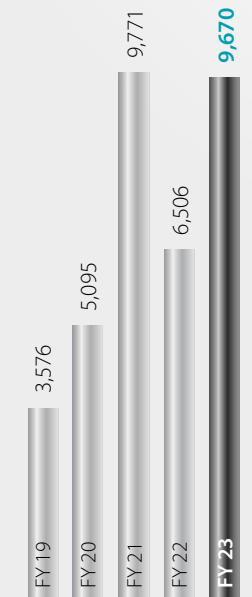


## We strengthened the pillars of our enterprise.

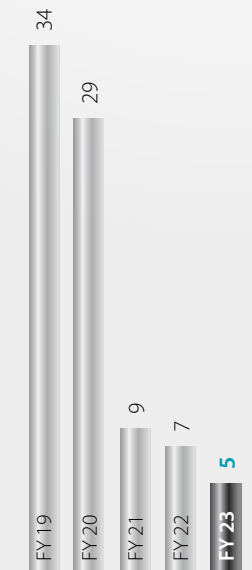
Despite the stubborn inflation and the Central Bank's effort to suck out liquidity from the money market, we maintained our cash and carry policy to sell our products. This was tough for the channel, but the quality of products and the brand's strength helped sustain our policy. In doing so, the operating cash flow improved, and the Company was able to use a large part of the operational liquidity in capital investment projects, minimising our reliance on external debt. The debt-equity ratio remained stable at the previous year's levels.



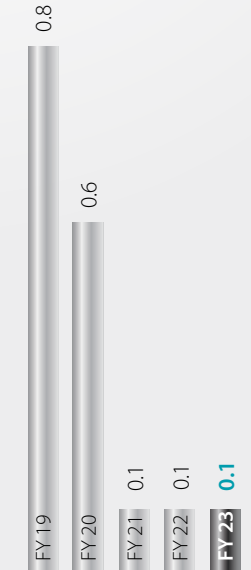
**Operating cash flow**  
(₹ mn)



**Net working capital cycle**  
(days)



**Net debt / Equity**  
(X)

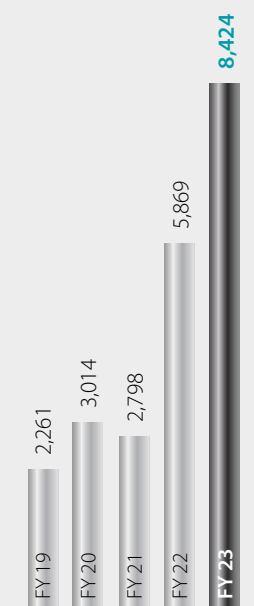


## Our returns dipped slightly, only to rise tomorrow.

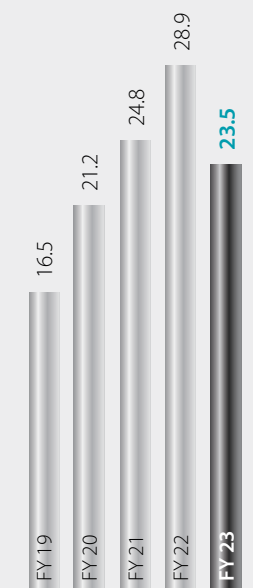
Returns dipped because of two factors 1) APL Apollo has made a significant capital investment for setting up and commissioning its Raipur facility, the first greenfield facility for the Company. Only a part of the unit commenced operations in FY23. The negative operating leverage of the unit generated returns. The entire unit should start delivering the desired returns in about 24 months from now, after which returns should move northward (owing to the super high-value products from this unit), and 2) the drop-in margins was owing to more significant sales of standard products and additional incentives to push sales through the channel. As the dull environment gives way to brighter prospects, improved business margins should yield superior returns.



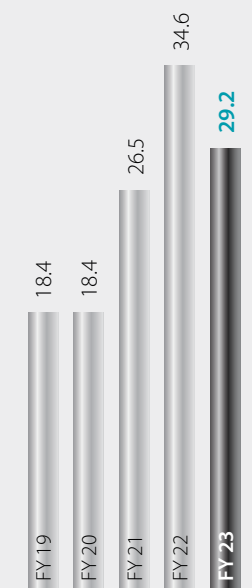
**Capex**  
(₹ mn)



**Return on Equity**  
(%)



**Return on Capital Employed**  
(%)

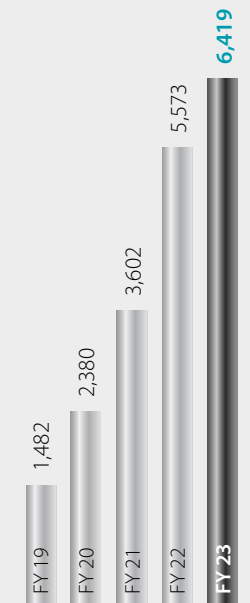


## We remained committed to wealth creation.

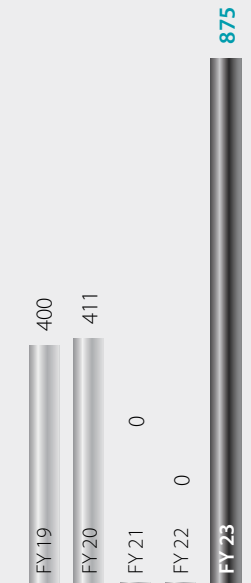
APL Apollo has always remained steadfast in its commitment to deliver value to its shareholders despite economic challenges and sectoral volatility. FY23 was no different. In the face of prevailing headwinds, the Company upped its performance a few notches higher resulting in higher profits. This, in turn, shored the market capitalisation and allowed the management to share dividends with shareholders for their trust reposed in the Company.



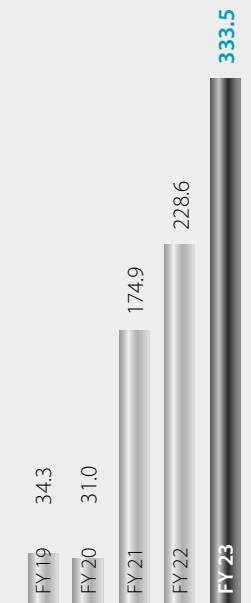
**Net Profit**  
(₹ mn)



**Dividend payout**  
(₹ mn)



**Market capitalisation**  
(₹ bn)





# Stakeholder Engagement

At APL Apollo, we value the relationship with our stakeholders the most. By engaging with them at regular intervals, we get an insight about the key concerns and issues raised by them. Our engagement initiatives are guided by the principles of inclusivity, materiality and responsiveness, resulting in actionable insights that feed into our strategies.

Stakeholder Group	Why are they important	Material matters	Engagement forums	How we create value
Shareholders & Investors	They are key stakeholders in our growth and expansion plans.	<ul style="list-style-type: none"> <li>Ethical business practices</li> <li>Sustainability of the business</li> <li>Strategy implementation</li> <li>Inclusivity and transformation</li> </ul>	Investor calls, analyst meets and general meetings	<ul style="list-style-type: none"> <li>Sound and transparent Corporate Governance policies</li> <li>Timely engagement with shareholders</li> <li>Regularly monitor the implementation of the strategic plan</li> </ul>
Employees	People experience, skill and knowledge are essential for our growth	<ul style="list-style-type: none"> <li>Skill development</li> <li>Well-being</li> <li>Industry-bench-marked emoluments</li> <li>Performance management</li> </ul>	Employee engagement initiatives, continuous interaction with management, appraisals, grievance redressal mechanism	<ul style="list-style-type: none"> <li>Create a conducive work environment</li> <li>Manage talent effectively</li> <li>Create a leadership pipeline</li> <li>Institutionalise L&amp;D as an imperative</li> <li>Focus on health and safety management</li> </ul>
Suppliers / Partners	Our operational efficiency is inextricably linked with the timely availability of quality raw materials and services.	<ul style="list-style-type: none"> <li>Timely payments</li> <li>Growth in business volumes</li> <li>Service satisfaction</li> </ul>	Regular meetings with key suppliers, supplier tour of manufacturing facilities.	<ul style="list-style-type: none"> <li>Timely payment to all vendors</li> <li>Grow their business</li> <li>Improve their value-creation model</li> <li>Strategic brand and product awareness approach</li> </ul>
Dealers	They are our extended family. Much of our sales are dependent on their efficiency.	<ul style="list-style-type: none"> <li>Timely product delivery</li> <li>Innovative new products</li> <li>Clear business practices</li> <li>Open communication channels</li> </ul>	Regular dealer meets, dealer tour of manufacturing facilities, annual dealer functions, product launch events	<ul style="list-style-type: none"> <li>Continue to launch innovative products</li> <li>Ensure adequate catchment area for all dealers</li> <li>Regularly introduce attractive dealer schemes</li> <li>Sustain an alluring Reward and Recognition structure for dealers</li> </ul>
Customers	They are our ultimate brand ambassadors	<ul style="list-style-type: none"> <li>Product satisfaction and awareness</li> <li>Brand awareness</li> <li>Sustainability and viability of the organisation</li> <li>Information sharing</li> <li>Market dynamics</li> <li>Consumer complaints and grievances</li> </ul>	Regional meets, visits to dealers, need-based visits, Customer meets, Customer visits by marketing team and senior management	<ul style="list-style-type: none"> <li>Develop products based on consumer needs</li> <li>Institutionalise a culture of quality perfection</li> <li>Establish an effective claims and complaint management system</li> <li>Entrench a culture of fair treatment of consumers</li> </ul>
Community	A harmonious relation with communities where we are located is key to our social license to operate. They are partners in our progress and are crucial to our operations.	<ul style="list-style-type: none"> <li>Investment in CSR programmes</li> <li>Focus on sustainability</li> </ul>	Need-based assessment surveys, community visits by company management, periodic cultural meets	<ul style="list-style-type: none"> <li>Empowering communities by creating employment and self-employment opportunities</li> <li>Upliftment of underprivileged sections of the society</li> <li>Reducing the environment impact of our operations</li> </ul>



**“Companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers.”**

Josh Bersin

# Materiality assessment

A company faces several economic, social, environmental, and governance challenges which are relevant for sustainable business development. As a result, a systematic review is needed to determine which issues should be addressed by businesses as a sustainable development strategy.

APL Apollo believes that materiality assessment is necessary not only to face the day-to-day challenges of the organisation, but a well-structured assessment helps clarify focus, define sustainable goals, and sets the tone of communication for all the stakeholders.

After much deliberation, several topics were selected through internal stakeholder consultations, taking

into account the views and opinions expressed by both internal and external participants. They include:

- Business ethics and compliance
- Environmentally responsible business
- Employee health, safety, labour laws, and human rights
- Inclusion and diversity
- Responsibilities toward communities

## Business ethics and compliances

The Company's policies summarise the values, principles, and business practices that guide the employees to maintain a work environment and promote fairness, respect, and integrity.

Topics	Actions & practices
Compliance with laws, rules, and regulations	Committed to abide by the laws, rules, and regulations of the land. Employees and suppliers are trained to follow such laws as well.
Conflict of interest	Conflict of interest is defined in many ways. Primarily it is described as basic elements of tension between multiple competing interests. Both employees and management are encouraged to seek clarifications in such cases in a transparent manner.
Ethical marketing and fair competition	Engages in ethical marketing and behaves in a free and open manner, while competing for customers' business and dealing with suppliers. It does not make false claims or disparage competitors.
Code of conduct	Maintains a stringent/uncompromising code of conduct. Employees are trained on such codes, and its ramifications and application. Violation of these codes has not been recorded so far.

## Environmentally responsible business

The Company's goal is to prioritise sustainability in its operations, by optimising the use of finite natural resources and increasing the consumption of renewable resources. This approach, coupled with a sharpened focus on decarbonisation, promises to create an increasingly profitable and sustainable business model that is relevant for the future.

Topics	Actions & practices
Energy management	By 2025, all manufacturing plants would operate using renewable power. Currently 38% of the Company power is sourced from renewable sources. Company has its target of increasing that to 47% by FY 2024-25.
Water, other effluent and waste management	All manufacturing facilities are expected to become zero-liquid discharge by 2025. All plants are equipped with rainwater harvesting facilities.
Measuring emissions & ensuring decarbonisation	Total emission in FY23: 126,333 MTCO <sub>2e</sub> . Total SO <sub>x</sub> emissions measured : 2.6 Metric ton Total NO <sub>x</sub> emissions measured : 3.9 Metric ton Carbon intensity of APL Apollo : ~16,00,000 MTCO <sub>2e</sub> Tubular steel pioneered by the Company meets the Indian Green Building Council (IGBC) for green products
Regulatory compliance and violations	Environmental regulations are necessary for increasing awareness about growing pollution among corporates and the common man. It allows governments worldwide to monitor enterprises for compliance. Compliance increases the value of investments in pollution control. In FY23, no cases of violations of these regulations were reported.



## Employee health, safety, and labour laws and human rights

People are the cornerstones of successful organisations. Organisations have become ever so sensitive to the rights and protection of employees. In keeping with this trend, customers also prefer a brand that has a high ethical background with regard to its people. It helps uplift an organisation's reputation and fosters trust between consumers and the business.

Topics	Actions & practices
Incidents related to health & safety and employee training pertaining to them	Enhanced competence and capability for hazard identification and risk management resulted in zero incidents and zero harm this year. On an average 4 hours of safety training was provided to on-site employees and 2 hours of training was provided to corporate employees.
Labour relations and human rights training	Complies with all the necessary labour laws of the nation. It has provided 3 hours of training to each employee on basic human rights. Due to its employee-friendly policies, attrition rate is low at less than 5%.
Training and education on behavioural and technical issues	Provided 30 hours training for the permanent employees on technical and behavioural issues
Grievance management system	Institutionalised an employee grievance system at offices and factory levels. Have set a goal of grievance resolution within 48 hours. Strengthened the training on grievance management for managers.

## Inclusion and diversity

The positive impact of diversity and inclusion is now universally accepted. A diverse and inclusive work environment establishes a sense of belonging among employees. As a result, equitable employers outperform competitors by identifying and addressing the unique needs and perspectives of their team members while creating great potential for the organisation. As a result, they earn a high degree of trust and commitment from their employees which facilitates in sustaining the organisation's success.

Topics	Actions & practices
Female to male ratio in permanent employee	Focused on creating an equitable work environment. The Company is committed to having at least 5% of the overall workforce as female employees by 2025.

## Responsibilities towards communities

Community development is used by organisations to reach the people surrounding the establishments, in an effort to improve these people's economic, social, and cultural conditions. It promotes better living with active participation from the said community which enables the local people to move forward steadily towards self-improvement.

Topics	Actions & practices
CSR strategy	CSR strategy has already been formulated.
CSR Expenditure	₹111 million CSR expenditure
CSR Beneficiaries	~6000 CSR beneficiaries so far
CSR Projects	12 CSR projects so far



# Prospects for key user sectors

India is at the cusp of emerging as an essential contributor to global economic growth. The nation continues to gain the global spotlight owing to its economic progress and more recently with the G20 Presidency.

For positioning India truly as a global destination, the Government has sharpened its focus on creating world-class infrastructure across the Indian landmass – an essential pre-requisite to securing global investments into the nation.

The Government has adopted a holistic and balanced approach by allocating funds to all categories namely railways, roads, ports, airports, urban infrastructure, and power. These assets will then catalyse private investments in industries and skyline-altering skyscrapers.

## Railway stations and land development

India is keen to refurbish its railway infrastructure, primarily the railway stations that dot the Indian map. With this objective, the Government has allocated a capital outlay of ₹2.40 lakh crore – an all-time high amount to be invested in revamping the existing infrastructure.

A large part of this fund is earmarked for railway station development under the Amrit Bharat Stations scheme, which envisages continuous development of stations with a long-term approach.


In this scheme, improvement of 1,275 stations will be undertaken with facilities like station access, circulating areas, waiting halls, toilets, cleanliness, free Wi-Fi, kiosks for local products through schemes like 'One Station One Product', better passenger information systems, Executive Lounges, nominated spaces for business meetings, landscaping, etc.

Furthermore, Railway Land Development Authority (RLDA) is planning to monetise and commercially develop the 43,000 plus hectares of surplus land in several parts of India. The RLDA has set a target of awarding lease contracts for its development estimated at ₹10,000 crores in FY24, against ₹3,000 crores in the previous fiscal.

## Infrastructure

India is spurring world-class infrastructure creation like never before. In the Union Budget 2024, the Government has highlighted infrastructure as one of the seven priorities and earmarked a record capital spend of ₹10 trillion, an increase of 37% over 2022-23. In addition, it has allocated ₹3.7 trillion to States for undertaking infrastructure development projects. Moreover, PSUs have also been allocated a sizeable amount for undertaking capital projects. Hence, the overall central capex allocation is about ₹18.6 trillion for FY24 – the highest allocation ever for the infrastructure sector.

Furthermore, 100 critical infrastructure projects have been identified for last-mile-connectivity in ports, coal, steel, fertilizer, and food grain sectors which will be taken up on a priority basis with an investment of ₹75,000 crore including a private investment of ₹15,000 crore.



Joint research by IIT Roorkee and APL Apollo has demonstrated that tubes are efficient structural steel components that could boost the quality and sustainability of infrastructures such as high-rise buildings, factories, warehouses, data centres, medical facilities, etc. It is an effective method of constructing substantial, durable & sustainable buildings.





### Aviation infrastructure

With a growing middle-class and constant push of the government to increase regional connectivity, the post-Covid India at the end of 2022, has become the 3rd largest domestic aviation market in the world. This is only the tip of the iceberg as India is planning to further strengthen its connectivity to Tier II and III towns.

Under the UDAN (Ude Desh ka Aam Nagrik) scheme, the Government plans to build 220 airports by 2026 which will effectively enhance connectivity nationwide. The Government, in the Union Budget 2024, has announced the setting up of 50 additional airports, heliports, water aerodromes, and advanced landing grounds. Further, under the Greenfield Airport Policy, as of March 2023, 11 greenfield airports have been operationalised whereas the work on the 10 remaining airports is underway.

### Warehousing

Logistics and warehousing play a crucial role in the effective and seamless transfer of products from the maker to its user. Effective warehousing is crucial for companies to maintain their inventory levels with the rise and ebb of demand.

The logistics and warehousing scenario witnessed an enormous transformation in the last few years. This is due to the growth of third-party logistics (3PL) companies, a sustained increase in demand driven by accelerating manufacturing investments, and aggressive e-commerce expansion. More recently, the pandemic and related unprecedented surge in online purchases skyrocketed the rentals for warehouses and scaled the demand for more warehouse space. This shift in the buying pattern of consumers is a trend that is only going to strengthen in the coming years.

Moreover, the development of dedicated rail freight corridors, a focus on multi-modal connectivity, initiatives to support sustainability, and a larger focus on promptness and convenience in service are helping the sector grow exponentially.

Technological improvements like automation and data analytics across the logistics value chain optimising efficiency and speed are also driving growth in the sector.

Credible estimates suggest that the Indian warehousing market is expected to scale from ₹1,206.03 Bn in 2021 to ₹2,872.10 Bn by 2027, expanding at a CAGR of ~15.64% during the 2022-2027 period.

### High-rise buildings

There was a time when the growing urban migration of aspirational Indians resulted in a massive demographic expansion in urban and metro cities. The finite resources forced builders to 'go vertical' to provide the required housing and office spaces. Skyscrapers have become the most logical conclusion to decongest the urban sprawl, especially with the advent of new-age construction technology that supports verticalisation.

As a result, metro cities hosted most of these skyscrapers with Mumbai taking the lead in the number of high-rise buildings closely followed by New Delhi, Hyderabad, Kolkata, and Bengaluru. But now, the verticalisation approach has become the norm even in Tier I and II towns where almost every gated-living residential and commercial complex is a high-rise. This trend is only expected to gain steam over the coming years.

With sustainability emerging as a critical element of the entire planning, designing, and construction process of these modern-day edifices, demand for tubular construction is expected to leapfrog.

### Data Centres

India is the second-largest data-growing digital economy in the world. By the end of the year 2025, there will be almost 850 million smartphone users and 200 million Smart TVs consumers in India and will be collectively consuming more than five hours of video data per device per day.

There has been a massive increase in the data being generated both by business enterprises and consumers.

According to ICRA, India's data centre capacity is expected to leapfrog fivefold. It expects to add an overall 3,900-4,100 MW of capacity involving investments of ₹1.05-1.20 lakh crore in the next five years.

### Vertical greenhouse farming

Greenhouse farming and hydroponic farming are the new realities in India. Challenges such as climate change, unpredictable rainfall, and lack of irrigation facilities across the country are forcing Indian farmers to leave the traditional way of farming. Additionally, there is the case of massive industrialisation which is shrinking the quantum of cultivable lands in India.

In contrast with conventional farming, greenhouse and hydroponic farming provide a steady and consistent way to grow crops, vegetables, and flowers while de-risking the practice from environmental vagaries and land scarcity. This practice is gaining popularity owing to superior yields and year-round returns.

As a result, hydroponic farming is being looked up to as the future of agriculture. India's hydroponic market is expected to grow at a CAGR of 13.53% between 2020 and 2027 against an expected 6.8% growth in the global hydroponic sector.

### Independent homes

During Covid, the demand for independent homes surged owing to the need for social distancing and a segregated work-study environment. Now, even as work-life has gained normalcy, the trend for owning an independent home continues to remain robust.

According to IBEF reports, the real estate market was at \$120 bn in 2017 and is going to touch \$1 trillion by 2030, where independent homes, villas, and plot development will be a large contributor.

This is a more recent opportunity that is yet to unfold. The Airport Authority of India is working on a plan to develop and monetise almost 45,000 acres of vacant land around 50 airports across countries. Land parcels will be allocated to developers and allowed to create residences, hotels, offices, restaurants, and shopping malls. Since these developments cannot adopt the verticalisation approach, it is expected that builders would go in for row houses.

Strategic direction

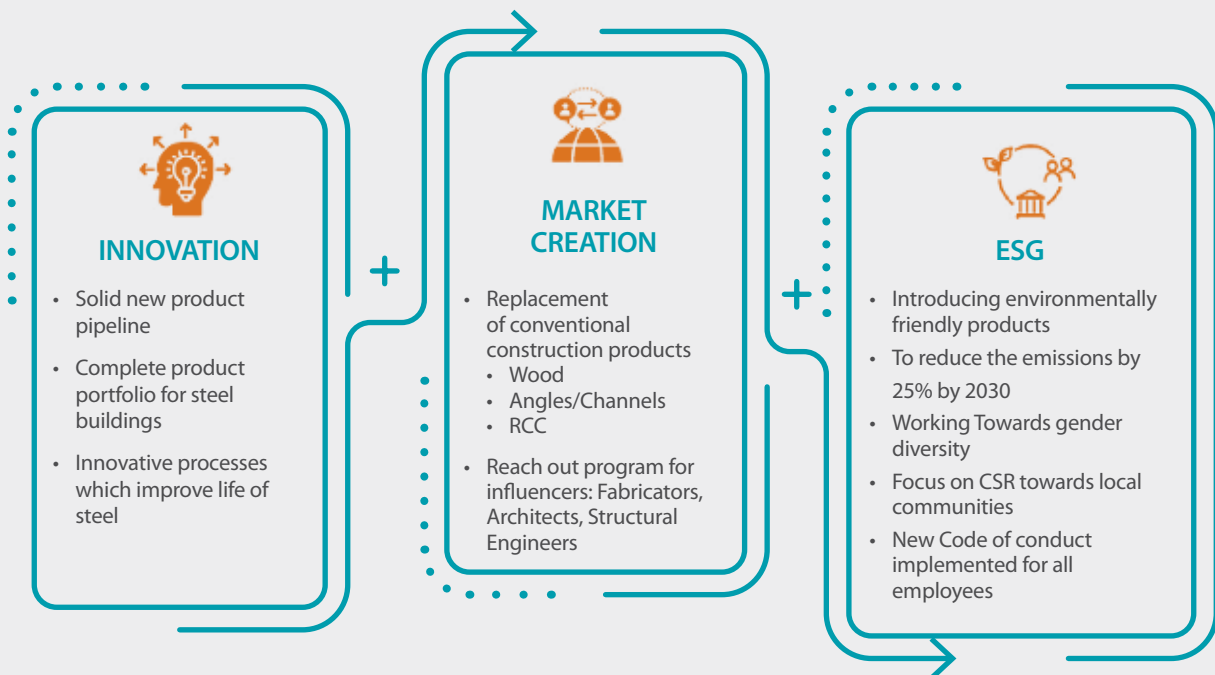
## Our greater & greener blueprint

It is the story of a changing India. Evolving and empowered. It is the story of a transforming nation that is rapidly aligning with global standards with an ambition to push them a few points higher. An India which is seeing a massive shift towards becoming world-class.


Aligned with this, the Government has applied a massive thrust on infrastructure development, evident in the recently announced Union Budget.

Inspired by these daunting goals, we have drawn up a strategic blueprint with the objective of supporting the Government in accomplishing its targets. Our blueprint is the story of our

change and our ability to drive change. Across products, across markets, and across applications. This document is pillared on three facets 1) Innovation 2) Market Creation and 3) Sustainability.







**“I’m here  
to build  
something  
for the long-  
term. Anything  
else is a  
distraction.”**

Mark Zuckerberg





Innovation

## Getting into uncharted territories

Zeal for the new is not new to APL Apollo. It's a culture that comes almost automatically to the Company. When most people remained obsessed with 'How' we remained captivated with 'Why not'. This singular differentiation has positioned us as an innovator. We have the heart and stomach for taking risks – in bringing new technologies to Indian shores and deploying them to develop path-breaking products for the Indian markets. We celebrate when we succeed and otherwise, because in both situations we learn how to get better. Our penchant for walking the uncharted path positions us an industry leader and allowed us to command a premium where most others are jostling for volumes.

**This is what we have done so far as an innovator in our business space.**

### Global Markets

<b>Chaukhat</b> (Door frame shape tubes)		Replacing Conventional wooden door frames
<b>Rectangular section</b> of 1:11 (Length to Breadth)		Replacing Conventional wooden sections

### Indian Market

<b>Structural</b> steel square and rectangular tubes:		Structural application in construction Industry
<b>Pre-galvanized</b> structural steel tubes ( <b>Apollo Z</b> ):		Corrosive resistant structural applications
<b>DFT</b> (Direct Forming Technology)		Faster TAT with tailor made sizes
<b>300x300mm</b> dia structural steel tubes:		Heavy structural application in Construction industry
In-line galvanizing ( <b>ILG</b> )		Superior corrosive resistant product strong demand in coastal market







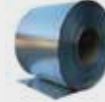



Having made a considerable difference with our products, we have not become complacent in our legacy laurels. Our success has emboldened our ambition to drive our innovation drive higher. With

this aim, we commercialised our Raipur unit which is primarily for developing and manufacturing pioneering products for India (and some for the world) which are super high-value offerings with a

promise to completely alter the dynamic of the structural steel market over the coming years.

### New product pipeline from our Raipur Plant

<p><b>World's 1st thicker colour coated products</b></p>		<p>Superior corrosion resistant, high load bearing with aesthetics</p>
<p><b>World's 1st Colour coated structural steel tubes</b></p>		<p>Superior corrosion resistant with aesthetics</p>
<p><b>India's 1st 500x500mm dia structural steel tubes</b></p>		<p>Replacing RCC structures/columns in heavy construction</p>
<p><b>India's 1st and World's 2nd 1,000x1,000mm</b></p>		
<p><b>India's 1st CRCA Black annealed tube</b></p>		<p>High tensile light structural application; bendable; superior rust proof properties</p>
<p><b>India's 1st AluZinc tubes</b></p>		<p>Superior rust proof properties and better life</p>





Market creation

## Creating doors in thickened walls

Product development is the main differentiator. Creating a market for your innovation is the real deal. Only that transforms rationale (read innovation) into reality and finally into returns. When naysayers smirked at our products as being too ambitious, we leveraged their comments to drive our ambitions higher. We have created markets where there were none. We drove volumes when others were trying

to test the waters. We increased market size when most considered it a wasteful exercise.

We realised that we were not selling products but marketing concepts. Hence, we needed a different approach to create a market. Our confidence in our industry-defining product and our stomach for taking risks encouraged us to adopt a differentiated formula – we

deployed the products first even if it resulted in out-of-pocket expenses for us, demonstrated their application on the ground, engaged aggressively with opinion influencers and decision makers and showcased awareness. While the initial toil was painstaking, the returns were more than satisfying. In fact, they were game-changing.

### How we have created markets in the past

Conventional Construction Products	Applications	Why structural steel Tube replaces these products?	How to replace the conventional products
Steel Angle/Channels	Structural support. Towers infrastructure	Uniform Strength. Lower steel consumption	Low Diameter Structural Steel Tubes/ Low Load Bearing
Wood	Furniture. Door Frames. Planks	Cost Effective. Termite Proof. Environmental Friendly	
Aluminium Profiles	Facades & Glazing	Cost Effective. Higher Strength	
Reinforced Cement Concrete	Construction of Buildings	Faster Construction Environmental Friendly	High Diameter Structural Steel Tubes/ High Load Bearing
Fabricated Metal Sheet	Pre-Engineered Steel Buildings	Lower steel consumption Reduces overall project cost	



**Our recent market creation success: Our Apollo Column Tubes.**

We created our largest manufacturing facility using our structural steel column tubes. We put our foot in the mouth only to demonstrate to the world that we are introducing a contemporary method of new-age construction which is faster, stronger, and more environmentally friendly. This was the game changer.



**Area of 1.5mn square feet being built using 100% Apollo Column Tubes**





Business volumes have flowed in after this. We supplied our Column Tubes for the superstructure of six hospitals in New Delhi. We are executing an order for supplying this product to a leading Indian hospital chain. Moreover, we have firm orders for supplying our Column Tubes cumulating ~20,000 tonnes.

		
<b>Geeta Colony</b>	<b>Sultanpuri</b>	<b>Shalimar Bagh</b>
<b>Fabrication &amp; Erection</b> 1,000 ton	<b>Fabrication &amp; Erection</b> 600 ton	<b>Fabrication &amp; Erection</b> 3,300 ton
		<b>Revolution in Construction</b>
<b>GTB Hospital</b>	<b>Sarita Vihar</b>	
<b>Fabrication &amp; Erection</b> 1,800 ton	<b>Fabrication &amp; Erection</b> 900 ton	

We have engaged with real estate players to showcase our products for multiple applications namely High-Rise Buildings, Hospitals, sprawling housing complexes, schools, Courts, Hotels/Malls/Offices, Warehouses/Cold Storage/Food Parks, Factory Buildings/ Process Structures, Aviation Hangers, Data Centres among others. We are in


talks with multiple prospects for around 45 projects which could possibly provide an opportunity for supplying 200,000 tonnes of our Column Tubes.

**Created a Digital marketplace**

In a fingertip world, where everything is digitally visible, why not our steel products? This lingering thought

ignited the drive to create a mobile application that would become our e-commerce platform interfacing all our products and allowing our dealers to transact and communicate with the Company. This is another feather in our pioneering cap.

**APL APOLLO MOBILE - APPLICATION LAUNCHED**



<b>30,00+ Fabricators enrolled</b>
<b>145,000+ Total Downloads</b>
<b>400+ Designs</b>
<b>16 Patents registered</b>





ESG

## Endeavouring for a better Earth

Climate change and sustainability have become crucial targets in companies' long-term business, and it has become imperative to embed sustainability in business strategies and investment justifications.

At APL Apollo, care for the Earth is not a strategic initiative, it's a habit that has got embedded in the organisation's DNA. This has allowed us to conduct business in a manner in which customers can meet their commitment to our Earth.

The majority of our products have been ideated and designed keeping in mind the environment. In addition to our environment-friendly products, we made our operations Earth-sensitive – we have skewed our energy mix in favour of renewable sources; we have reduced the consumption of water and energy; and we continue to green the Earth with our expansive plantation drive.

Over the years, while our Earth-respecting initiatives continue to gain momentum, we undertook the ESG journey to understand where we are

and where we need to go. This is a more holistic approach to look at our enterprise from an Earth, Economy, and Society perspectives.

While we have moved up the ESG ranking with DJSI in two consecutive years, and our numbers are significantly higher than the industry average, we know that we have miles to go to reach the zenith. We have set long-term goals for every aspect of ESG and drawn the blueprint of the journey. An exhilarating journey has just begun, and we are excited of our prospects as we move along.

# Supporting our business aspirations with a well-thought-out risk mitigation plan

## Growth risk

After reaching the size it already has, sustaining business growth may become challenging.

### Mitigation measures

- Grow business volumes of existing products by increasing capacities, with simultaneous widening and deepening of the distribution network
- Increase the sales of high-value products over the coming years
- Expand geographic presence among international markets

## Margin risk

Persistent inflationary headwinds could dent business profitability.

### Mitigation measures

- Intensify market creation efforts of super-value-added products from the Raipur facility to increase their sales volumes in the overall sales mix
- Sustain cost optimisation measures across all plants
- Ramp up utilisation at the Raipur facility in FY24 and FY25

## Capacity risk

A shortfall in manufacturing capacity could impede business growth

### Mitigation measures

- Undertake de-bottlenecking exercise to increase capacity select plant
- New operating facilities at Kolkata and Dubai to commence operations in FY24
- Increased volumes to come from the Raipur facility as asset utilisation improves

## Dealer attrition risk

A drop in dealer base could impact the ability to sell increased volumes

### Mitigation measures

- Continue to enhance the product basket with a larger proportion of value-added products
- Provide other facilities such as financing to support their business growth
- Strengthen branding investment to create a demand pull for products, driving their volumes

## ESG focus risk

ESG is now emerging as a vital determinant for business sustainability.

### Mitigation measures

- Performed significantly well in the DJSI score for FY22 with a better-than-industry scoring
- Committed to further improving the scoring in the current year through targeted measures
- Drawn out a comprehensive environmental management plan to reduce carbon footprint in the current decade

### Talent risk

Attrition of skilled and committed people could impact business performance.

#### Mitigation measures

- **Role Clarity** – Introduced the concept of defining role based KRAs and KPIs (across functions in the organisation helping employees take ownership).
- **Performance Management System** – Introduced Quarterly Appraisal Process to align employee performance with the organisation objective.
- **Rewarding Performance** – Launch of lucrative Incentive policy (over and above CTC) which encourages employees to go beyond.
- **Policies** – Creating an inclusive culture through employee feedback on HR Policies and revisiting the same in line with industry best practices.
- **Employee Well Being** – Organizing Health Check-up camps across manufacturing units and strongly advocating Safety compliances.

### Engagement Initiatives –

Engaging employees in various sports initiatives to encourage healthy competition and promote team work. Developing a detailed Engagement Plan for better employees bonding.

### Cyber security risk

In an digitally-platformed business environment, securing the IT network, infrastructure and solutions is critical.

#### Mitigation measures

- **Identify and assess risks:** Conduct a thorough risk assessment to identify potential cybersecurity threats and vulnerabilities.
- **Implement strong access controls:** Ensure that access to critical systems and sensitive data is limited to authorized individuals. Implement multi-factor authentication (MFA) for all user accounts, regularly review and update user privileges, and enforce strong password policies.
- **Educate employees:** Conduct regular cybersecurity awareness training for all employees. Promote a culture of security consciousness throughout the organization.

### Use strong encryption and secure network protocols:

Encrypt sensitive data both in transit and at rest to prevent unauthorized access. Utilize secure network protocols and virtual private networks to protect data while in transit.

### Perform security testing and audits:

Regularly conduct vulnerability assessments, penetration testing, and security audits to identify weaknesses in our systems and address them proactively.

### Stay informed and adapt:

Stay updated on the latest cybersecurity threats, trends, and best practices.



Business Model

# Our value-creation engine



APL Apollo's business model is the foundation upon which it seeks to effectively implement and drive a sustainable business strategy. The business model is built on the foundation of patience and perseverance of the team to create growth levers for the future. It encourages and inspires employees and partners to strive for excellence in what they do, keeping ethics, transparency and good governance practices in mind.

## INPUTS

	<p><b>Manufactured Capital</b></p> <p>Infrastructure created and equipment used for manufacturing products. Our state-of-the-art pan-India infrastructure provides a superior mind-to-market cycle.</p>	<p>Manufacturing units <b>11</b></p> <p>Capex ₹<b>8,424</b> mn</p>
	<p><b>Financial Capital</b></p> <p>Funds available to create value through production processes, or funds generated by operations. We have a strong, net debt-free balance sheet and focus on efficient capital allocation.</p>	<p>Shareholder's fund: ₹<b>30,056</b> mn</p> <p>Net Debt ₹<b>2,435</b> mn</p> <p>Capital Employed (March 31, 2023) ₹<b>35,067</b> mn</p>
	<p><b>Intellectual Capital</b></p> <p>Knowledge and experience that helps graduate our business model to stand out of the clutter. Our thirst for knowledge and our confidence to walk the road-less travelled helps in developing innovative products and processes developed.</p>	<p>Cumulative experience of Board <b>313</b> Years</p> <p>R&amp;D investment ₹<b>50</b> mn</p> <p>Collaborations with institutes/ organisations IIT, Roorkee</p>
	<p><b>Human Capital</b></p> <p>The skills, knowhow, capabilities, experience, diversity and level of motivation of direct and contractual employees. We promote innovative thinking and equip them with the right development tools and trainings.</p>	<p>Employees on roll <b>2,587</b></p> <p>People benefits ₹<b>2,062</b> mn</p>
	<p><b>Social &amp; Relationship Capital</b></p> <p>Trust-based, mutually beneficial relationships with key stakeholders such as investors, customers, vendors, society and government, among others, which play a vital role in our success.</p>	<p>Vendors <b>09</b></p> <p>CSR spend ₹<b>111</b> mn</p>
	<p><b>Natural capital</b></p> <p>Natural resources such as air, water, energy, land and biodiversity, which are either utilised by us or impacted by our operations. We continuously endeavour to reduce the load of our operations on the Earth.</p>	<p>Raw material used <b>23.7</b> MnT</p> <p>Fresh Water consumption <b>502</b> Mega Ltrs</p> <p>Energy consumption <b>4,82,603</b> GJ</p>

## VALUE CREATION APPROACH

### Strategic blueprint

#### Strategy 1

Innovation

#### Strategy 2

Market Creation

#### Strategy 3

ESG

## OUTPUT

**2.28** Mn T

Total sales

**1,59,789** MT

Apollo Structural  
(Heavy Sections)

**2,254** MT

Apollo Structural  
(Super Heavy  
Sections)

**4,07,414** MT

Apollo Structural  
(Light Section)

**10,04,812** MT

Apollo Structural  
(General Products)

**5,67,090**

Apollo Z (Rust  
proof structures)

**39,276** MT

Apollo Z (Coated  
Products)

**99,211**

Apollo Galv  
(Agri/Industrial GI  
sections)

## OUTCOME



Capacity Utilisation **63%**



Revenue ₹**1,61,660** mn

EBITDA ₹**10,215** mn

EBITDA margin **6.3%**

Net Profit ₹**6,419** mn

Capital Employed (March 31, 2023)

₹**35,067** mn



Employee productivity **75** tonnes  
/month

Revenue per employee ₹**5.2** mn/month

Fatalities Nil

Lost Time Injury Frequency Rate **nil**



New dealers & distributors added **50**

Customer complaints resolved **100%**

Dividend declared ₹**1,385** mn

CSR expenditure ₹**111** mn



Solid waste recycled **28** tons

Reduction in energy consumption per  
tonne of production **15%**

# Manufactured Capital



Our value-added portfolio is underpinned by our penchant for delving into uncharted spaces and our strong manufacturing capabilities that support our zeal.

At APL Apollo, the focus has been on prudent capital investments to create an asset portfolio of maximum value for our customers. This year saw us achieve our biggest milestone as we commenced operations of our dream project. This was in addition to the multiple initiatives undertaken to improve our manufacturing efficiencies across all our facilities.

At the same time, we continued to deliver on our commitment to responsible manufacturing by minimising resource and energy use and adopting the latest technology, safe and sustainable manufacturing practices while always upholding environmental compliance.

## Our competitive edge

- Largest producer of structural tubes in India with a capacity of 3.6 MnT
- Capacity judiciously distributed in all regions to create a pan- India manufacturing presence
- Manufacturing facilities house cutting-edge technology providing pioneering solutions for the Indian markets
- Manufactures more than 2,000+ SKUs which caters to diverse applications

## Highlights, FY23

**2.28** MnT  
Production

**63.3** %  
Avg. Capacity utilisation

**1** MnT  
New capacity commissioned  
(Raipur facility)

**39,276** Tonnes  
Production of colour coated products

## Linkage with other capitals

Financial Capital	Funds required for capacity creation/addition Contribute to business growth and improved profitability
Human Capital	Results in job creation
Intellectual Capital	Brings in new technology and creates pioneering products
Social & Relationship Capital	Superior solutions and larger volumes to be supplied to dealers
Natural Capital	Increase consumption of nature's resources Will increase the Company's overall carbon footprint





### Manufacturing Excellence

APL Apollo's continuing efforts towards immaculate production planning and improving plant operations by institutionalising sustainable practices allow it to meet demands in a timely and organised manner.

The Company has deployed advanced digital solutions to achieve sustainable results by adopting best practices and work process improvements across all its facilities. Through this initiative, the Company aims to actively work on improving asset utilisation while optimising costs and reducing the consumption of resources.

The Company endeavours to move closer to consumer markets to be able to efficiently cater to customer requirements. Towards this end, it keeps shuffling products between its manufacturing facilities. The Company's growing market share in its business space vindicates the success of these strategic changes.

Improving capacity utilisation has always been high on the operation's team agenda. The painstaking efforts of the entire team in reducing tube-cutting costs, rejection rate, logistics cost, and cost of inferior quality have yielded satisfying results, evidenced by strong capacity utilisation of 63.3% in FY23 vs 65.3% in FY20 notwithstanding a capacity increase to 3.6MnT in FY23 from 2.5MnT in FY20.

### Investing in the future

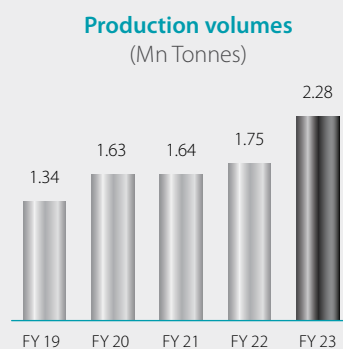
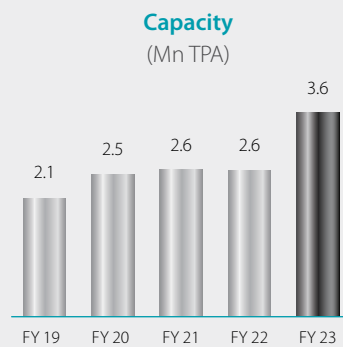
Given the increasing market penetration and growing consumer demand, APL Apollo consistently augmented capacity over the years through facility acquisition, brownfield expansion, and de-bottlenecking.

FY23 is a milestone in the Company's strategy for investing in the future. Its Raipur facility, the jewel in APL Apollo's crown, commissioned operations during the year under review.

Spread across 400 acres of land, this facility is one of Asia's largest facility for structural steel tubes. Its superstructure is entirely built using the Apollo Column Tubes. This facility is designed to manufacture super value-added products such as heavy structural columns and coated products.

Colour-coated tubes: We are the only player in India to make square-shaped colour-coated tubes which are in high demand in home décor applications, industrial sheds, and pre-engineered buildings.

Heavy structural tubes: We are the only manufacturers of heavy structural steel tubes of 500 x 500 mm. This is an extension of our existing portfolio (300 x300 mm structural steel tubes launched almost 4 years ago – a pioneering product then too). These niche solutions are used in creating the super-structure of large infrastructure projects like airports and other buildings. We have demonstrated the



usefulness of these products in our showcase hospital project following which a healthy inflow of orders for this product was received. We have also developed the 1000x1000 mm structural tubes. When the production of this product starts we will only be the second facility in the world to manufacture such products.

### Our roadmap

Creating capacity has been an ever-growing passion for APL Apollo. The Company is ardent on reaching the 5 MnT capacity benchmark. For this, it is setting up two new manufacturing facilities – at Kolkata and at Dubai (its first manufacturing presence beyond the Indian shores).

In addition, APL Apollo plans to revamp its existing facilities in India to enhance its manufacturing capabilities.

The blueprint for FY24 also includes ramping up of operations at its Raipur facility. The success of achieving optimum utilisation of this facility would have a significant bearing on the Company's profitability in future.

# Financial Capital

We strive to optimise returns for providers of our financial capital through attractive growth opportunities in our core market.

In APL Apollo, we look at financial capital as a way of creating wealth for all the stakeholders while considering ourselves a custodian of community resources. These resources include the pool of funds available to the organisation for use in the production of world-class products.

We use our financial capital prudently to expand, both organically and inorganically. This ensures that our operations run smoothly, and productivity and yield increase steadily keeping our growth story intact.

Powered by this financial strength, our strong focus on business fundamentals, business ethics, our manufacturing capabilities, and our innovative attitude, we are placed in a strategic leadership position. As a result, today, we not only create value for our stakeholders sustainably but also contribute to nation-building in India's journey towards becoming a US\$ 5 trillion economy.

## Our competitive edge

- Value-added sales comprise the majority of the sales mix resulting in superior profitability
- Cash and carry sales policy has enhanced organisational liquidity
- Cash generated in business has been pragmatically deployed in capital investments and in deleveraging financial statements

## Linkage with other capitals

Manufactured Capital	Funds asset creation
Human Capital	Funds HR expenses and people development initiatives
Intellectual Capital	Funds R&D initiatives for new product development
Social & Relationship Capital	Funds branding and advertisement, rewards shareholders, funds community development initiatives
Natural Capital	Funds investment in clean energy, and environment management measures

## Highlights, FY23

1,022

EBITDA  
(₹ crore)

967

Net Cash Flow from Operation  
(₹ crore)

0.1

Debt-Equity ratio  
(x)

5

Working Capital Cycle  
(days)

29.2%

ROCE  
(%)



Product Category	Application	FY20			FY21			FY22			FY23		
		Sales Mix (%)	Volume (KTon)	EBITDA/Ton (C)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (C)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (C)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (C)
Apollo Structural	Heavy	6	101	4,000	6	95	4,721	7	121	7,422	7	160	7,505
	Super Heavy	-	-	-	-	-	-	-	-	-	-	2	9,604
	Light Structures	8	134	4,778	21	352	5,649	19	336	6,683	18	407	5,134
Apollo Z	General	55	898	1,361	43	713	1,658	37	647	2,212	44	1,005	2,015
	Rust-proof Coated	25	401	5,279	25	409	6,692	33	575	7,710	25	567	7,214
Apollo Galv	Agri/Industrial	6	99	3,952	4	71	6,040	4	76	6,442	4	99	5,667
<b>Total</b>		<b>100</b>	<b>1,633</b>	<b>2,923</b>	<b>100</b>	<b>1,640</b>	<b>4,138</b>	<b>100</b>	<b>1,755</b>	<b>5,386</b>	<b>100</b>	<b>2,280</b>	<b>4,481</b>

### Value generation

At APL Apollo, we believe in capacity and capability building. This unique differentiation has enabled us to imbibe new technology and create path-breaking products consistently with every capex project. The most recent example is our Raipur facility which will manufacture a basket of products, some of which are the first time in India. Our innovative zeal has helped us create new markets and command a premium in an otherwise cluttered market space. In FY23, value-added products contributed 56% to our topline.

### Capital investment

Capacity addition is a routine process at APL Apollo. We have continued to invest in capacity building through de-bottlenecking and brownfield expansions. The Raipur facility, the first greenfield unit for APL Apollo, has been the most significant. In the last five years, we invested ₹2,237 crore in capital investments. In FY23, we invested ₹600 crore in our Raipur facility.

We will continue to invest in expanding our manufacturing prowess. We have planned new facilities in Kolkata and Dubai which will require a cumulative investment of ~₹600 crore over the next 18 months. The investment will be funded through debt and equity.

### Debt Management

We have a total debt of ₹243 crore as on March 31, 2023. During the year, we added ₹39.3 crore to our Net debt portfolio. Despite the addition, our business stability matrices improved a few notches higher. Our debt-equity ratio stood at 0.1x and our debt-EBITDA ratio was an insignificant 0.2x. Our Net debt portfolio will increase marginally in the current year as we will part-finance our planned capital-intensive projects using external funding.

### Working capital management

Leveraging the strength of our brand and the slew of innovative products launched, we continue to maintain our cash-and-carry sales policy with our channel partners. This has worked well as it has pushed them to tighten their working capital management. Increasing awareness and greater acceptability of our products have helped us maintain a lean inventory of finished goods. As a result, our working capital cycle is at 5 days while our peers have a working capital cycle of a few weeks.





**Return on invested capital**

Astute capital management in deploying available funds between value-added business growth and debt reduction has enabled us to improve business profitability every year. The impact of this strategy is reflected in improving returns 1) Robust EBITDA growth of 22% (5-year CAGR), and 2) doubling of the RoCE from 18% in FY18 to 37% in FY23 (excl. Raipur).

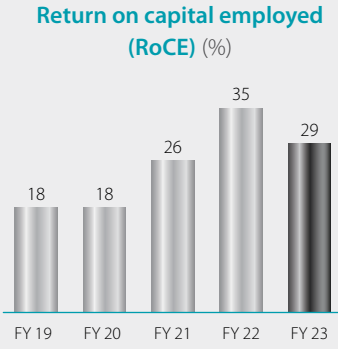
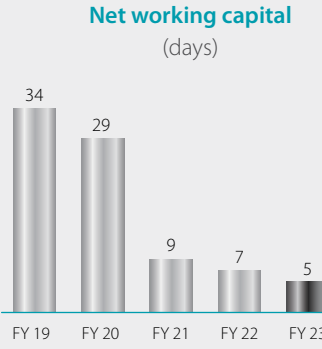
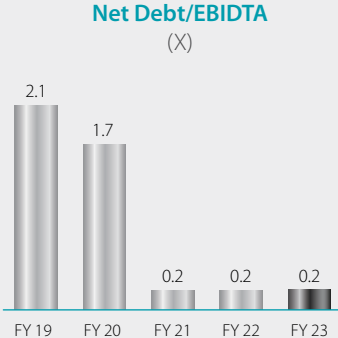
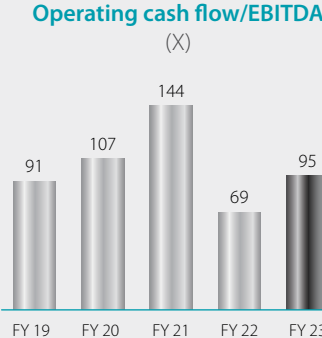
**Shareholder return**

Our market capitalisation has grown at a robust CAGR of 47% since 1st April 2018 from ₹4,838 crore to ₹33,345 crore as on 31st March 2023. We are proud to have retained the consistent support and trust of our shareholders, who have committed their wealth and supported our growth story. In return, we have constantly strived to maintain a healthy dividend payout ratio. The average dividend payout of 6% of our earnings over the past five years reflects our commitment towards sharing the wealth generated with our shareholders.

**Blueprint for future**

- ₹600 crore capex is planned to increase the total capacity to 5 MTPA within the next two years - ₹200 crore is planned as de-bottlenecking capex to increase operational efficiency and thus enhance the capacity and ₹400 crore capex in new facilities at Kolkata and Dubai
- Planning to invest a significant amount in digitising the account payable system and integrating it into the overall system
- Aspire to achieve an EBITDA per tonne of ₹6000 EBITDA in FY25

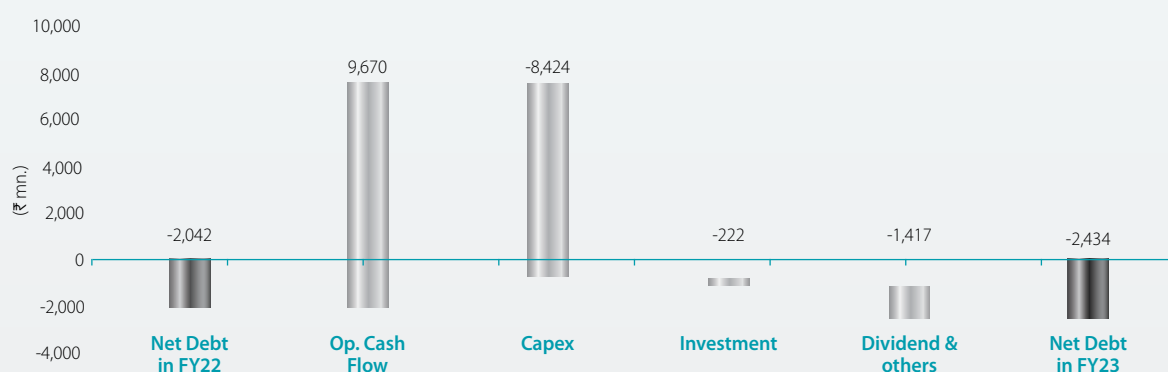
**₹600 crore capex is planned to increase the total capacity to 5 MTPA within the next two years - ₹200 crore is planned as de-bottlenecking capex to increase operational efficiency.**



₹ in million

	FY23	FY22
<b>Direct Economic Value Generated</b>		
Revenue	16,166	13,063
Other income	47	41
<b>Economic Value Distributed</b>		
Operating costs	14,938	11,965
Employee wages & benefits	206	153
Payment to providers of Capital	1,385	875
<b>Economic value retained</b>	1,022	945

### Consolidated Cash Flow Bridge (₹ mn)



✓ Business continues to generate strong operational cash flow

✓ Capex being funded from internal cash flow

✓ Net debt to EBITDA at 0.2x

# Human Capital



Our team of skilled, accountable, and engaged employees plays a critical role in the sustainable growth of our organisation.

At APL Apollo, we have an Interdisciplinary team that brings in varied expertise, experiences, and perspectives, enriching the organisation. We remain focused on nurturing the skills and competencies of our employees to drive shared organisational objectives. Our people development practices help strengthen the capabilities of our teams to contribute to our growth.

## Our competitive edge

- Brand Apollo and leadership position in the structural tubes spaces attract fresh talent
- Passion for innovation and out-of-the-box strategies provide an invigorating work environment
- Investment in people knowledge and capability building facilitate professional growth
- Opportunities for cross-divisional movement within the organisation facilitate building multi-disciplinary skills

## Linkage with other capitals

Manufacture capital	Ensures efficient asset utilisation
Financial Capital	Generates revenue for the Company
Intellectual Capital	Leverages knowledge to absorb new technology and develop niche solutions
Social & Relationship Capital	Facilitates maintaining healthy business relations with dealers and other stakeholders
Natural Capital	Assists in reducing pollution, recycling resources, and creating green cover.

## Highlights, FY23

402  
New Joinees

87,132  
Person-hours of training

625  
Revenue per employee  
(₹ lakh)





### Team building

The HR team continued to build on the talent pipeline, with a special emphasis on providing knowledge resources for its upcoming facility in Kolkata and Dubai. In keeping with the expansive growth of the Company in India and beyond the borders, the HR team concentrated on building its leadership pipeline to take up higher-responsibility positions in the future. During FY23, the Company identified 12 star performers across the Group as part of R&R Initiatives (For their Outstanding Performance).

The HR team celebrated events and festivals as part of its team bonding initiatives. Being sponsors of teams participating in high-decibel national sporting events, the Company gave tickets to its employees for a fun-filled experience. These meaningful gestures strengthened the employee-enterprise bond.

### Learning management

The HR team focused on extending its monthly training structure across all its operating facilities. The training was primarily on product attributes, operational and technical aspects, behavioural aspects, and leadership attributes.

Safety training continued uninterrupted throughout the year at all facilities for all employees (white and blue collar) with special sessions for the recruits. The training sessions were supplemented with mock events and drills to increase the preparedness of the team in handling untoward incidents.

The Company's suggestion scheme garnered a good response with employees sharing their process-improvement thoughts and ideas. Reward and recognition for innovative suggestions increased the motivation for participation.

### Motivation management

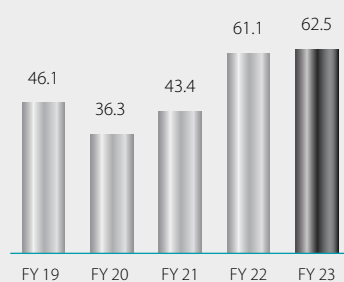
APL Apollo's industry-beating performance is solely because of the perseverance of its people. On its part, the Company widened the coverage of its KRA-based Performance Management System to infuse objectivity into promotions and pay hikes.

The HR team continued with its R&R initiative as a motivation to improve performance. Individual and team achievements were rewarded and showcased in operating units and offices.

### Blueprint for future

- Increase the female workforce by 1% every year
- Occupational health & safety assessment for all workforce

**Average revenue per employee**  
(₹ million)



# Intellectual Capital



Over the years, we have enriched our experience and sharpened our expertise to gain market share and strengthen our brand recall. Our brands and in-house technologies, and processes comprise our intellectual capital.

We have been at the forefront of leveraging technology for product innovation, creating new efficiencies, and sustaining business growth. As thought leaders, we continue to lead the industry regarding innovation across ideas, products, practices, and processes. We celebrate excellence and pave the road for others to follow. This year, too, we continued to invest in our intellectual capital to create immersive customer experiences, add to our operational excellence, and facilitate decision-making.

## Our competitive edge

- Unwavering zeal for creating new products and solutions
- Strong R&D team comprising experts
- Sustained investment in R&D initiatives and deploying new technology
- Strong ability to create markets for new products

## Linkage with other capitals

Manufactured Capital	Investment in capacity and capability to manufacture new products.
Financial Capital	Sustained investment in R&D initiatives. New developments have helped to improve business profitability
Human Capital	Helps in growing the knowledge capital of the people
Social & Relationship Capital	New products assist dealers in growing footfalls and their revenue
Natural Capital	Focus on environment-friendly products to help end-users meet their environmental goals.

## Highlights, FY23

16

Registered Designs

2,254 Tonnes

Sales of Heavy Structural Tubes

50

Investment in R&D  
(₹ Mn)



### Deploying cutting-edge technology

Introducing pioneering technology is our forte/niche. This trait manifests in path-breaking products raising the industry benchmark. Our drive to expand our intellectual capital has helped APL Apollo secure patents for several product designs.

Our most recent technology investment is resident in our greenfield facility at Raipur. This unit is a storehouse of new technologies that allow us to develop and commercialise pioneering products, some of which are first-time products worldwide. These novel technologies have uplifted the entire team's energy and drive, motivating them to increase their knowledge capital while on the job.

Our innovation efforts are also directed toward improving our operating processes. After considerable study and

analysis of its outcome, we tweak and strengthen processes to ensure that we get the desired result without any adversities. This drive helps optimise resource consumption, improving man-machine productivity, and contributing to profitability growth.

### Information technology

In today's world, information technology (IT) plays a vital role in a company's success. IT keeps the technology infrastructure of an organisation up and running smoothly.

At APL Apollo, IT is a critical business imperative that drives performance and growth. It allows the Company to innovate new products to cater to the market, assists in automating the manufacturing process, boosts man-machine productivity, brings it closer to partners & customers, and makes the organisation more cohesive despite the Company's pan-India presence.

### Initiatives in FY23:

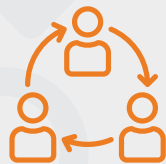
- Completed SAP integration of the new flat product facility with the corporate office systems in just 5 months.
- Initiated Salesforce Automation (SFA) which will automate the entire sales function to dealers. Dealers can now place orders online and track the same until fulfilment. This solution will significantly streamline sales by removing human error improving dealer management.
- Initiated the integration of Accounts Payable. Upon completion, the new system will facilitate accurate payments and superior audit tracing and data analysis. This solution is expected to be operational in the current year.

Name of products	Introduction	Description
Thicker colour-coated products	World's 1st	Superior corrosion resistant, high load bearing with aesthetics
Colour-coated structural steel tubes	World's 1st	Superior corrosion resistance with aesthetics
500x500 mm dia structural steel tubes	India's 1st	Replacing RCC structures/columns in heavy construction
1000x1000 mm dia structural steel tubes	India's 1st & World's 2nd	
CRCA Black annealed tube	India's 1st	High tensile light structural application; bendable, superior rust-proof properties
AluZinc Tubes	India's 1st	Superior rust-proof properties and better life





# Social Capital



Community well-being is deeply ingrained in our culture and integrates us with the wider world. We have institutionalised the stakeholder engagement model to understand the core requirements and concerns of our communities and undertake concrete steps for their overall development.

As a responsible organisation, we believe in giving back to society and bringing about transformation in the lives of communities in the plant vicinity and people in the unorganised sector. All our CSR initiatives are strategically designed and monitored to make a tangible difference to the communities and the environment in which we operate. The outcome of these activities when measured stands as testimony to the Company's care and responsibilities towards the society and environment.

## Our competitive edge

- Unwavering zeal for creating new products and solutions
- Strong R&D team comprising experts
- Sustained investment in R&D initiatives and deploying new technology
- Strong ability to create markets for new products

At APL Apollo, we remain committed to improving the quality of life for communities around our operating units. We collaborate with multiple NGOs and fund their people upliftment initiatives in education, health & hygiene, water conservation, skill development and disaster management.

## Partnership

We have entered into an agreement with the JSW Foundation in Mumbai to contribute to the development of the 'Museum of Solutions' (MuSo), to be launched by them in Mumbai -- a world-class educational expanse with a building of over 60000 sq. ft

stretched over 8 stories. The MuSo has been designed with the UN Sustainable Development Goals and the new National Education Policy in mind, with the goal of cultivating the knowledge, skills, and actions that children will need to solve the real-world challenges and make progress through creative thinking, interactive learning, and innovative problem-solving skills. We are also collaborating with Plaksha University, Mohali under its CSR programme to support their endeavours in nurturing the next generation of leaders through pragmatic education.

## Highlights, FY23

111

Investment in  
CSR initiatives (₹ million)

12

Number of programs  
held

~6,000

Lives touched through  
our efforts



CSR Project Jeevan Jyoti Eye Care Camp 1.0 in Simga Tehsil, District Baloda Bazaar, Chhattisgarh

### Doing Well By Doing Good

APL Apollo Group has always strived to do well by doing good. The reputational lever, the ability to attract, retain and engage talent, the tremendous goodwill of our distributors and customers, the pride that our Board and management take in our achievements and above all, garnering community support - all has been the direct outcome of the genuine effort to always do good.

Over the years, we have successfully implemented several CSR projects and initiatives via different partners framed within the purview of Schedule VII of the Companies Act, 2013 with a focus on the national priorities and Sustainable Development Goals (SDGs) that were adopted by the United Nations in 2015 universally focussing on ending poverty, protecting the planet

and ensuring that by 2030 all people enjoy peace and prosperity with the clarion call to 'Leave No One Behind'.

We believe that development in all its dimensions must include all people, everywhere and should be built through the participation of everyone, especially the most vulnerable and marginalised. As a group, we always endeavour to reach out to underserved sections of the society with socially relevant and innovative projects that benefit these communities to enhance the quality of their lives.

With our growth rate, in line with our values and legacy, APL Apollo Foundation that was incorporated in FY 2022-23 to carry out the CSR mandate of our group companies in order to take the development agenda of India

forward with need-based, long term sustainable projects to be gradually implemented in geographies where we have plants or are strategically important to us as well as aspirational districts as listed by Niti Aayog. We also propose to increase Board & senior management engagement along with employee volunteering via structured programmes.

This is just the start of another journey of always putting people first we continue to embed our social vision into the business vision and ensure that we continue to focus on the 3Ps - people, planet and profit (prosperity) of all.

# Relationship Capital



To build and maintain lasting Relationships, we are driven by our commitment to sustainable growth of customers and investing in communities.

We understand that our customers (read dealers) and their respective consumers work very hard to not only set trends but also adapt themselves to the constantly emerging markets. As a dependable and strategic partner, this situation behoves us to constantly refine our engagement and offering. We endeavour to deliver new-age solutions to improve reliability and dependability. Our goal is to create truly sustainable relationship capital.

## Our competitive edge

- Unwavering focus on branding and awareness campaigns at the local and national level
- Innovative campaigns to create product awareness
- Celebrity brand ambassadors endorsing the products
- Strong distribution channel loyal to the corporate brand
- Creation of a strong presence in the digital spaces by leveraging digital media intelligently

## Linkage with other capitals

Manufactured Capital	Strong brand facilitates a demand pull for the products
Financial Capital	Funds required for branding and advertisement initiative; payout to shareholders
Human Capital	Increase in pride to work with a recognised brand
Intellectual Capital	Leverage digital assets for a wider reach; using IT analytical tools for an analysis of effectiveness.
Natural Capital	A respected brand necessarily needs to invest in Earth-caring initiatives

## Highlights, FY23

288

Investment in branding  
(₹ million)

50

New dealers added  
in FY23

875 mn

Dividend paid in FY23  
(₹ million)

55%

Market share





### Channel enhancement

At APL Apollo, we consider ourselves fortunate to have a robust distribution chain comprising more than 800+ dealers that gives us an unmatched pan-India presence.

We maintain strong relations with our distribution network. We work tirelessly to grow their business by providing the widest array of products, novel solutions (which are the first time in India) faster deliveries, continued awareness efforts, innovative schemes, interesting reward and recognition programs, and business policies that ensure that their business is managed efficiently.

The key highlight for the year was our enhanced investment in Shankara Building which has delivered very satisfying results. Our average quarterly volumes have scaled appreciably. We are excited about our new products on the Shankara platform which should give us pricing power in the South India markets.

### Branding & advertisement

At APL Apollo, investment in branding scaled northward in FY23, especially with a slew of new products (coming out of its Raipur unit) being launched in the domestic market for the first time. We made an all-out effort to create awareness of our pioneering solutions which yielded satisfying results.

We continued our engagement with our brand ambassadors, Amitabh Bachchan and Tiger Shroff. We used their persona to promote our steel-building solution offerings. We continued to participate in high-decibel, high-footfall national sporting

events. We were the principal sponsors for the Delhi Capital's team which participated in the Indian Premier League. It also sponsored Delhi Capitals team in Indian Premier League (IPL). These investments provided APL Apollo considerable mileage in reaching out to prospective customers.

We continued to remain very active on our social media handles, disseminating information to our followers about our products, our performance, and achievements. Our heightened activity and follower engagement helped us increase our following on our digital assets.

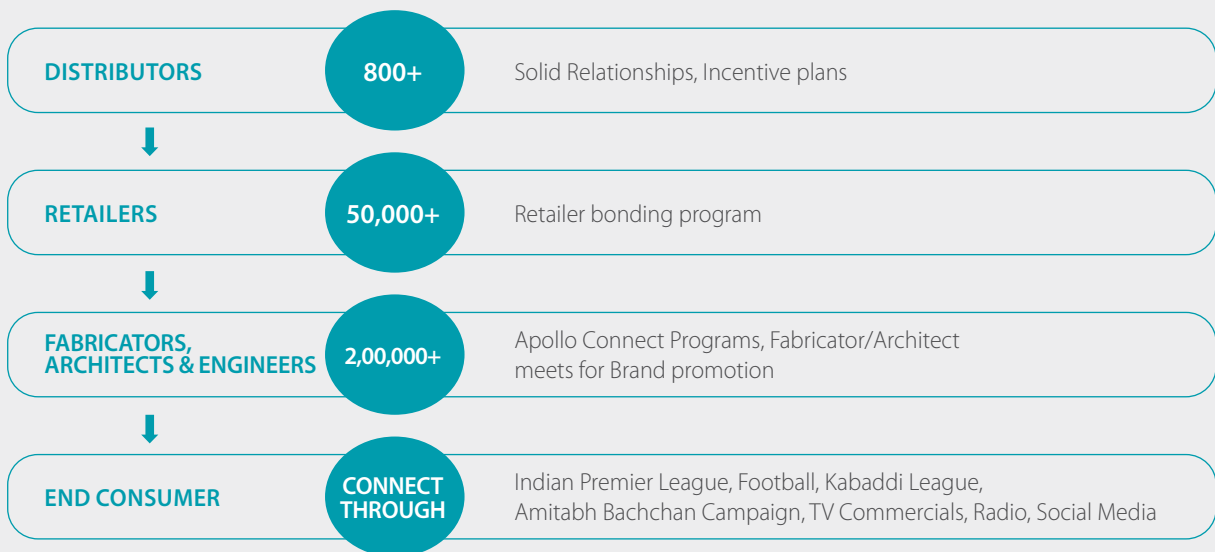
In the outdoor space, we undertook 50 campaigns across India. We showcased our monthly campaigns in 15 magazines. Our company/brand logos and names are being displayed on about 43,582 large retailer boards. Our outdoor campaigns also involved wall paintings on 14,345 walls. Moreover, we participated in leading trade exhibitions to showcase our products.



### Our Brand Equity



### Our B-2-C reach



### Digital activity

We sustained our digital outreach efforts by leveraging our social media handles. We launched specially curated campaigns aligned with the app's audience. Our efforts helped in creating awareness about us and our products and increased our following.

 Facebook	 Instagram	 LinkedIn	 Twitter	 YouTube
Followers: <b>3,67,000</b>	Followers: <b>13,900</b>	Followers: <b>88,000</b>	Followers: <b>69,985</b>	Followers: <b>10,000</b>

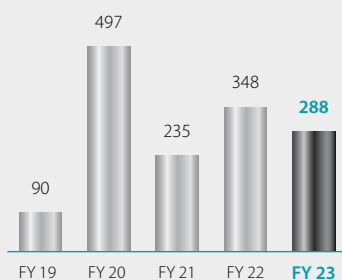
### Building relations with investors

APL Apollo has been one of the preferred investment avenues in the stock market for our disciplined commitment and dogged perseverance in growing shareholder value. Also, our transparent and complete communication with our valued shareholders is widely

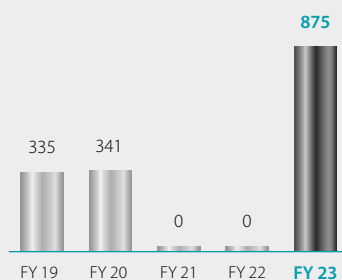
appreciated by the investing community. Our quarterly investor and earnings presentations provide a comprehensive narrative of our performance and prospects. Our calls with analysts are only getting longer indicative of their growing interest in the Company's performance and

prospects. Our detailed response to their questions is valued. Analysts and investors take our commentary with considerable seriousness – it reflects their trust in the leadership team in achieving their articulated goals.

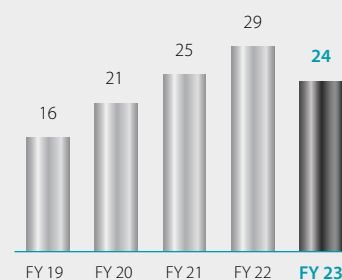
**Branding & advertisement including digital**  
(₹ million)



**Dividend paid to the shareholders**  
(₹ million)



**Return on Equity**  
(%)





# Natural Capital



We consciously embedded sustainability considerations across all investments, business decisions, and operational activities.

We are driven by the purpose of creating value through our unique, durable, and environment-friendly products and solutions. Given that natural capital is integral to our value creation model, we are focusing on minimising the negative impact of our operations on the Earth.

We continue to recalibrate our systems and processes to make them more resource-efficient. We've aligned ourselves with policymakers and regulators to make our operations more sustainable and reduce our carbon footprint for a better Earth.

## Our competitive edge

- ESG is firmly embedded in the foundation of the Company
- Investments in technology and equipment have strengthened the Company's environment management commitment
- New Products development has helped customers and the nation reduce their carbon footprint

## Linkage with other capitals

Manufactured Capital	Will increase the Company's overall carbon footprint
Financial Capital	Funds required for investment in environment management infrastructure
Human Capital	Efficient operations can make the organisation more resource-efficient
Intellectual Capital	Absorb new technology for better environment management
Social & Relationship Capital	Increase the respect of the organisation among stakeholders

## Highlights, FY23

**38%**  
The proportion of energy sourced from Renewable sources in FY23.

**353** Cubic Meter  
Capacity of rainwater harvesting pits

**5,000+**  
Trees plants in FY23

**27%**  
The proportion of total water recycled.



### Water Management

We recognise water as a critical societal resource that needs to be used judiciously and preserved well to ensure that our future generations have enough water to progress.

Our plant operations team has implemented a detailed plan to facilitate reducing freshwater consumption, increasing water recycling, and responsible wastewater disposal. We periodically examine and analyse how we marshal our water resources. We tweak our processes, where possible, to optimise the consumption of this precious resource. As a result, our water consumption has dropped from 0.65 Mn cc mtrs in FY21 to 0.59 Mn cc mtrs in FY23.

Being consistently motivated to optimise our freshwater usage further, we aim to make all our operating facilities Zero Liquid Discharge by 2025 (currently, two facilities have this accreditation).

In addition to reducing water usage, we also work towards replenishing the groundwater levels. Currently, we have rainwater harvesting pits at two facilities; we hope to create this water-enriching solution at all our facilities by 2025.

### Energy Management

Our entire operating strategy is pivoted on energy saving to deal with the ever-increasing energy demand and the problems it causes.

Aware of the depleting nature of non-renewable resources, we constantly endeavour to satisfy our requirements using renewable sources across our facilities. We are committed to reducing total energy usage by improving energy efficiency, reducing wastage, and embracing new technology that facilitates energy conservation.

Our well-structured energy and carbon management programs for all our facilities ensure that we can reduce our overall energy consumption year after year.

### Air Quality Management

We are committed to minimising air emissions at APL Apollo by following stringent policies and procedures for addressing point (stack) and nonpoint (fugitive) source pollutants.

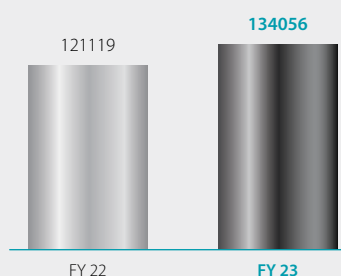
Our institutionalised processes and investment in pollution management equipment allow us to keep our emissions within the prescribed limit. Our electrostatic precipitators (ESPs) and baghouse filters enable us to monitor and regulate major atmospheric emissions by our combustion and other processes.

We have initiated appropriate steps to constantly monitor and contour a blueprint to reduce the air emissions released by our manufacturing facilities into the environment in the coming years.

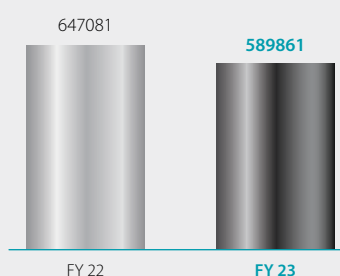
### Blueprint for future

- Committed to reducing Scope 1 & 2 emissions by 25% by 2030
- Overall renewable energy consumption target set at 47% by 2030
- Determined to be a net zero company by 2050

**Total energy consumption**  
(MwH)



**Total water consumption**  
(KL)





# Strong foundation platformed on stringent governance.

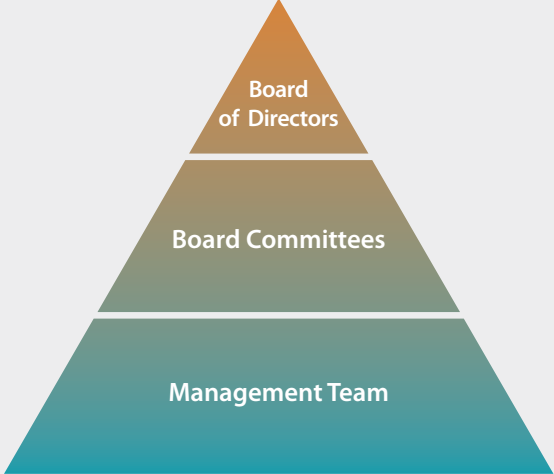
At APL Apollo, we believe in continuously strengthening our culture of transparency and accountability. We have unfailingly upheld the highest governance standards and conducted our business with integrity and fairness. The outcome of our dedicated efforts has enabled us to gain the trust of stakeholders. As a result, we are better placed to assess and manage risks, address material issues to our stakeholders, and make the right decisions that balance the interests of all.

We constantly update our systems and procedures to meet better the demands of a complex and fast-paced business environment and to promote more accountability and transparency. Our numerous rules and programs guarantee that we uphold our Company's compliance and ethics while fostering a harmonious workplace for our employees and workers.

Our Company has a robust code of conduct based on the National Guidelines on Responsible Business Conduct (NGRBC) guiding principle. Following our Company's Code of Conduct as our guide, we comply with all legal requirements, corporate governance standards, and international best practices. We have established several frameworks and policies demonstrating our dedication to shared values and principles. We also have zero tolerance for breaking any laws, internal rules, or codes of conduct.

### Governance structure

Our approach to corporate governance and its role in the organisation's life goes well beyond meeting our compliance obligations. Our governance framework fosters our high-performing culture while underpinning our principles of integrity, customer focus, collaboration, innovation, sustainability, and stakeholder delight.





### Role of the Board

The role of the Board is to provide leadership to the Company and to deliver shareholder value over the long term. The Board sets the Company's strategic objectives, ensuring they align with its values and standards and the desired business culture.

The Board of Directors is responsible for ensuring effective management, implementation of the business strategy, monitoring the performance of the Company, its compliance efficacy, and the effectiveness of the Company's corporate governance practices.

### Board committees

Various committees assist the Board in discharging its duties and responsibilities, although the ultimate responsibility rests with the Board. The committees report to the Board on their activities periodically, and the minutes of the committee meetings are provided to all Board members.

#### Our Board committees are:

AUDIT COMMITTEE | NOMINATION AND REMUNERATION COMMITTEE | STAKEHOLDERS RELATIONSHIP COMMITTEE | CORPORATE SOCIAL RESPONSIBILITY COMMITTEE | RISK MANAGEMENT COMMITTEE | FINANCE COMMITTEE

### Policies & practice

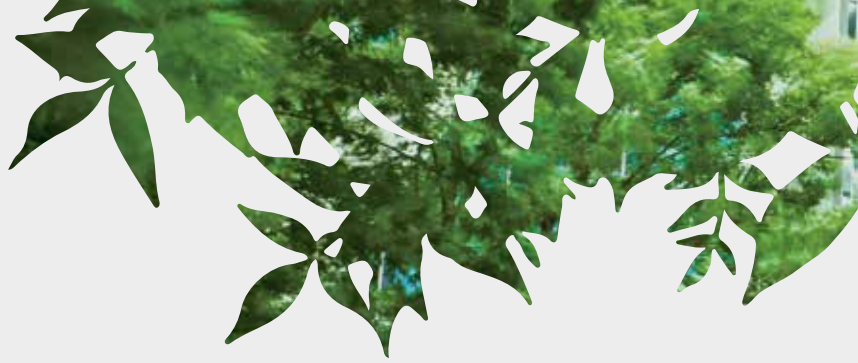
We have developed policies for our businesses in keeping with the broad group policies, values, and principles. We empower our employees to learn, understand and apply this knowledge to achieve and set new benchmarks with their efficiency and commitment.

### Some of our key policies are:

CODE OF CONDUCT | HEALTH AND SAFETY | ANTI BRIBERY AND ANTI CORRUPTION | HUMAN RIGHTS | WHISTLEBLOWER | PREVENTION OF SEXUAL HARASSMENT | COLLECTIVE BARGAINING | INVESTOR PROTECTION POLICY

### Advocacy and public policy

We engage with governments and regulators in public policy discussions directly and through institutional bodies to share our views and stakeholders' perspectives on issues relevant to our business. We aim to provide the industry with in-depth knowledge and differentiated insights. We perform the function of policy advocacy transparently and responsibly when engaging with all the authorities, and in doing so, we consider both our corporate and the industry's interests as a whole.



## Our eminent Board



**Shri Sanjay Gupta**

*Executive Chairman*

Shri Sanjay Gupta has around 26 years of experience in diverse steel industry segments. Under his visionary and dynamic leadership, the Company has evolved from a structural steel tube manufacturer into a global leader in branded steel products. He has inherited excellent entrepreneurship skills from his father late Shri Sudesh Gupta. Under his leadership, the Company continues to grow exponentially towards becoming an organisation of international repute.



**Shri Ashok K. Gupta**

*Director*

Shri Ashok K. Gupta holds a Master's degree in Physics and completed his PGDBA from AIMA. He is an Industry veteran with over three decades of experience working in critical management positions in reputed organisations like SAIL, Jindal, Bhushan Steel, the L.N. Mittal Group, Apollo Pipes Ltd. and Shalimar Paints Limited. He has been the driving force for propelling the growth engine and yielding profitable results for the Company.



**Shri Vinay Gupta**

*Director*

With more than two decades of industry experience, Shri Vinay Gupta has in-depth knowledge of the manufacturing and trading of pipes, tubes, sheets, and other steel products. He has been assigned the responsibility of driving the Company's pre-galvanised and international market businesses.



**Shri Deepak Goyal**

*Director*

Shri Deepak Goyal has been working as the Chief Financial Officer of the Company since February 18, 2015. He has been associated with the Company for last 10 years as he had joined APL in the year 2013. Prior to this, he worked with Surya Roshni Limited for about 9 years.

He is a member of ICAI. With an experience of around 2 decades in structural steel tubes manufacturing business, he has handled operational management, marketing and institutional sales. He was responsible for developing corporate strategy, financial planning, overseeing corporate affairs, information technology, human resource and investor relations for APL Group.



**Ms. Neeru Abrol**

*Independent Director*

A Chartered Accountant, Ms. Abrol has about four decades of rich professional experience in various sectors and positions. She worked for 26 years with Steel Authority of India Ltd in various critical management positions which have provided her with in-depth knowledge of the steel industry and its workflow. She is also the former Chairperson and Managing Director, and Director Finance of National Fertilisers Ltd. Ms. Abrol is currently serving as Director at TCNS Clothing Co Limited, Apollo Pipes Ltd, Stecol International Pvt Ltd, and other companies. She is also associated with a couple of NGOs. She is the recipient of multiple awards over her illustrious career including twice 'Business Achiever' by ICAI, and 'Outstanding Woman Manager in Public Sector Enterprises' by SCOPE.



### Shri Anil Kumar Bansal

*Independent Director*

A former executive director of the Indian Overseas Bank, Shri Anil Kumar Bansal, brings with him four decades of rich experience in the banking industry. He supports the organisation in undertaking key financial decisions. His impressive knowledge of banking, the Indian economy, corporate affairs, and risk and ratings are strongly backed by his rich professional experience. Currently, he is serving as the Director of GVFL Trustee Co Pvt. Ltd. and SG Finserve Ltd. He is also the former Independent director of Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, CARE Ratings Limited, NABARD, IFCI Venture Capital Funds Limited and GVFL Trustee Co Pvt. Ltd.



### Shri Abhilash Lal

*Independent Director*

A mechanical engineer and postgraduate from IIM Bangalore, Shri Abhilash Lal has 33 years of professional experience in senior roles across financial services, including banking, consulting, real estate, private equity, and restructuring. He has led institutions across business development, strategy as well as operations.



### Shri Virendra Singh Jain

*Independent Director*

Shri V.S. Jain has completed his assignment as a member of the Public Enterprises Selection Board (PESB), which has been set up by the Government to evolve a sound managerial policy for central public sector enterprises as well as to advise the Government on appointments to top management posts at the Board level. In the past, he has served as the Chairman of the Steel Authority of India (SAIL) and held the post of Executive Director of the Indian Oil Corporation (IOC). He has also served as an independent director on the Boards of Rashtriya Ispat Nigam Ltd., Essar Oil Ltd., and the National Multi-Commodity Exchange of India. He is presently on the Board of Dalmia Bharat Ltd. He is a fellow member of the Institute of Chartered Accountants of India as well as the Institute of Cost Accountants of India.



### Shri Ameet Kumar Gupta

*Independent Director*

Shri Ameet Gupta is the Whole Time Director at Havells India Limited, India's largest electrical goods manufacturer for residential, commercial, and industrial use. He joined Havells in 1995, where he developed and implemented multiple strategic tie-ups with global partners helping the organisation register robust growth. Shri Ameet graduated with a B.Tech in Electronics and Communications from Delhi University and completed his MBA in Marketing and Finance from Wake Forest University, North Carolina, USA. His passion for research and development has led him to lead technological innovation and product development in the said Company. Apart from R&D, a few of his focus areas are manufacturing and sustainability.



### Shri Rahul Gupta

*Director*

Shri Rahul Gupta has completed B.Com. (Hons.) from Delhi University. He has also completed executive courses in the field of Management from reputed B-Schools like the London School of Economics and the Indian Institute of Management, Ahmedabad (IIMA). He is a promising entrepreneur with an experience of around 7 years in the structural steel tubes manufacturing business and has handled operational management, marketing, and institutional sales. He is the recipient of 'Young Achiever Award' for Organisation Building at Global HR Summit 2017. He is currently serving on the Board of SG Finserve Limited and Other Group Companies.



## Our team at the top



**Shri Sanjay Gupta**  
*Chairman & Managing Director*



**Shri Vinay Gupta**  
*Director*



**Shri Deepak Goyal**  
*Director (Operations) &  
Chief Financial Officer*



**Shri Anubhav Gupta**  
*Chief Strategy Officer*



**Shri Anurag Mehrotra**  
*Chief Human Resource Officer*



**Shri Ravindra Tiwari**  
*Head-Sales & Marketing*



**Shri Rahul Gupta**  
*Director*



**Shri Amit Thakur**  
*Head Procurement*



**Shri C. K. Singh**  
*VP (Operations)*



**Shri Utkarsh Dwivedi**  
*CEO, International Business*

# Corporate Information

## Chairman & Managing Director

Mr. Sanjay Gupta (DIN: 00233188)

## Vice Chairman

Mr. Ashok K. Gupta (DIN: 01722395)

## Directors

Mr. Virendra Singh Jain (DIN: 00253196)

Ms. Neeru Abrol (DIN: 01279485)

Mr. Abhilash Lal (DIN: 03203177)

Mr. Anil Kumar Bansal (DIN: 06752578)

Mr. Vinay Gupta (DIN: 00005149)

Mr. Rahul Gupta (DIN: 07151792)

Mr. Ameet Kumar Gupta (DIN: 00002838)

## Director (Operations) & Chief Financial Officer

Mr. Deepak Goyal (DIN: 03056481)

## Chief Strategy Officer

Mr. Anubhav Gupta

## Company Secretary

Mr. Deepak C S

## Registered Office

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

## Corporate Office

36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad

Uttar Pradesh - 201010

Tapasya Corp. Heights, 4<sup>th</sup> Floor,

Sector-126, Noida,

Uttar Pradesh-201303

## Registrar & Share Transfer Agent

Abhipra Capital Limited

A387, Dilkush Industrial Area,

G.T. Karnal Road

Azadpur, Delhi – 110 033

## Auditors

### Statutory Auditors

Deloitte Haskins & Sells, LLP

Chartered Accountants

7<sup>th</sup> Floor, Building 10, Tower B,

DLF Cyber City Complex,

DLF City Phase - II,

Gurgaon – 122002

### Cost Auditors

R. J. Goel & Co., Cost Accountants

31, Community Centre,

2<sup>nd</sup> Floor, Ashok Vihar, Phase - I,

Delhi – 110052

### Secretarial Auditors

Parikh & Associates,

Company Secretaries

111, 11<sup>th</sup> Floor, Sai-Dwar CHS Ltd,

Sab TV Lane, Opp Laxmi Industrial Estate

Off Link Road, Above Shabari Restaurant,

Andheri (W), Mumbai: 400053

### Internal Auditors

Protiviti India Member Private Limited

15<sup>th</sup> Floor, Tower A, DLF Building No. 5,

DLF Phase III, DLF Cyber City

Gurugram, Haryana 122010

## Bankers

State Bank of India

Union Bank of India

Bank of Baroda

HDFC Bank Limited

Axis Bank Limited

Kotak Mahindra Bank Limited

HSBC Bank Limited

Citibank N. A.

Indusind Bank Ltd.

ICICI Bank Ltd.

## Works

### Unit-I

A-19 & 20, Industrial Area,

Sikandrabad,

Distt. Bulandshahar, (U.P.)

### Unit-II

No.332-338, Alur Village

Perandapalli, Hosur (Tamil Nadu)

### Unit-III

Plot No. M-1, Additional MIDC Area,

Murbad, Thane, Maharashtra-421401

### Unit-IV

Village Bendri, Near Urla Industrial Area,

Raipur, Chhattisgarh-492001

### Unit-V

Survey No. 443,444,538,539 Wadiaram

village, Chegunta (Mandal),

Medak district, Telengana- 502255

### Unit-VI

No. 9 to 11, KIADB Industrial Area

Attibele, Bengaluru – 562107

### Unit-VII

Plot No. 53, Part-1, 4<sup>th</sup> Phase,

Industrial Area,

Sy. No. 28-33, Kurandhalli Village,

Kasaba Hobli, Malur, Taluk,

Distt. Kolar-563130, Karnataka.

### Unit-VIII

Village Bisnoli, Khasra No. 527 To 530 &

569, Dujana Road, Tehsil Dadri,

Gautam Budh Nagar,

Uttar Pradesh -203207

## Apollo Metalex Private Limited

**Unit-I:** A-25, Industrial Area,

Sikandrabad,

Distt. Bulandshahar, (U.P.)

**Unit-II:** Plot No. 22, Industrial Area,

Sikandrabad,

Distt. Bulandshahar, (U.P.)

## APL Apollo Building Products Private Limited

Village- Rigni, Kesda, Tahsil-

Simga, Distt.- Baloda Bazar-

Bhatapara, Chhattisgarh-493113



# Management Discussion & Analysis







## Indian Economy

Post-pandemic India is poised to become one of the fastest-growing economies in the world despite geopolitical turmoil, global deceleration of demand and tightening of monetary policy across the world. World Bank report suggests that in FY23 Indian economy grew by an estimated 6.9%, although with some moderation.

Revival of private consumption and strong capital formation seems to be the key growth drivers, but effective credit disbursal and capital investment cycle also played a crucial role. Further, increasing capex thrust by the Central Government is also a significant contributor to this resurgence.

However, inflation remained high all through the year. At the beginning of the FY23 fiscal, inflation measured by CPI (consumer price index) reached 7.79%. Here, core inflation and food prices played a major role which continued to be on the higher side throughout the financial year.

RBI raised its benchmark repo rate by 250 basis points until March 2023. Borrowing costs for retail and other loans got higher. Banks passed on the increasing costs to borrowers by hiking interest rates on multiple loans. By the end of March 2023, inflation eased to 5.66%, which is considered 'elevated,' though within the range of RBI's tolerance limit.

IIP (Index for Industrial Production) data released by NSO (National Statistical Office) estimates a growth of 5.56% in the first 11 months of FY23, showing signs of recovery in manufacturing.

Government data reveals that gross GST collection for FY23 exceeded ₹18 lakh crore with over 22% year-on-year growth. It indicates the buoyant spirit of the Indian economy despite adverse global macroeconomic conditions.

Outlook: World Bank says the Indian economy will remain robust in FY24 amidst slow consumption growth and challenging external factors. It

predicts a 6.3% growth in GDP for the financial year 2023-24 in the face of rising borrowing costs and slow income growth, which will weigh on private consumption.

Inflation is likely to come down even further with the reduction in commodity prices and increasing stability in domestic demand. The Central Government is anticipated to hit the fiscal deficit target of 5.9% in FY24. And just like last financial year, a strong capex push by the Government is expected to be the main growth driver. At the same time, an improved labour market and robust revenue collection are most likely to impact the economy positively.



## Indian Structural Steel space

Structural steel has many applications, but it is widely regarded as a construction material worldwide due to its reliability, versatility, low production cost, high strength, sustainability and availability.

This steel can be customized into different shapes with its compositional properties and standards. Structural steel has applications in bridges, railways, railway station structures, buildings, stairs, railings, skyscrapers and the like.

But despite the advent of structural steel, RCC (reinforced cement concrete) remains the mainstay as a construction material. RCC is very good with compressive stresses, but it can't take care of tensile stresses. To improve tensile strength, some form of steel bar is used in the RCC construction.

Compared to RCC, structural steel is very lightweight with high strength and strength-to-weight ratio. These kinds of structures can be easily fabricated and replaced, assembled or dismantled easily. Because it is lightweight, it can be transported and handled with ease. Also, structure erection time is significantly lesser than with RCC.

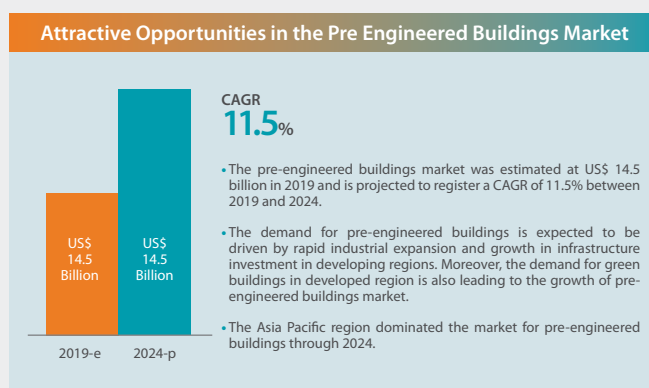
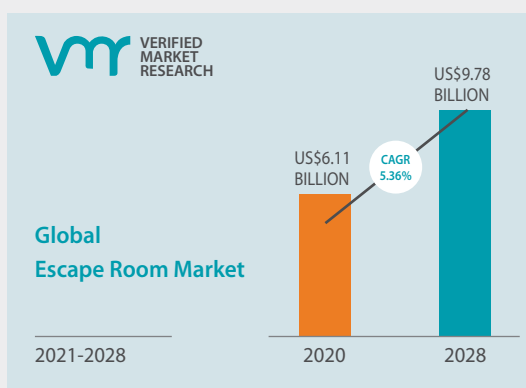
The structural steel industry is one of the vital contributors to India's rapid infrastructure development. Furthermore, with the Indian Government targeting a US\$ 5 trillion economy by 2025 fiscal, the fortune of this industry looks incredibly bright.

However, the Indian structural steel market is not mature yet, leaving much potential for industry growth. A large part of this growth would come from Government's continuous infrastructure push. The development of railway stations and metro services all over the

country and new aviation infrastructure like airports and new logistics hubs are some of the growth areas expected to drive the growth in the structural steel market in the next few years.

Additionally, the domestic real estate market surge, especially with the verticalisation theme emerging predominantly for residential and commercial buildings, is expected to drive the demand for structural steel. Further, the rising trend of pre-engineered buildings and design changes in urban housing will augur well for structural steel demand in the long run.

The global structural steel market is valued at US\$ 101.85 billion in 2022 and is projected to grow at a CAGR of 5% until 2030. The Indian structural steel market is expected to grow faster than the world at a CAGR of 5.5% over the next few years.







India has a substantial structural steel tube potential.



Airport



High rise buildings



Organized retail



Greenhouse



Warehouses



Futuristic Cityscape

## About the Company

APL Apollo is the leading player and market creator in the structural steel tube market in India. The Company is well-known in the structural steel space for its ingenuity and innovative spirit. It maintains a very diverse product portfolio to cater to different segments of end-user industries. It holds several IP comprising trademarks and designs and has almost 1500 SKUs in its portfolio.

The Company has 11 state-of-the-art manufacturing facilities that manufacture commoditised products and niche solutions.

In Its effort to reach customers across India, the Company has created a comprehensive and entrenched distribution network of more than 800 dealers across India. To create awareness of its products and solutions, the Company engages with key decision influencers: architects, construction consultants, and fabricators.

APL Apollo exports its products to 20+ nations. Headquartered in Delhi-NCR, India, the Company is spearheaded by Shri Sanjay Gupta as the Chairman and Managing Director. A team of experienced and enthusiastic professionals ably supports him. The Company's equity is listed on the BSE and NSE.

### Our operational performance

The Company's operational efficiency climbed a few notches higher, recording the highest production of more than 2.2 Mn tonnes. This increase was owing to improved productivity in the manufacturing facilities, de-bottlenecking at some facilities and the partial commissioning of the Company's greenfield Raipur facility.

The marketing team worked diligently towards the market creation of the novel product coming out of the Raipur facility with considerable success.

Having completed the hospital projects leveraging the tubular technology, the Company bagged several new projects to deploy this contemporary technology. The Management is also conversing with several companies for more such projects, some of which should see the light of day in the current year (FY24).

The Company intensified its branding and awareness initiatives to enhance brand recall among decision-makers.

On the ESG front, the Company upped its DJSI ranking considerably. This is a recognition of the Company's efforts toward its social responsibility towards the Earth and marginalized communities residing on Earth.

## Financial performance

(based on Consolidated Financial Statements)

Buoyed by the significant domestic demand and the untiring efforts of the team, APL Apollo reported an excellent all-round performance defying global headwinds.

Sales volumes registered an all-time high crossing the 2 mn tonne mark. The volume-drive enabled revenue from operations to scale from ₹130,633 million in FY22 to ₹161,660 million in FY23. Despite rising inflation, the Company remained hawk-eyed on cost, working untiringly to eliminate wastages and plugging gaps.

EBITDA increased from ₹9,452 million in FY22 to ₹10,215 million in FY23. While the EBITDA per tonne slid from ₹5,386 in FY22 to ₹4,481 in FY23 and the EBITDA margin dropped to 6.3% in FY23 against 7% in FY22. This drop was owing to

an increase in the sales of standard products in the first half of the fiscal and an increase in steel prices.

Net Profit for the year scaled to a new peak – it stood at ₹6,419 million in FY23 against ₹6,190 million FY22. Earnings per share (diluted) increased from ₹22.33 in FY22 to ₹23.14 in FY23.

The Company's Networth grew from ₹24,525 million as on March 31, 2022 to ₹30,056 million as on March 31, 2023. Correspondingly, the Book Value per share increased from ₹98 to ₹109 over the same time period. The Return on Equity dropped to 23.5% in FY23 from 28.9% in FY22.

The Company deployed majority its business liquidity into capacity augmentation and capability building

initiatives. It invested ₹8,424 million in FY23 in capex projects. This has resulted in an increase in the Gross Block (from ₹20,388 million as on March 31, 2022 to ₹29,070 million as on March 31, 2023) and in the Capital Work-in-Progress from ₹5,037 million as on March 31, 2022 to ₹3,740 million as on March 31, 2023.

The overall debt position remained stable with the debt equity ratio at 0.1x in FY23.

The Company continued to monitor its working capital closely. Hence despite a significant increase in business operations, working capital remained stable. It could sustain its working cycle at 5 days. This is a new benchmark in the Indian structural tube space. This is also a reflection of the Company's product quality and brand position.

Particulars	2022-23	2021-22	Change (%)	Reason for change
Current ratio	1.2	1.3	-8.2	Marginally changed
Debt-equity ratio	0.1	0.1	0	Unchanged despite heavy capex
Interest coverage ratio	13.9	19.7	-29.7	Despite decline the ratio remains healthy
EBITDA Margin (%)	6.3	7.2	-92 bps	Decline in margin due to higher fixed cost at new Raipur plant
Net Profit Margin (%)	4.0	4.3	-29 bps	Owing to decline in EBITDA margin
Return on Net Worth (%)	23.5	28.8	-537 bps	Lower as investment into Raipur plant yet to yield results

### Internal control & its adequacy

At APL Apollo, the internal control mechanism is designed to protect its assets and authorize, record, and correctly report all transactions on time. It conforms to the local statutory requirements and meets the highest global standards and practices to remain competitive in evolving business dynamics.

The internal control framework monitors and assesses all aspects of risks associated with current activities and corporate profiles, including scientific and development risks, partner interest risks, and commercial and financial risks.

While ensuring flawless competition of accounting and financial processes, the internal control mechanism reviews the manual and automated processes for transaction approval.



## Human resource

APL Apollo has always believed in the power of its human capital and their invaluable contribution to the Company's journey toward sectoral dominance.

As always, the Company's focus has been on its employees' well-being. Its people-centric policies have facilitated its team members' professional and personal development. The Management has maintained a close connection with its people, increasing their sense of belonging to the organization.

Further, an intellectually stimulating environment has been maintained to enable all the employees to grow and learn at every step of their evolution which in turn becomes a key driver for the Company's growth.

Benefits like performance-linked incentives and regular training programs guarantee a low attrition rate, while most of them are spread across the length and breadth of the country.

As of March 31, 2023, the Company had 2,587 permanent employees.

## Risk management

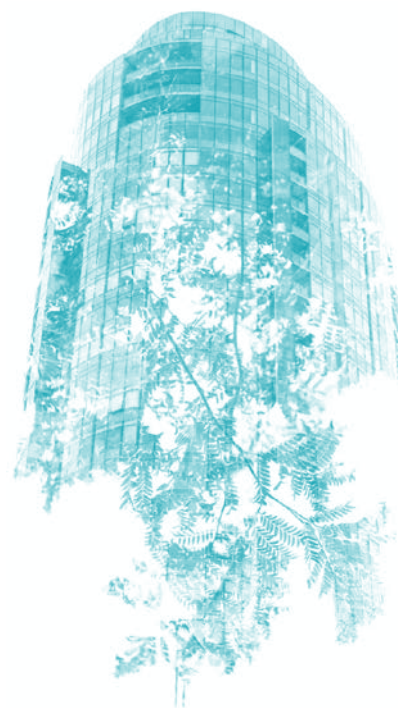
APL Apollo recognizes that Risk management is critical to overall profitability, competitive market positioning and long-term financial viability to meet the commitments to its clients and other stakeholders.

In keeping with this belief, it has created a comprehensive Risk Management Framework to anticipate, identify, prioritize and monitor risks; segregate these into Critical, Non-Critical, Active and Dormant; and map further to mitigation measures and responsibilities.

The Company has created a Risk Register to identify and mitigate relevant risks on time, allowing the Management to sharpen its focus on profitability and project delivery.

**The Company's focus has been on its employees' well-being. Its people-centric policies have facilitated its team members' professional and personal development.**

# board's report



*Dear Shareholders*

Your Directors have pleasure in presenting the Thirty Eight (38th) Annual Report on the business and operations of your company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2023.

## FINANCIAL PERFORMANCE:

The Company's financial performance for the year under review along with the previous year's figures is given hereunder:

(₹ In crore)

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Gross sales	16,165.95	13,063.32	14,279.29	11,589.65
Add : Other income	47.18	40.50	41.91	35.63
Total revenue	16,213.13	13,103.82	14,321.20	11,625.28
Profit before Depreciation, Finance Costs and Tax Expense	1068.73	985.76	839.15	799.65
Less : Depreciation and amortisation	138.33	108.97	102.46	93.79
Less : Finance cost	67.09	44.47	47.51	43.43
Profit before tax (PBT)	863.31	832.32	689.17	662.44
Less : Tax expense	221.45	213.34	177.25	168.21
Profit after tax for the year (PAT)	641.86	618.98	511.92	494.23

The Company's consolidated gross turnover in financial year 2022-23 increased significantly by 23.75 % from ₹13,063.32 crores to ₹16,165.95 crores. The EBITDA has increased by 8.42 % from ₹985.76 crores to ₹1068.73 crores for the year under review. The net profit of the Company has also increased by 3.70 % from ₹618.98 crores to ₹641.86 crores during the year under review.

## DIVIDEND

The Board of Directors of the Company is pleased to recommend a dividend @250 % ( 5 per share) as final dividend on the equity shares for the year 2022-23 subject to declaration of the same by the members at the ensuing annual general meeting. The payment of dividend will be subject to deduction of applicable taxes and shall be paid for the full year on the shares held as on the record date irrespective of the date of issue of the shares during the year.

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company has Dividend Distribution policy. During the year, there have been no changes to the policy. Hence, the same is not annexed to this report, as the same is available on our website at <https://www.aplapollo.com/downloads>

## TRANSFER TO RESERVES

The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

## OVERVIEW

After two years of uncertainty owing to the pandemic and other global headwinds, India established a firm footing on economic resurgence despite the ongoing geopolitical issues, inflationary headwinds and recessionary trends prevailing across the globe.

Compared to a growth of 9.1%, last year, owing to the low-base effect, India achieved a GDP growth of 7.2% in FY23. This resurgence was fueled by a rebound in private consumption, capital creation and a continued increase in contact-based service activity.

The manufacturing sector and exports remained weak owing to global exigencies and the looming recession in the west. But, continued government thrust on infrastructure and pick-up in construction activity were the bright spots for the economy.

As a result, domestic steel consumption saw robust growth in FY23. Not surprisingly, APL Apollo, the leader in structural steel space in India, was quick to seize the opportunities and reported another strong performance.

## BUSINESS PERFORMANCE

APL Apollo sustained its industry-beating performance once again. The Company recorded a healthy uptick in all the key performance indicators. After a subdued 1st quarter, sales volume picked up and continued to rise in every subsequent quarter- it ended the year with a growth of 30% over the previous year.

Revenue from operations increased by 23.75% over the previous financial year. EBITDA jumped to ₹1068.73 crore from ₹985.76 crore last fiscal while Net profit increased by 3.70% to ₹641.46 crore, it was ₹618.98 crore last year. Operating Cash Flow in FY23 has increased to ₹967 crore witnessing a growth of 49% from the previous year. EBITDA per tonne dropped to ₹4481 in FY23 against ₹5386 per tonne in FY22 – owing to the significant volatility in steel prices in the first half of the financial year.

The Company continued building on its three-pillar strategy – Innovation, Market Creation and ESG.

It emerged as the second company in the world to successfully develop 1000x1000 mm square tubes which are currently undergoing trials.

By completing the steel structures for its showcase Delhi hospitals project, it has created a new market segment for its 500x500 mm steel tubes. This success has generated significant interest, some of which have translated into confirmed orders. These are expected to be completed in 12-18 months.

On the ESG front, your Company scaled new heights. In the DJSI FY22 score, the Company stood at the 80th percentile. Its score reached a high of 29 points, above the industry average of 22.

## POSSIBILITIES AND PROSPECTS

Macro factors: FY24 appears to be a promising year for the Company owing to the infrastructure thrust given by the Government through the Union Budget 2023.

Sectoral opportunities: The Indian Railways has been one of the key beneficiaries of the Union Budget 2023. A large part of the allocated funds is expected to be invested in creating new railway stations and uplifting existing ones. APL Apollo has participated in some of the tenders floated by the Indian Railways and is hopeful of securing some projects. When that happens, it would open a new revenue vertical for the Company.

India plans to set up 50 new airports for improving regional air connectivity. This should help the Company in garnering healthy volumes for its heavy structural tubes.

Internal initiatives: The Raipur facility, one of the largest and most advanced tube manufacturing plants in Asia, commissioned in the year, manufacturing pathbreaking and pioneering products for India and the world. These super high-value products are margin accretive and should shore business profitability.

## INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls as referred in Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2023 the Board is of the opinion that the Company had sound Internal Financial Controls commensurate with the size and nature of its operations and are operating effectively and no reportable material weakness was observed in the system during the year.

Based on annual Internal Audit programme as approved by Audit Committee of the Board, regular internal audits are conducted covering all offices, factories and key areas of the business. The findings of the internal auditors are placed before Audit Committee, which reviews and discusses the actions taken with the management. The Audit Committee also reviews the effectiveness of company's internal controls and regularly monitors implementation of audit recommendations.

There are existing internal policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

## ANNUAL RETURN

In accordance with the provisions of Section 134 (3)(a) of the Companies Act, 2013, the Annual Return, as required under Section 92 of the Act for the financial year 2022-23, is available on the Company's website at <https://www.aplapollo.com/financial>.

## SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATES

The Company had six wholly-owned subsidiaries as on March 31, 2023, namely Apollo Metalex Private Limited (AMPL), Blue Ocean



Projects Private Limited, APL Apollo Building Products Private Limited, APL Apollo Mart Limited, A P L Apollo Tubes Company LLC and APL Apollo Tubes FZE.

As the members are aware of, the Board of Directors of Company at its meeting held on February 27, 2021, had approved a scheme of amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with the Company and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013 ("Scheme of Amalgamation"). The New Delhi bench of the National Company Law Tribunal (NCLT), through its order dated October 14, 2022 sanctioned the scheme. The certified copy of the NCLT order was filed with Registrar of Companies on October 31, 2022. Consequently, the scheme became operative from October 31, 2022 ('Effective Date') with appointed date from April 1, 2021 as per the approved scheme.

A report on the performance and financial position of each of the subsidiaries in form AOC-1 is annexed hereto as **Annexure 'A'** and forms part of this report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements and related information of the subsidiaries, where applicable, will be available for inspection during regular business hours at the company's corporate office at 36, Kaushambi, Near Anand Vihar Terminal, Uttar Pradesh -201010 and the same are also available at our website i.e. [www.aplapollo.com](http://www.aplapollo.com).

During the year under review, the Company incorporated another wholly owned subsidiary named "A P L Apollo Tubes Company LLC", under Umm Al Quwain (UAQ) authority in UAE.

The Company has no associates or joint ventures.

## DEPOSITS

Your Company neither accepted nor renewed and/or was not having any outstanding public deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, during the year under report.

## SHARE CAPITAL

As on March 31, 2023 the authorized capital of the Company stood increased from ₹75 crore to ₹97 crore divided into 48,50,00,000 equity shares of ₹2 each, pursuant to sanction of Scheme of Amalgamation.

During the financial year under review, the Company allotted 2,68,60,000 equity shares of ₹2 each, to the eligible shareholders of Apollo Tricoat Tubes Limited, in the share exchange ratio of 1:1 as provided in the Scheme of Amalgamation.

During the financial year under review, the Company allotted 1,90,314 equity shares of ₹2 each at a price of ₹143.855 (including premium of ₹141.855), pursuant to APL Apollo Employees Stock

Option Scheme (ESOS-2015) to eligible employees of the Company and of its subsidiaries.

Pursuant to abovesaid allotments of Equity shares, the paid up capital of the Company stands increased from ₹50.06 Cr to ₹55.47 Cr comprising of 27,73,30,814 equity shares of ₹2 each.

The Company has neither issued shares with differential voting rights nor has issued any sweat equity shares.

## BORROWINGS

### Commercial Papers

The Company has received the credit ratings from credit rating agencies – ICRA and CRISIL as under –

- 'ICRA A1+' assigned to ₹300 crore Commercial Paper programme of the Company.
- 'CRISIL A1+' assigned to ₹500 crore Commercial Paper Programme of the Company.

During the year the Company issued Commercial papers ("CP") for the purpose of raising short term funds in nature ranging between one to three months. Further, as on March 31, 2023, no CP was outstanding.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Articles of Association of the Company, Shri Sanjay Gupta will retire at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for reappointment.

The Board of Directors in its meeting held on May 12, 2023 appointed Shri Deepak Goyal as a non-independent additional director to hold office till the date of ensuing AGM and also as a Whole Time Director designated as "Director (Operations) & Group CFO" for a period of five consecutive years on the terms and conditions of appointment including remuneration as given in the notice of the AGM for seeking approval of the members.

Shri Romi Sehgal has ceased to be a Director of the Company w.e.f. 12.05.2023. The Board places on record its appreciation and gratitude for the contributions made by Mr. Romi Sehgal during his tenure as a member of the Board of Directors.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as provided in Section 149(6) read with schedule IV of the Companies Act, 2013 and also Regulation 16(l)(b) of the Listing Regulations.

Further, in pursuance of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, all Independent Directors of the Company have duly confirmed renewal of their respective registration with the Indian Institute of Corporate Affairs (IICA) database.

Further, in the opinion of the Board, the Independent Directors of the Company possess the requisite expertise skill and experience (including the proficiency) and are persons of high integrity and repute as well as independent of the management.

## PARTICULARS OF REMUNERATION

Disclosure of ratio of the remuneration of the Executive Director to the median remuneration of the employees of the Company and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this report as **Annexure 'B'**. Further, particulars of employees pursuant to Rule 5(2) & 5(3) of the above Rules form part of this report. However, in terms of provisions of section 136 of the said Act, the report and accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is available for inspection at the registered office of the Company during working days of the Company up to the date of the ensuing annual general meeting.

## AUDITORS AND AUDITORS' REPORT

### A. Statutory Auditors

In terms of provisions of the Companies Act, 2013, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurugram, (FRN117366W/W-100018), had been appointed as Statutory Auditors of the Company in the 35th Annual General Meeting held on September 29, 2020 to hold the office from the conclusion of the said Annual General Meeting until the conclusion of the 40th Annual General Meeting to be held in year 2025.

The reports the Auditors on the standalone and consolidated financial statements for the FY 2022-23 do not contain any qualification, reservation or adverse remark requiring any explanation on the part of the Board. The observations given therein read with the relevant notes are self-explanatory.

There are no frauds reported by the Auditors under section 143(12) of the Act.

### B. Cost Auditors

In terms of Section 148 of the Act, the Company is required to get the audit of its cost records conducted by a Cost Accountant. In this connection, the Board of Directors of the Company in its meeting held on May 12, 2023, on the

recommendation of the Audit Committee, approved the appointment of M/s R.J. Goel & Co., Cost Accountants (FRN: 000026) as the cost auditors of the Company for the year ending March 31, 2024.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution will form part of the Notice convening the AGM. The approval of the members is sought for the proposed remuneration payable to the Cost Auditors for the Financial Year ended March 31, 2023. M/s R.J. Goel & Co., have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years. The Cost Audit Report of the Company for the Financial Year ended March 31, 2023 will be filed with the MCA after its noting by the Board. The Company has maintained accounts and records as specified under sub-section (1) of 148 of the Act.

### C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s Parikh & Associates, Company Secretaries in practice as Secretarial Auditors to carry out the Secretarial Audit of the Company for the financial year 2022-23. The report given by them for the said financial year in the prescribed format is annexed to this report as **Annexure 'C'**. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse remark. Further, the Board in its meeting held on May 12, 2023 has re-appointed the said firm for conducting the secretarial audit for the financial year 2023-24 also.

## RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2023, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on 'arm's length' basis and were in compliance with the applicable provisions of the Companies Act, 2013 read with Regulation 23 of SEBI (LODR), 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which were not on 'arm's length' basis or could be considered material in accordance with the policy of the Company on materiality

of related party transactions. In view of the above, it is not required to provide the specific disclosure of related party transaction in Form AOC-2.

Your Directors draw attention of the members to Note No. 41 to the Financial Statement which sets out related party disclosures.

## EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company, under the APL Apollo Employee Stock Option Scheme- 2015 ("ESOS-2015), approved by the shareholders vide postal ballot resolutions on July 27, 2015 and December 22, 2015, grants share-based benefits to eligible employees of the Company and employees of subsidiaries with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company. The total number of equity shares to be allotted pursuant to the exercise of the stock incentives under the ESOS-2015 to the employees of the Company and its subsidiaries shall not exceed 7,50,000 equity shares.

The following disclosures are being made under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities And Exchange Board Of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 as on March 31, 2023 and the said disclosure is also available on the website of the Company at [www.aplapollo.com](http://www.aplapollo.com):

- A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.  
Please refer to Note No. 40 to Standalone Financial Statement for the year ended March 31, 2023.
- B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options:  
Please refer Note No. 37 of the Standalone Financial Statement for disclosure of Diluted EPS.
- C. Details related to Employees' Stock Option Scheme:

S. No.	Particulars (During the financial year ended March 31, 2023)	APL Apollo ESOS-2015
1	Date of shareholders' approval	27.07.2015 & 21.12.2015
2	Total number of options approved under ESOS	7,50,000
3	Vesting requirements	Options granted would vest not less than 1 year and not more than 4 years from the from the date of employment of the relevant employee.
4	Exercise price or pricing formula	The Exercise price of the shares will be the Market Price of the shares one day before the date of grant of options.
5	Maximum term of options granted	5 years
6	Source of shares	Primary
7	Variation in terms of options	No Variation during FY 2022-23
8	Method used to account for ESOS	Fair value.
9	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.
10	Option movement during the year:	
	Number of options outstanding at the beginning of the period	387500
	Number of options granted during the year	-
	Number of options lapsed during the year	3,436



S. No.	Particulars (During the financial year ended March 31, 2023)	APL Apollo ESOS-2015
10	Number of options vested during the year	1,90,314
	Number of options exercised during the year	1,90,314
	Number of shares arising as a result of exercise of options	1,90,314
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	2,73,77,620.47
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	1,93,750
	Number of options exercisable at the end of the year	1,93,750
11	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Please refer to Note No. 41 to Standalone Financial Statement for the year end March 31, 2023
12	Employee wise details of options granted to -	
	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	None
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	None
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None
13	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Please refer to Note No. 41 to Standalone Financial Statement for the year end March 31, 2023
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Fair Value
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Please refer to Note No. 41 to Standalone Financial Statement for the year end March 31, 2023
	(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Not considered

The Certificate from the Secretarial Auditors of the Company certifying that the ESOS 2015 is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the Members, would be placed at the Annual General Meeting for inspection by Members.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. In the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b. Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2023 and of the Company's profit for the year ended on that date.

- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual financial statements have been prepared on a going concern basis.
- e. The internal financial controls are laid down to be followed that and such internal financial controls are adequate and are operating effectively.
- f. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the provisions of Section 135, Schedule VII of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for development of programmes and projects for the benefit of weaker sections of the society and the same has been approved by Corporate Social Responsibility Committee (CSR Committee) and the Board of Directors of the Company. The Corporate Social Responsibility (CSR) policy of the Company provides a road map for its CSR activities.

During the year under review, the Company has made contribution of 0.27 Cr for various CSR purposes in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility and has transferred 8.19 Crores to the unspent CSR account of the Company on 28.04.2023 pertaining to ongoing projects.

The Annual Report on CSR activities is annexed herewith as **Annexure 'D'**. The CSR Policy has been uploaded on the Company's website and may be accessed at the link: <https://www.aplapollo.com/downloads>

### SCHEME OF AMALGAMATION AND ARRANGEMENT

As the members are aware of, the Board of Directors of Company at its meeting held on February 27, 2021, had approved a scheme of amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with the Company and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013.

The New Delhi bench of the National Company Law Tribunal (NCLT), through its order dated October 14, 2022 has approved the scheme. The certified copy of the NCLT order was filed with Registrar of Companies on October 31, 2022. Consequently, the scheme became operative from October 31, 2022 ('Effective Date')

with appointed date from April 1, 2021 as per the approved scheme. The Scheme related details are available on the website of the Company at <https://aplapollo.com/announcements/#Mergers>.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

In terms of Section 186 of the Companies Act, 2013 and rules framed thereunder, details of Loans, Guarantees given and Investments made have been disclosed in the Notes to the financial statements for the year ended March 31, 2023.

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

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

### CORPORATE GOVERNANCE

Your company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report is annexed to this report (Annexure 'F').

The Corporate Governance Report which forms part of this report, also covers the following:

- a) Particulars of the Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management.

### COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

During the period under review, the Company has duly complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

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

The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has in place a Policy on Prevention of Sexual Harassment at the Workplace in line with the provisions of the said Act and an Internal Complaint Committee has also been set up to redress complaints received regarding Sexual Harassment.

No complaint of sexual harassment was received during the financial year 2022-23.

## OTHER DISCLOSURES AND REPORTING

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

1. Change in the nature of business of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Any remuneration or commission received by Managing Director of the Company, from any of its subsidiary.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this report.

Place: Ghaziabad  
Date: May 12, 2023

5. Significant or material orders passed by the regulators or courts or tribunal which impacts the going concern status and company's operations in future.
6. Material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Report.
7. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.
8. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

## APPRECIATION

Yours Directors take this opportunity to express their appreciation for the co-operation received from the customers, vendors, bankers, stock exchanges, depositories, auditors, legal advisors, consultants, stakeholders, business associates, Government of India, State Governments, Regulators and local bodies during the period under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by the employees of the Company.

**For and on behalf of Board of Directors**  
Sd/-

**Sanjay Gupta**  
Chairman & Managing Director  
(DIN: 00233188)



## Form No. AOC-1

(Pursuant to sub-section (3) of section 129 of the Act and Rule 8(1) of the Companies (Accounts) Rules, 2014

**Part "A": Subsidiaries****REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY:**

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

( in crore)

S. No.	Name of Subsidiary	Apollo Metalex Private Limited	Blue Ocean Projects Private Limited	APL Apollo Building Products Private Limited	APL Apollo Mart Limited
1	Share Capital	2.71	0.04	600.00	104.08
2	Other Equity	594.09	90.02	3.42	(14.45)
3	Total Assets	773.40	93.49	1,661.85	89.70
4	Total Liabilities	773.40	93.49	1,661.85	89.70
5	Investments	2.27	-	-	87.55
6	Turnover	2,734.71	-	935.70	3.13
7	Profit/(Loss) Before Taxation	175.29	(0.13)	7.60	(0.32)
8	Provision of Taxation	44.90	-	0.87	-
9	Profit/(Loss) After Taxation	130.39	(0.13)	6.73	(0.32)
10	Proposed Dividend	-	-	-	-
11	% of Shareholding	100%	100%	100%	100%

( in crore)

S. No.	Name of Subsidiary	APL Apollo Tubes FZE	A P L Apollo Tubes Company L L C
1	Reporting Currency	AED	AED
2	Exchange Rate	22.38	22.38
3	Share Capital	2.24	0.67
4	Other Equity	0.60	(0.41)
5	Total Assets	2.90	76.79
6	Total Liabilities	2.90	76.79
7	Investments	-	-
8	Turnover	1.89	-
9	Profit Before Taxation	1.20	(0.40)
10	Provision of Taxation	-	-
11	Profit After Taxation	1.20	(0.40)
12	Proposed Dividend	-	-
13	% of Shareholding	100%	100%

**Note:**

1. Name of subsidiaries which are yet to commence operations: Blue Ocean Projects Private Limited., APL Apollo Mart Limited, APL Apollo Tubes FZE and A P L Apollo Tubes Company L L C.
2. Names of subsidiaries which have been liquidated or sold during the year: NA

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:** Not Applicable, since the Company does not have any associates and Joint Ventures.

For and on behalf of the Board of Directors of

**APL APOLLO TUBES LIMITED**

Sd/-

**SANJAY GUPTA**

Chairman & Managing Director

DIN : 00233188

Sd/-

**VINAY GUPTA**

Director

DIN : 00005149

Sd/-

**DEEPAK GOYAL**

Chief Financial Officer

Sd/-

**DEEPAK C S**

Company Secretary

ICSI Membership No. : F5060

Place: Ghaziabad

Date: May 12, 2023

**DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016**

- (1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23: The ratio of the remuneration of Shri Sanjay Gupta, Chairman and Managing Director to the median remuneration of the employees of the Company is 101:1. Sitting Fees paid to the Directors has not been considered as remuneration.
- (2) The percentage increase in remuneration of each director, chief financial officer, company secretary during the financial year 2022-23: Shri Sanjay Gupta, Chairman, Nil, Shri Deepak Kumar, Chief Financial Officer, 12%, Shri Deepak C S, Company Secretary 8%.
- (3) The percentage increase in the median remuneration of employees for the financial year 2022-23 is 8%
- (4) The number of permanent employees on the rolls of the company as on March 31, 2023 is 1551.
- (5) The average increase in the managerial remuneration for the FY 2022-23 is 10% and the average increase in the salary of employees other than managerial personnel for the FY 2022-23 is 9%. Managerial Personnel includes Chairman, Managing Director, Executive Director, Chief Financial Officer and Company Secretary.
- (6) We affirm that the remuneration paid in the financial year 2022-23 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

**For and on behalf of Board of Directors**

Sd/-

**Sanjay Gupta**

Chairman and Managing Director

(DIN: 00233188)

Place: Ghaziabad

Date: May 12, 2023



## FORM No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**APL Apollo Tubes Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by APL Apollo Tubes Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, to the extent the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; (Not applicable to the Company during the audit period)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely
  - (a) Indian Explosives Act, 1884
  - (b) Environment (Protection) Act, 1986
  - (c) The Water (Prevention & Control of Pollution) Act, 1974
  - (d) Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013
  - (e) Air (Prevention & Control Pollution) Act, 1981
  - (f) Industrial Employment (Standing Orders) Act, 1946
  - (g) Industries (Development & Regulation) Act, 1951

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We report that the Company has an unspent amount of 8.19 Crores towards Corporate Social Responsibility ("CSR") during the year pertaining to ongoing projects and has been transferred to the unspent CSR account of the Company on 28.04.2023.

**We further report that:**

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a) The Hon'ble National Company Law Tribunal (NCLT), New Delhi vide its order dated October 14, 2022 approved the scheme of amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with the Company.

- b) The Company (on November 9, 2022) allotted 2,68,60,000 equity shares of face value of ₹ 2/- each as fully-paid up to the eligible shareholders of Apollo Tricoat Tubes Limited, in the share exchange ratio of 1:1 as provided in the Scheme of Amalgamation.
- c) Commercial papers amounting to ₹ 100 Crores were issued during the year and the same were redeemed on the maturity date.
- d) The Company had allotted 1,90,314 equity shares on ESOP basis pursuant to the APL Apollo Employees Stock Option Scheme-2015.

For Parikh & Associates  
Company Secretaries  
Sd/-

**Sarvari Shah**  
Partner

FCS No: 9697 CP No:11717  
UDIN: F009697E000294553  
PR No.: 1129/2021

Place: Mumbai

Date: May 12, 2023

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



To,  
The Members,  
**APL Apollo Tubes Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**

Company Secretaries  
Sd/-

**Sarvari Shah**

Partner

FCS No: 9697 CP No:11717

UDIN: F009697E000294553

PR No.: 1129/2021

Place: Mumbai  
Date: May 12, 2023

## Annexure 'D'

## ANNUAL REPORT ON THE CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

## 1. Brief outline on CSR Policy of the Company

The Board of Directors' at its meeting held on 18th February, 2015 approved the CSR Policy of your company pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Anil Kumar Bansal	Chairman (Independent Director)	2	2
2	Shri Virendra Singh Jain	Member (Independent Director)	2	2
3	Shri Ashok Gupta	Member (Non-executive Director)	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.aplapollo.com/downloads>.

## 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

## 5. (a) Average net profit of the company as per section 135(5):

The average Net Profit of three financial years preceding the reporting financial year (i.e. 2021-22, 2020-21 and 2019-20) calculated in accordance with Section 135 of the Companies Act, 2013 is 422.79 Crores

(b) Two percent of average net profit of the company as per section 135(5): 8,46,00,000

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year (b+c-d): 8,46,00,000

## 6. (a) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project	Amount spent in the current financial Year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation -Through Implementing Agency	Mode of Implementation -Direct (Yes/No)	Name	CSR Registration number
1.	*Plaksha	(ii)	Yes	Punjab	Mohali	4 years	1,49,500,000	NIL	1,49,50,000	No	Reimagining Higher Education Foundation	CSR00002211
2.	**Hospital project through APL Apollo Foundation	(i)	Yes	NCR	NCR	4 years	6,69,00,000	NIL	6,69,00,000	No	APL Apollo Foundation	CSR00032698
	<b>Total</b>					<b>8,18,50,000</b>	-	<b>8,18,50,000</b>				

\*The Company had entered into an agreement with Reimagining Higher Education Foundation (RHEF) which is the Sponsoring Body of Plaksha University, Mohali. Plaksha is a collective philanthropic effort to re-imagine engineering and technology education in India and the world. The University is founded by over 60 business leaders, entrepreneurs and organizations across the world. Plaksha has a 50 acre tech enabled campus at Mohali offering B.Tech, Technology Leaders Program, Young Scholars Program, PhD etc. The Company, alongwith its subsidiaries, proposes contribute a total sum of 5.00 crore (Rupees five crores only) for the construction and infrastructure development at Plaksha campus (a 6000 sq ft centre to be named as APL Apollo Health Centre/Gym).

\*\*Pursuant to the CSR Committee's 'in principle' approval in its meeting on 9th November 2022 for a multi-specialty hospital that offers compassionate, state-of-the-art medical care to underserved patients under CSR via the Company's Foundation, a consultant was engaged for a brownfield asset; Research and review on brownfield vs greenfield hospital, the available assets, location and other modalities is currently underway.

## Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project	Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No).	Mode of implementation - Through implementing agency
				State	District		Name
1.	Education of underprivileged children	(ii)	Yes	Haryana	Faridabad	No	Vishwa Prakash Mission (Regd. Trust since 2017)
2.	To help rehabilitation of refugees and helping deprived people earn livelihood	(ii), (xii)	Yes	NCR	NCR	No	Humanitarian Aid International - Trust (Since 2016)
3.	To set up cow shed	(iv)	Yes	Chattisgarh	Baloda Bazar	Yes	NA
4.	Har Ghar Tiranga Campaign	(ii)	Yes	Chattisgarh	Rajpur	Yes	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No).	Mode of implementation – Through implementing agency
				State	District			Name CSR registration number
5	To set up sound system under upgradation of school facilities for improving education delivery	(ii)	Yes	Tamil Nadu	Krishnagiri	86,424	Yes	NA NA
6	To set up borewell for drinking and sanitation	(i)	Yes	Chhattisgarh	Baloda Bazar	1,91,626	Yes	NA NA
7	Jeevan Jyoti Eye Care Camps 1.1	(i)	Yes	Uttar Pradesh	Bulanoshahar Muzaffarnagar Saharanpur	7,54,473	No	APL Apollo Foundation CSR00032698
				Chhattisgarh	Baloda Bazar	2,81,030		
					<b>Total</b>	10,35,503		
	<b>TOTAL</b>					<b>27,96,318</b>		

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable NA

(d) Total amount spent for the Financial Year (a+b+c): 8,46,46,318

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		Amount Unspent ( )
	Amount	Date of transfer	Name of the Fund	Amount	
27,96,318	8,18,50,000	28.04.2023	NIL	-	-



(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	8,46,00,000
(ii)	<b>Total amount spent for the Financial Year**</b>	<b>8,46,46,318</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	46,318
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	46,318

**Note:** \*\*Includes an amount of ₹ 8,18,50,000 earmarked for ongoing projects transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013, for the Financial Year 2022-23.

- Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
- Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** NIL
- In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not Applicable
- Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**  
Not applicable

Sd/-  
**Sanjay Gupta**  
Chairman & Managing Director  
(DIN: 00233188)

Sd/-  
**Anil Kumar Bansal**  
Chairman CSR Committee  
(DIN: 06752578)

Place: Ghaziabad  
Date: May 12, 2023

## Annexure 'E'

**DISCLOSURE PURSUANT TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 (CHAPTER IX) FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:****I. CONSERVATION OF ENERGY.**

- (i) the steps taken or impact on conservation of energy:
- To know the energy utilisation, the Company has installed the meters on each machine at every mills, to record the energy requirement, basis of which company has analyzed through the use of various equipments, the percentage of wastage of electricity by the machines and whether to replace or using them in any other manner.
  - During previous year the Company has made investment of ₹1.26 Crores in AMP SOLAR for purchase of 4.5 MW solar power at Unit-1 (Sikandarabad) Plant and the same was commissioned during October 2022.
  - Solar energy has now proved to be very beneficial, not only for the environment but also financially. The technology has been improved considerably, turning into a very efficient source of clean energy:
    - Reduce energy loss
    - Reduce electricity bills by decreasing the Energy Rate.
    - Minimum breakdowns
    - Low maintenance cost
    - Diverse purpose
- (ii) The capital investment on energy conservation equipments: The capital investment on energy conservation for purchase of 4.5 MW solar power from AMP SOLAR at Unit-1 (Sikandarabad) Plant was ₹1.26 crore.

**II. TECHNOLOGY ABSORPTION**

- (i) The efforts made towards technology absorption: The Company has made continuous efforts towards technology absorption by commissioning Direct Forming Technology (DFT) Mills at almost all the plants, where we can produce 80x80 mm to 200x200mm sections (thickness upto 10mm) based on DFT technology.
- (ii) The Benefits Derived as a result of above efforts: Installation of these mills have helped the Company in reducing manpower, increasing productivity and reducing inventory as envisaged at the time of placing order in these mills.

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars	(₹ in crores)
	FY 2022-23
Foreign exchange earnings	370.46
Foreign exchange outgo	5.56

For and on behalf of Board of Directors

Sd/-

**Sanjay Gupta**

Chairman and Managing Director

(DIN: 00233188)

Place: Ghaziabad

Date: May 12, 2023

# corporate governance report

## 1. Company's Governance Philosophy:

Corporate Governance at APL Apollo Tubes Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organisation and putting in place appropriate systems, processes and technologies. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

The Company strives to adopt all such corporate practices that are based on transparency and proper disclosures and ensure accountability of the persons in key positions thereby ensuring that the interest of all stakeholders is balanced.

The Company has laid down desirable codes and policies such as Business Responsibility Policy, Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Web Archival Policy, Policy on preservation of documents, Policy on Dividend Distribution, Policy for determining the Materiality of Events, Policy on Materiality of Related Party Transactions and dealings with Related Party Transactions, Policy for determining Material Subsidiaries etc.

The internal control systems and their adequacy is overseen by the Audit Committee so as to bring transparency in decision making.

## 2.1 Board of Directors:

As on March 31, 2023, the Board of Directors comprised 10 (Ten) directors of which 1 (One) is Executive Director and 9 (Nine) are Non-executive Directors. Out of 9 (Nine) Non-executive Directors, 5 (five) are Independent Directors. Details are as given hereunder:

Name of Director	Category	No. of Board Meetings attended during FY 2022-23	Attendance in last AGM held on 12 September, 2022	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Directorships <sup>§</sup>	Other Member-Ships <sup>**</sup>	Other Chairmanships <sup>**</sup>
Shri Sanjay Gupta (DIN: 00233188)	CMD	4	No	3,50,000	4	-	-
Shri Ashok Kumar Gupta (DIN: 01722395)	NED	4	Yes	-	2	1	-
Shri Vinay Gupta (DIN: 00005149)	NED	4	No	-	4	-	-
®Shri Abhilash Lal (DIN: 03203177)	ID	4	Yes	-	2	2	-

Name of Director	Category	No. of Board Meetings attended during FY 2022-23	Attendance in last AGM held on 12 September, 2022	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Directorships <sup>§</sup>	Other Member-Ships <sup>**</sup>	Other Chairmanships <sup>**</sup>
<sup>®</sup> Shri Anil Kumar Bansal (DIN: 06752578)	ID	4	Yes	11,600	1	2	-
<sup>®</sup> Ms. Neeru Abrol (DIN: 01279485)	ID	4	Yes	-	3	4	2
<sup>®</sup> Shri Virendra Singh Jain (DIN: 00253196)	ID	4	Yes	1220	1	2	1
<sup>#</sup> Shri Romi Sehgal (DIN: 03320454)	ED	4	Yes	1,40,990	2	-	-
Shri Ameet Kumar Gupta (DIN: 00002838)	ID	3	Yes	-	3	1	-
Shri Rahul Gupta (DIN: 07151792)	NED	4	No	15,01,000	4	1	-

CMD = Chairman and Managing Director, NED= Non-Executive Director, ID= Independent Director and ED= Executive Director

<sup>§</sup>excludes Directorships in Private Limited Companies, Foreign Companies, memberships of Managing Committees of various Chambers/bodies /Section 8 Companies. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

<sup>\*\*</sup>only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

<sup>®</sup>The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and they fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

<sup>#</sup>Shri Romi Sehgal (DIN: 03320454) was redesignated from Executive Director to Non-Executive Director w.e.f. November 9, 2022 and further resigned as Director w.e.f. May 12, 2023

<sup>^</sup>Appointed as Director w.e.f. May 12, 2023

Shri Deepak Kumar was appointed as a non-independent additional director and also Whole Time Director designated as Director (Operations) effective from May 12, 2023

Shri Vinay Gupta, Director is brother of Shri Sanjay Gupta, CMD and Shri Rahul Gupta, Director is the son of the CMD. Except the above, no other Director of the Company is related to any other Director.

## 2.2 Name of the listed entities where director is a director, other than APL Apollo Tubes Limited:

Name of Director	Name of the Listed Entities	Category
Shri Ashok K. Gupta	Shalimar Paints Limited Apollo Pipes Limited	Managing Director
Shri Anil Kumar Bansal	SG Finserve Limited	Independent Director
Shri V.S. Jain	Dalmia Bharat Limited	Independent Director
Ms. Neeru Abrol	Apollo Pipes Limited TCNS Clothing Co. Limited	Independent Director
Shri Abhilash Lal	Ganesha Ecosphere Limited Apollo Pipes Limited	Independent Director
Shri Ameet Kumar Gupta	Havells India Limited	Whole Time Director
Shri Rahul Gupta	SG Finserve Limited	Non-Executive Director

## 2.3 Date and number of Board Meetings held

Four (4) Board Meetings were held during the financial year 2022-23 i.e., on May 13, 2022, July 27, 2022, November 9, 2022 and February 2, 2023. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

## 3. Independent Directors

Independent Directors of the Company are required to comply with the requirements of the "Code of Conduct for the Board members and Senior Management Personnel", "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" and the Code for Independent directors (Schedule IV of Companies Act, 2013).



All the Independent Directors have affirmed that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Further, in the opinion of the Board, all the independent possess the requisite qualifications, skills, experience and expertise and hold high standards of integrity and are independent of the management.

A formal letter of appointment to Independent Directors as provided in Act has been issued and the draft of the same is available in Investors section on website of the Company viz. [www.aplapollo.com](http://www.aplapollo.com).

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 2, 2023. Shri Virendra Singh Jain was unanimously elected as Chairman of the meeting and all the Independent Directors except Shri Ameet Kumar Gupta were present at the said Meeting.

At the meeting held on February 2, 2023, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman after taking into account the views of the Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Independent Directors found the results of the above evaluation, assessment etc. to be satisfactory.

#### 4. Familiarization Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended from time to time ("Listing Regulations"), the Company has been conducting various familiarization programmes for Independent Directors. The details of such familiarization programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <http://www.aplapollo.com/downloads>

#### 5. Board Skills, Expertise or Competence

The Board of Directors possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

Names of directors having the above skills, expertise and competence:

Skill/ expertise/ competence	Names(s) of directors having the respective skill/ expertise/ competence
Finance	Shri Sanjay Gupta, Ms. Neeru Abrol, Shri V S Jain, Shri Anil Kumar Bansal and Shri Ameet Kumar Gupta
Law	Shri Abhilash Lal and Shri V S Jain
Sales & Marketing	Shri Sanjay Gupta, Shri Ashok Gupta, Shri Romi Sehgal and Shri Rahul Gupta
Operations	Shri Sanjay Gupta, Shri Vinay Gupta, Shri Ashok Gupta, Shri Romi Sehgal and Shri Rahul Gupta
Research	Shri Ashok Gupta and Shri Abhilash Lal
Corporate Governance	Shri Sanjay Gupta, Shri V S Jain, Shri Anil Kumar Bansal, Shri Abhilash Lal, Ms. Neeru Abrol and Shri Ameet Kumar Gupta
Education	Shri Ashok Gupta and Shri Abhilash Lal
Community Service	Shri Ashok Gupta, Shri Vinay Gupta and Shri Ameet Kumar Gupta, Ms. Neeru Abrol

#### 6. Performance Evaluation

The Board of Directors has made formal annual evaluation of its own performance, and that of its committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under the Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board also carried out evaluation of the performance of Individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due and reasonable care, skill and diligence, etc. Further the independent directors evaluated the performance of all non-independent directors and chairman of the Company after taking views of executive and non-executive Directors.

After such evaluation, the Board expressed its satisfaction over its own performance and that of its committees and the Directors.

## 7. Audit Committee

The Audit Committee has been formed in pursuance of the Listing Regulations and Section 177 of the Companies Act, 2013. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 read with Part C to Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred to by the Board of Directors.

The Audit Committee, inter-alia, oversees the financial reporting besides reviewing the quarterly, half-yearly, annual financial results of the Company, the Company's financial and risk management policies and the internal control systems, internal audit systems, etc. through discussions with internal/external auditors and management

During the year under review, 4 (four) meetings of the Audit Committee of the Board were held.

The composition of the Audit Committee as on March 31, 2023 and the meetings attended by its members are as under:

S. No	Name of Director	Status	Category	No. of meetings attended
1	Shri Anil Kumar Bansal	Chairperson	Non-Executive Independent Director	4
2	Shri Abhilash Lal	Member	Non-Executive Independent Director	4
3	Shri Vinay Gupta	Member	Non-Executive	4
4	Ms. Neeru Abrol	Member	Non-Executive Independent Director	4

Dates of the meetings and the number of the Members attended are:

S. No	Dates of meetings	No. of Members attended
1	May 13, 2022	4
2	July 27, 2022	4
3	November 9, 2022	4
4	February 2, 2023	4

The Committee Meetings were attended by Vice Chairman, Chief Financial Officer, Company Secretary and the representatives of Statutory Auditors.

## 8. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is instrumental in identifying persons qualified to become Directors or part of senior management in accordance with the criteria laid down by the Board, to carry out evaluation of every Director's performance, to recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees and Board Diversity etc. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 read with Part D to Schedule II of the Listing Regulations, Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. Pursuant to the terms of reference, the said Committee deals with matter of the appointment/reappointment of Directors and their remuneration etc. and submits its recommendations to the Board for approval.

During the year, one meeting of the Nomination and Remuneration Committee were held.

The composition of the Nomination and Remuneration Committee as on March 31, 2023 and the particulars of attendance of members were as under:

S. No.	Name of Director	Status	No. of meetings attended
1	Ms. Neeru Abrol	Chairperson	1
2	Shri Vinay Gupta	Member	1
3	Shri Virendra Singh Jain	Member	1

Dates of the meetings and the number of the Members attended are:

S. No	Dates of meetings	No. of Members attended
1	May 12, 2022	3

Shri Deepak C S, Company Secretary acts as the Secretary to the Committee.

### 8.1 Nomination and Remuneration Policy

In terms of the Listing Regulations and the Act, the Company has in place Nomination & Remuneration Policy. The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of directors and other matters as provided under subsection

(3) of Section 178 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy also lays down broad guidelines for evaluation of performance of Board as a whole, Committees of the Board, individual Directors including the chairperson and the Independent Directors. The Policy encourages the appointment of women at senior executive levels and thereby promoting diversity. The Policy is designed to attract, recruit, retain and motivate best available talent.

The Policy is available on the website of the Company at <https://www.aplapollo.com/downloads> During the financial year, no changes were made in the Policy.

## 8.2 Remuneration to the Directors

### Non- Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees for each Meeting of the Board or Committee of Directors attended by them. However, the sitting fees are subject to ceiling/limits as provided under the Act and rules made thereunder or any other enactment for the time being in force. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2022-23 was ₹46.50 Lakh. The details of the remuneration of Directors during the financial year 2022-23 are given below:

S. No	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Abhilash Lal	Shri Anil Kumar Bansal	Ms. Neeru Abrol	Shri V.S. Jain	Shri Ameet Kumar Gupta	
1	Independent Directors						
	• Fee for attending Board/Committee Meetings	0.08	0.09	0.08	0.07	0.03	0.35
	• Commission/ Others	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.08</b>	<b>0.09</b>	<b>0.08</b>	<b>0.07</b>	<b>0.03</b>	<b>0.35</b>
2	Other Non – Executive Directors						
	• Fee for attending Board/Committee Meetings	0.035	0.02	0.06			0.115
	• Commission/ Others	-	-	-			-
	<b>Total (2)</b>	<b>0.035</b>	<b>0.02</b>	<b>0.06</b>			<b>0.465</b>
	<b>Total(B)= (1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>0.465</b>

(₹ in crores)

Apart from the sitting fees and reimbursement of expenses, there were no other pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.

### Executive Director:

The terms of remuneration of Chairman and Managing Director is approved by the shareholders at the general body meeting. The details of remuneration paid to the Chairman and Managing Director in the financial year 2022-23 are as under:

S. No.	Particulars of Remuneration	Shri Sanjay Gupta	
		Shri Sanjay Gupta	Total
1.	Gross salary	3.50	3.50
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	-
	(b) Value of perquisites u/s17(2) Income -tax Act,1961	-	-

(₹ in crores)

S. No.	Particulars of Remuneration	Shri Sanjay Gupta	
		Shri Sanjay Gupta	Total
	(c) Profits in lieu of salary under section 17(3)Income- tax Act, 1961	-	-
2.	Commission	-	-
3.	Stock Option	-	-
4.	Others, please specify	-	-
	<b>Total (A)</b>	<b>3.50</b>	<b>3.50</b>

(₹ in crores)

### Service contracts, notice period, severance fee

The Managing Director and Executive Directors are generally appointed for a period of five/three years. There is no severance fee or notice period for Managing Director and Executive Directors.

The contracts with Managing Director & Executive Directors may be terminated by either party giving the other party requisite notice or the Company paying requisite salary in lieu thereof as mutually agreed.

## 9. Stakeholders Relationship Committee

In compliance with the Regulation 20 of the Listing Regulations and provisions of Section 178 of Act, the Company has a Stakeholders' Relationship Committee.

During the year, one meeting of the Stakeholders Relationship committee was held.

The composition of the Stakeholders Relationship Committee as on March 31, 2023 is as under:

S. No.	Name of Director	Status	No. of meetings attended
1	Shri Anil Kumar Bansal	Chairperson	1
2	Shri Abhilash Lal	Member	1
3	Shri. Ashok Kumar Gupta	Member	1

Dates of the meetings and the number of the Members attended are:

S. No	Dates of meetings	No. of Members attended
1	February 1, 2023	3

Shri Deepak C S, Company Secretary acts as the Secretary to the Committee.

Terms of Reference- The Stakeholders Relationship Committee shall inter alia, consider and resolve the grievance of various security holders of the Company including complaints/ requests related to transfer of shares. It shall specifically look into the redressal of stakeholders/ investors complaints in a timely and proper manner.

A total of Six complaints were received from the shareholders' during the year under review, all of which were redressed to the satisfaction of the respective complainants. As on

March 31, 2023, no investor grievance was pending to be resolved.

## 10. Corporate Social Responsibility (CSR) Committee:

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

During the year two meeting of the CSR Committee was held. The composition and the attendance of Directors at the meeting is as under:

S. No.	Name of Director	Status	No. of meetings attended
1	Shri Anil Kumar Bansal	Chairperson	2
2	Shri Ashok Kumar Gupta	Member	2
3	Shri Virendra Singh Jain	Member	2

Dates of the meetings and the number of the Members attended are:

S. No	Dates of meetings	No. of Members attended
1	May 12, 2022	3
2	November 9, 2022	3

Shri Deepak C S, Company Secretary acts as the Secretary to the Committee.

During the financial year 2022-23, attendance of Directors/ Members of the Committees in Board/Committee meetings includes participation through Video Conferencing or Other Audio Visual Means. The Company Secretary acts as the Secretary of all the Committees of the Board

## 11. General Body Meetings

### A. Annual General Meeting

The details of last three Annual General Meetings are as under:-

Financial Year	Venue	Date and Time	Special Resolution Passed
2021-22	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 12, 2022 11:00 A.M	No special resolution was there in the Notice
2020-21	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	July 23, 2021 11:00 A.M	1) To continue the directorship of Shri Virendra Singh Jain (DIN: 00253196) as Non-Executive Independent Director beyond 75 years of age after July 24, 2021 2) To re-appoint Mr. Virendra Singh Jain (DIN: 00253196) as an Independent Director for the second term with effect from January 28, 2022 till September 30, 2024
2019-20	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 29, 2020 11:00 A.M	1) To re-appoint Ms. Neeru Abrol as an Independent Director for a second term of 5 years



**B. Special Resolution passed through Postal Ballot during Financial Year 2022-23**

No special resolution was passed by way of Postal ballot during the financial year 2022-23. Also, as on the date of this report, no resolution is proposed to be passed through postal ballot.

## 12. Disclosures

**a) Related Party Disclosure:**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements), 2015 during the financial year were in the ordinary course of business, on arm's length pricing basis and not material in nature.

Besides this, the Company has no material significant transaction with the related parties viz. promoters, directors of the Company, their relatives, subsidiaries of promoter Company, person or entity belonging to the promoter/promoter group etc. that may have a potential conflict with the interest of the Company at large

The Company has also formulated a policy on dealing with Materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <https://www.aplapollo.com/downloads>

Suitable disclosure as required by the Indian Accounting Standard (IND-AS) 24 has been made in the Note no. 41 to the Standalone Financial Statements.

**b) Management discussion and analysis report**

Management discussion and analysis report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in a separate section forming part of the Annual Report.

**c) Business responsibility and sustainability report**

Business Responsibility and sustainability Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in a separate section forming part of the Annual Report.

**d) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations:**

In addition to the compliance with mandatory requirements, the Company has also adopted and complied with the following non-mandatory requirements in terms of the SEBI Listing Regulations:

(a) The Company's financial statements are with unmodified audit opinion. A declaration to this effect, duly signed by the Chief Financial Officer has also been furnished. There are no audit qualifications on the financial year 2022-23

(b) The internal auditor submit their report directly to the Audit Committee of the Board.

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

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

**f) Prevention of Sexual Harassment of Women at Workplace:**

The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has in place a Policy on Prevention of Sexual Harassment at the Workplace in line with the provisions of the said Act and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment. During the period under review, Company did not receive any complaint relating to sexual harassment.

**g) Risk Management:** The Company has a duly approved Risk Management Policy and constituted a Risk Management Committee as required under SEBI Listing Regulations. The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

During the year two meeting of the Risk Management Committee were held on July 18, 2022 and January 11, 2023. The composition and the attendance of Directors at the meetings are as under:-

S. No.	Name of Director	Status	No. of meetings attended
1	Shri Virendra Singh Jain	Chairperson	2
2	Shri Abhilash Lal	Member	2
3	Shri Anil Kumar Bansal	Member	2
4	Shri Ashok Kumar Gupta	Member	1
5	Smt Neeru Abrol	Member	2
6	Shri. Ashok Kumar Gupta	Member	2

This Policy is available on the website of the Company and the weblink for the same is <https://www.aplapollo.com/downloads>

Dates of the meetings and the number of the Members attended are:

S. No	Dates of meetings	No. of Members attended
1	July 18, 2022	4
2	January 11, 2023	5

#### h) Vigil Mechanism / Whistle Blower policy:

In compliance with provisions of Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 the Company has framed a Vigil Mechanism/ Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Chairman of the Audit Committee. There were no instances of complaints reported through vigil mechanism.

This Policy is available on the website of the Company and the weblink for the same is <https://www.aplapollo.com/downloads>

#### i) Subsidiary Companies:

The financial statements, in particular, the investments made by the unlisted subsidiary companies, if any, are reviewed by the Audit Committee of the Company.

The minutes of the Board meetings of the unlisted subsidiary companies are placed at the Board

meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board meeting of the Company.

Apollo Metalex Private Limited and APL Apollo Building Products Private Limited are two material subsidiaries of the Company. Pursuant to regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the secretarial audit report of both Apollo Metalex Private Limited and APL Apollo Building Products Private Limited are attached as 'Annexure F4' & 'Annexure F5' respectively.

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's Website. The web link is <https://www.aplapollo.com/downloads>

#### j) Disclosures with respect to demat suspense account/ unclaimed suspense account

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2022-23.

### 13. List of all credit ratings obtained by the Company along with any revisions thereto during the financial year ended March 31, 2023:

During the year under review, the Rating agencies CRISIL, CARE and ICRA maintained "AA (Stable)" rating for the Company's long term borrowings and "A1+" rating for the Company's short term borrowings.

### 14. Means of communication:

#### i. Publication of quarterly/half yearly/nine monthly/ annual results:

Quarterly/ half yearly/ nine monthly and annual financial results are normally published in Economic Times, Nav Bharat Times etc. and are promptly furnished to the Stock Exchanges. The results are also displayed on the web-site of the Company [www.aplapollo.com](http://www.aplapollo.com).

The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically. The Company has complied with filing submissions with BSE through BSE Listing Centre.

Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

A separate dedicated section under "Investors", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public

**ii. Press release:**

To provide information to investors, quarterly production figures and other press releases are sent to the stock exchanges as well as are displayed on the Company's website i.e. <https://www.aplapollo.com/press-releases> before it is release to the media.

**iii. Presentations to analysts:**

Four presentations were made to analysts/investors during the financial year 2022-23. The same are available on the Company's website i.e. <https://www.aplapollo.com/presentations>. The presentations broadly covered operational and financial performance of the Company and industry outlook.

**iv. Distribution schedule as at March 31, 2023**

Nos. of equity shares held	Shareholders		Shares held	
	Number	%	Number	%
Upto 100	1,32,975	70.17	29,34,028	1.06
101 - 500	42,268	22.30	1,01,49,890	3.66
501 - 1000	7,124	3.76	50,77,139	1.83
1001 - 2000	3,332	1.76	47,65,219	1.72
2001 - 5000	2,135	1.13	65,88,057	2.38
5001 - 10000	664	0.35	47,37,843	1.71
10001 - 20000	422	0.22	59,80,101	2.16
20001 - 30000	123	0.06	30,76,043	1.11
30001 - 40000	89	0.05	31,36,755	1.13
40001 - 50000	56	0.03	25,12,274	0.91
50001 - 100000	114	0.06	80,09,943	2.89
100001 - 500000	144	0.08	3,07,11,244	11.07
Above 500000	59	0.03	18,96,52,278	68.38
<b>Total</b>	<b>1,89,505</b>	<b>100</b>	<b>27,73,30,814</b>	<b>100</b>

**15. General Shareholders' Information:**

**i. Annual general meeting**

Date and time: 9th day of September, 2023 at 11.00 A.M.

Venue: Through VC/OAVM or at a common physical venue depending on the prevailing situation

**ii. Dividend Payment:** The final dividend of 5 per equity share for financial year 2022-23, has been recommended by the Board of Directors, subject to approval of shareholders. The same shall be paid after September 9, 2023 but within a period of 30 days from the date of declaration.

**iii. Listing of shares:**

The Equity Shares of the Company is listed with the following stock exchanges:

1. BSE Limited (Scrip Code: 533758)
2. National Stock Exchange of India Limited (Symbol: APLAPOLLO)

The listing fees of all the stock exchanges has been paid by the Company for the financial year 2022-23.

ISIN Code for the Company's Equity Shares: INE702C01027

## v. Shareholding pattern as on March 31, 2023

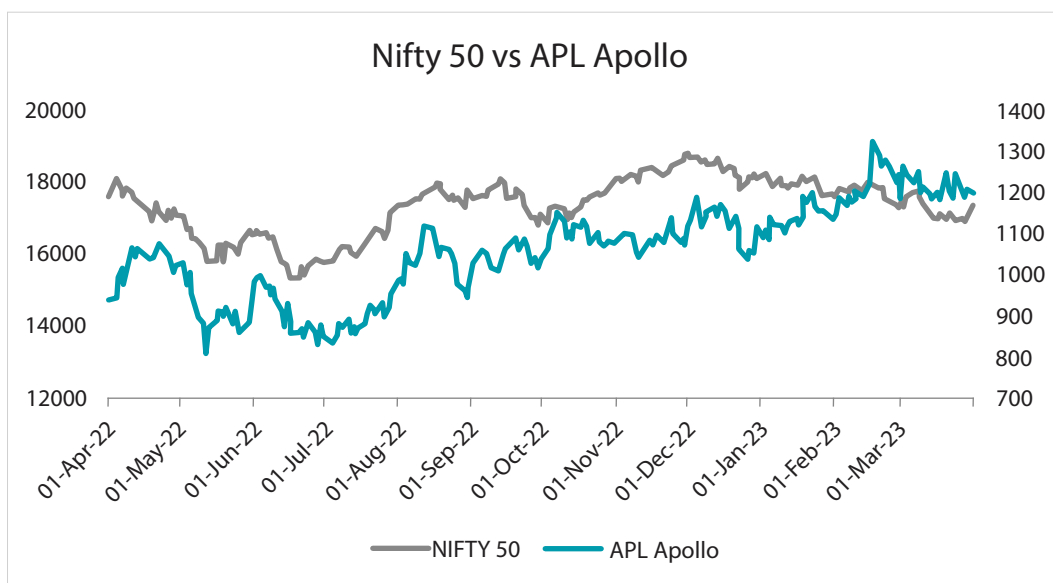
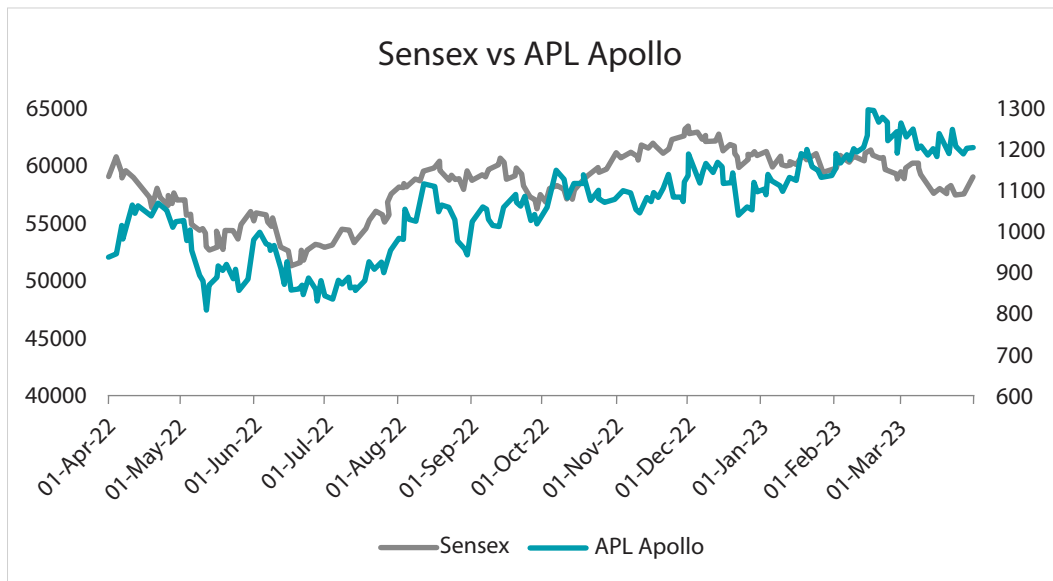
Category	No. of shares held	Percentage of shareholding
Promoters	8,63,96,000	31.15
Mutual Funds	2,13,94,918	7.71
Alternate Investment Funds	39,92,857	1.44
Insurance Companies	53,53,115	1.93
Foreign Portfolio Investors	7,12,39,137	25.68
Individuals	4,71,74,182	17.01
IEPF	42,900	0.02
Non-Resident Indian (NRI)	1,18,34,003	4.27
Foreign Companies	1,86,33,768	6.72
Bodies Corporate	94,31,015	3.40
Clearing Members	19,531	0.01
HUF	16,03,283	0.58
Trusts	2,15,905	0.08
<b>Total</b>	<b>27,73,30,814</b>	<b>100</b>

## vi. Market price data

Month and Year	Stock market price on BSE (In ₹ Per share)			Sensex		Stock market price on NSE (In ₹ Per share)		
	High	Low	Traded quantity	High	Low	High	Low	Traded quantity
April, 2022	1099.00	914.75	7,17,540	60845.1	56009.07	1100.00	911.95	97,94,935
May, 2022	1058.80	801.40	5,55,038	57184.21	52632.48	1059.20	801.00	91,82,275
June, 2023	1008.25	816.00	3,18,999	56432.65	50921.22	1008.00	816.50	82,46,042
July, 2023	966.55	832.15	3,66,069	57619.27	52094.25	966.75	831.00	64,16,311
August, 2022	1146.25	942.90	13,16,338	60411.2	57367.47	1146.95	941.00	1,07,83,980
September, 2022	1112.15	947.00	6,94,150	60676.12	56147.23	1113.00	946.55	1,13,63,529
October, 2022	1177.00	1046.55	9,14,139	60786.7	56683.4	1177.00	1046.60	62,97,706
November, 2022	1144.50	990.00	3,72,349	63303.01	60425.47	1144.80	987.95	98,56,885
December, 2022	1193.85	1017.55	6,55,703	63583.07	59754.1	1193.00	1018.65	1,16,70,796
January, 2023	1199.60	1080.75	4,16,064	61343.96	58699.2	1200.00	1080.00	91,42,833
February, 2023	1336.80	1123.85	4,11,022	61682.25	58795.97	1337.90	1125.00	1,17,57,071
March, 2023	1282.55	1164.25	3,84,085	60498.48	57084.91	1284.00	1164.00	1,13,95,175

(Source: www.bseindia.com and www.nseindia.com)





**vii. Share transfer system**

The Company has a Board-level Stakeholders' Relationship Committee to redress investors' complaints and the status on complaints and share transfers is regularly reported to the Board.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

Demat/Remat and related operations for APL Apollo Tubes Limited are also handled by M/s Abhipra Capital Limited.

**viii. Unclaimed Dividends:**

Pursuant to provisions of Section 125 of the Companies Act, 2013 the dividends which have remained unpaid / unclaimed for a period of seven years from the date of transfer the unpaid dividend amount is mandatorily required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of remaining unclaimed dividend is given hereunder:

Financial year	Dividend Per Share (₹)	Unclaimed Dividend amount as on March 31, 2023	Date of Declaration	Due date for transfer to IEPF
2016-2017 (Final Dividend)	12.00	4,10,580	September 29, 2017	November 4, 2024
2017-2018 (Final Dividend)	14.00	15,48,904	September 29, 2018	November 4, 2025
2018-2019 (Final Dividend)	14.00	13,14,656	September 28, 2019	November 3, 2026
2021-2022 (Final Dividend)	3.50	12,85,932	September 12, 2022	October 19, 2029

**ix. Dematerialization of shares**

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

As on March 31, 2023 99.99% of the Company's total Equity Shares representing 27,73,25,711 shares were held in dematerialized form and 5,103 shares representing 0.00% of paid-up share capital were held in physical form.

**x. Outstanding ADRs/ GDRs**

There were no outstanding GDRs/ ADRs, as on March 31, 2023.

**xi. Warrants and other convertible instruments:**

There were no warrants outstanding for conversion as on March 31, 2023.

**xii Commodity price risk or foreign Exchange risk and hedging activities:**

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

**xiii. Details of utilization of funds raised through preferential allotment: Not Applicable**

**xiv.** The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations as well as disclosure requirements as enumerated in Schedule V of the Listing Regulations.

**xv.** As required by Clause 10 (i) of Part C under Schedule V of the Listing Regulations, the Company has received a certificate from M/s Anjali Yadav & Associates, Practicing Company Secretary certifying that none of the Company's Directors has been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority and the same has been annexed herewith as 'Annexure F1'.

**xvi.** During the financial year ended March 31, 2023, the Company and its one wholly owned subsidiaries namely Apollo Metalex Private Limited have paid total fees for various services including statutory audit, amounting to ₹1.72 crore, including taxes, to the Statutory Auditor, namely M/s. Deloitte Haskins & Sells LLP, Chartered Accountants. Further, no fees other than above was paid by any of the subsidiaries or by the Company to any entity in the network firm/ network entity of which the Statutory Auditor is a part.

xvii.	<b>Investors Correspondence can be made on Registered Office of the Company as given under:</b>	<b>APL Apollo Tubes Limited</b> CIN: L74899DL1986PLC023443 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Phone: 011- 22373437 Fax 011-22373537 Mail: investors@aplapollo.com	
xviii.	<b>Registrar and Share Transfer Agent:</b>	<b>M/s. Abhipra Capital Limited</b> GF- Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road Azadpur, Delhi-110033 Phone: 011-42390725 Fax: 011-2721 5530 Mail: rta@abhipra.com	
xix.	<b>Plant Locations:</b>	<b>Unit – 1:</b> A-19 and A-20, Industrial Area, Sikandrabad, Distt. Bulandsahar, Uttar Pradesh-203205  <b>Unit-3:</b> Plot No. M-1, Additional MIDC Area, Murbad, Thane Maharashtra – 421401  <b>Unit-5:</b> Survey No. 443,444,538,539 Wadiaram village, Chegunta (Mandal), Medak district, Telengana - 502255  <b>Unit-7:</b> No. 9 to 11, KIADB Industrial Area Attibele, Bengaluru, Karnataka – 562107	<b>Unit –2:</b> No. 332-338, Alur Village, Perandapalli, Hosur, Tamil Nadu-635109.  <b>Unit-4:</b> Village Bendri, Near Urla Industrial Area, Raipur, Chhattisgarh- 492001  <b>Unit-6:</b> Plot No. 53, Part-1,4 <sup>th</sup> Phase, Industrial Area, Sy. No. 28-33, Kurandhalli Village, Kasaba Hobli, Malur, Taluk, Distt. Kolar-563130, Karnataka.  <b>Unit-8:</b> Village Bisnoli, Khasra No. 527 To 530 & 569, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh -203207
xx.	<b>Subsidiaries' Plant Locations:</b>	<b>Apollo Metalex Private Limited</b> CIN: U27104DL2006PTC146579 Unit-I: A-25 Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205 Unit-II: Plot No. 22 Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205	<b>APL Apollo Building Products Private Limited</b> Village- Rigni, Kesda, Tahsil- Simga, Distt.- Baloda Bazar- Bhatapara, Chhattisgarh-493113
xxi.	<b>Stock Exchanges:</b>	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra - 400 001 Phone: +91 22 2272 1233; Fax: +91 22 2272 1919 Website: www.bseindia.com	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai, Maharashtra - 400 051 Phone: +91 22 2659 8100; Fax: +91 22 2659 8120 Website: www.nseindia.com
xxii.	<b>Depositories:</b>	<b>National Securities Depository Limited</b> Trade World, A Wing, 4 <sup>th</sup> & 5 <sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai, Maharashtra - 400 013 Phone: +91 22 2499 4200; Fax: +91 22 2497 6351 E-mail: info@nsdl.co.in Website: www.nsdl.co.in	<b>Central Depository Services (India) Limited</b> Phiroze Jeejeebhoy Towers, 17 <sup>th</sup> Floor, Dalal Street, Mumbai, Maharashtra - 400 001 Phone: +91 22 2272 3333; Toll free: 1800-200-5533 Fax: +91 22 2272 3199 E-mail: helpdesk@cdslindia.com Website: www.cdslindia.com

**16. Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel which is available on the website of the Company i.e. [www.aplpollo.com](http://www.aplpollo.com). The Company has received confirmations from all the Board members and senior management personnel regarding compliance of the Code during the year under review.

A declaration signed by the Managing Director is attached as 'Annexure F2'

**17. CEO and CFO Certification:**

Shri Sanjay Gupta, Chairman and Managing Director and Shri Deepak Kumar Goyal, Chief Financial Officer of the Company have provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) read with Schedule II of Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**18. Compliance certificate of the Practising Company Secretary:**

Certificate from the Practising Company Secretaries M/s Anjali Yadav and Associates, confirming compliance with conditions of Corporate Governance as required under Regulation 34(3) Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report, and the same has been annexed as 'Annexure F3'

**19. Code for prevention of insider trading:**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted (i) the code of practices and procedures for fair disclosure of unpublished price sensitive information and (ii) the code of conduct to regulate, monitor and report trading by insiders, in terms of the said Regulations.

**For and on behalf of Board of Directors**

Sd/-

**Sanjay Gupta**

Chairman and Managing Director  
(DIN: 00233188)

Place: Ghaziabad  
Date: May 12, 2023



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of APL Apollo Tubes Limited having CIN: L74899DL1986PLC023443 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Directors	DIN (Director Identification Number)	Date of appointment in company
1.	Mr. Sanjay Gupta	00233188	02/09/2003
2.	Mr. Vinay Gupta	00005149	16/05/2008
3.	Mr. Ashok Kumar Gupta	01722395	19/10/2011
4.	Mr. Abhilash Lal	03203177	12/02/2014
5.	Mr. Anil Kumar Bansal	06752578	04/08/2014
6.	Ms. Neeru Abrol	01279485	24/03/2015
7.	Mr. Romi Sehgal	03320454	13/08/2016
8.	Mr. Virendra Singh Jain	00253196	28/01/2017
9.	Mr. Ameet Kumar Gupta	00002838	06/08/2021
10.	Mr. Rahul Gupta	07151792	06/08/2021

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates  
Company Secretaries

Sd/-

**Anjali Yadav**

Proprietor

FCS No.: 6628

C P No.: 7257

Place: New Delhi

Date: 12.05.2023

UDIN: F006628E000294685

PR Unique Code: S2006DE715800

PR Certificate No.: 629/2019

**Annexure 'F2'****DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2023 as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For the purpose of this declaration, senior management personnel means the members of the Management one level below the Managing Director of the Company as on March 31, 2023.

**For APL Apollo Tubes Limited**

Sd/-

**Sanjay Gupta**

Chairman and Managing Director

(DIN: 00233188)

Place: Ghaziabad

Date: May 12, 2023

## Compliance Certificate on Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by the APL Apollo Tubes Limited ("the Company") for the year ended March 31, 2023 as stipulated in regulation 17 to 27, clause (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) ("SEBI Listing Regulations") pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to the review of 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.

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

### Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Anjali Yadav & Associates  
Company Secretaries

Sd/-

**Anjali Yadav**

Proprietor

FCS No.: 6628

C P No.: 7257

Place: New Delhi  
Date: 12.05.2023  
UDIN: F006628E000294718

PR Unique Code: S2006DE715800

PR Certificate No.: 629/2019

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023**

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

To,  
The Members of  
Apollo Metalex Private Limited  
37, Hargobind Enclave, Vikas Marg, Delhi- 110092

We, Anjali Yadav, Proprietor of Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **APOLLO METALEX PRIVATE LIMITED (CIN:U27104DL2006PTC146579)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013('the Act') and the Rules made thereunder (as amended from time to time);
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder (as amended from time to time); **(Not applicable to the Company during the audit period)**
- (iii) The Depositories Act, 1996and the Regulations and Bye-laws framed thereunder (as amended from time to time); **(Not applicable to the Company during the audit period);**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings(as amended from time to time); **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - e) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021; (as amended); **(Not applicable to the Company during the audit period)**
  - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (as amended); **(Not applicable to the Company during the audit period)**



- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (as amended); **(Not applicable to the Company during the audit period)**
  - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (as amended); **(Not applicable to the Company during the audit period)**
- (vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws including but not limited to:-
- a) Indian Explosives Act, 1884
  - b) Factories Act, 1948
  - c) Environment (Protection) Act, 1986
  - d) The Water (Prevention & Control of Pollution) Act, 1974
  - e) Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013
  - f) Air (Prevention & Control Pollution) Act, 1981
  - g) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - h) Payment of Wages Act, 1936
  - i) Payment of Gratuity Act, 1972
  - j) Contract Labour (Regulation & Abolition) Act, 1970
  - k) Industrial Disputes Act, 1947
  - l) Minimum Wages Act, 1948
  - m) Payment of Bonus Act, 1965
  - n) Industrial Employment (Standing Orders) Act, 1946
  - o) Trade Union Act, 1926
  - p) Workmen Compensation Act, 1923
  - q) Industries (Development & Regulation) Act, 1951
  - r) Employees State Insurance Act, 1948

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

- (i) Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.
- (ii) Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

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

We further report that the Company has an unspent amount of ₹2.63 Crores towards Corporate Social Responsibility ("CSR") during the year pertaining to ongoing projects and has been transferred to the unspent CSR account of the Company on 28th April, 2023.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, there are no changes took place in the composition of the Board of Directors during the year.

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

All decisions at the Board Meetings and Committee Meetings were carried out with majority as recorded in the Minutes of the Board of Directors or Committee of the Board, as the case may be.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

For Anjali Yadav & Associates  
Company Secretaries

Sd/-

**Anjali Yadav**

Proprietor

FCS No.: 6628

C P No.: 7257

PR Unique Code: S2006DE715800

PR Certificate No.: 629/2019

Place: New Delhi

Date: 11.05.2023

UDIN: F006628E000287251

To,  
The Members,  
**Apollo Metalex Private Limited**  
37, Hargobind Enclave,  
Vikas Marg, Delhi- 110092

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

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

For Anjali Yadav & Associates  
Company Secretaries

Sd/-

**Anjali Yadav**

Proprietor

FCS No.: 6628

C P No.: 7257

Place: New Delhi  
Date: 11.05.2023  
UDIN: F006628E000287251

PR Unique Code: S2006DE715800  
PR Certificate No.: 629/2019

Form No. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,  
The Members,  
APL Apollo Building Products Private Limited  
37, Hargobind Enclave, Vikas Marg, Delhi- 110092

We, Anjali Yadav, Proprietor of M/s. Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **APL Apollo Building Products Private Limited (CIN:U27200DL2019PTC358966)** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company had, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company had proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under (as amended from time to time);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time); **(Not applicable to the Company during the audit period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (as amended from time to time);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (as amended from time to time); **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - e) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021; (as amended); **(Not applicable to the Company during the audit period)**
  - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (as amended); **(Not applicable to the Company during the audit period)**



- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (as amended from time to time); **(Not applicable to the Company during the audit period)**
  - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (as amended from time to time); **(Not applicable to the Company during the audit period)**
- (vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws such as:-
- a) Factories Act, 1948
  - b) Environment (Protection) Act, 1986
  - c) The Water (Prevention & Control of Pollution) Act, 1974
  - d) Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013
  - e) Air (Prevention & Control Pollution) Act, 1981
  - f) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - g) Payment of Wages Act, 1936
  - h) Payment of Gratuity Act, 1972
  - i) Contract Labour (Regulation & Abolition) Act, 1970
  - j) Industrial Disputes Act, 1947
  - k) Minimum Wages Act, 1948
  - l) Payment of Bonus Act, 1965
  - m) Industrial Employment (Standing Orders) Act, 1946
  - n) Trade Union Act, 1926
  - o) Workmen Compensation Act, 1923
  - p) Industries (Development & Regulation) Act, 1951
  - q) Employees State Insurance Act, 1948
- and all other Labour Laws, Rules and Regulations applicable to the company.

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

- (i) Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.
- (ii) Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

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

**We further report that:**

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

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

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

**We, further report that:**

1. During the year under review, pursuant to the provisions of the Companies Act, 2013, the Paid-up Share Capital of the Company had been increased by way of a Rights Issue from 2,60,00,00,000/- to 6,00,00,00,000/- Paid-up Share Capital in the tranches as detailed hereunder:

S. No.	Date of Board Meeting	Name of Allottee	No. of Equity Shares	Total nominal amount	Paid up Share Capital after Allotment
1.	18 <sup>th</sup> June, 2022	APL Apollo Tubes Limited	37950000	37,95,00,000	2,97,95,00,000
2.	20 <sup>th</sup> August, 2022	APL Apollo Tubes Limited	52050000	52,05,00,000	3,50,00,00,000
3.	30 <sup>th</sup> September, 2022	APL Apollo Tubes Limited	250000000	2,50,00,00,000	6,00,00,00,000

2. During the year under review, pursuant to the provisions of the Companies Act, 2013, the Authorized Share Capital of the Company had been increased from 3,00,00,00,000 to 10,00,00,00,000 in the tranches as detailed hereunder: -

S. No.	Date of Meeting of Members	No. of Equity Shares	Total amount of Equity Shares	Increased Authorized Capital
1.	11 <sup>th</sup> July, 2022	50000000	50,00,00,000	3,50,00,00,000
2.	29 <sup>th</sup> August, 2022	650000000	6,50,00,00,000	10,00,00,00,000

3. During the year under review, Mr. Rahul Gupta (DIN: 07151792) had been appointed as the Managing Director of the Company for a period of five years w.e.f., 1st November 2022.
4. During the year under review, Mr. Romi Sehgal (DIN: 03320454), Director was appointed as Whole Time Director of the Company w.e.f, 1st November 2022. Subsequently upon his retirement, he ceased to be an executive director of the Company w.e.f., March 31, 2023.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

For Anjali Yadav & Associates  
Company Secretaries

Sd/-

**Anjali Yadav**

Proprietor

FCS No.: 6628

C P No.: 7257

Place: New Delhi

Date: 11.05.2023

UDIN: F006628E000287216

PR Unique Code: S2006DE715800

PR Certificate No.: 629/2019

To,  
The Members,  
**APL Apollo Building Products Private Limited**  
37, Hargobind Enclave,  
Vikas Marg, Delhi- 110092

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

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

For Anjali Yadav & Associates  
Company Secretaries

Sd/-

**Anjali Yadav**

Proprietor

FCS No.: 6628

C P No.: 7257

Place: New Delhi  
Date: 11.05.2023  
UDIN: F006628E000287216

PR Unique Code: S2006DE715800  
PR Certificate No.: 629/2019

# business responsibility and sustainability report (BRSR)



## SECTION A General disclosures

## SECTION B Management and process disclosures

## SECTION C Principle-wise performance disclosure

- Principle 1** Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
- Principle 2** Businesses should provide goods and services in a manner that is sustainable and safe
- Principle 3** Businesses should respect and promote the well-being of all employees, including those in their value chains
- Principle 4** Businesses should respect the interests of and be responsive to all its stakeholders
- Principle 5** Businesses should respect and promote human rights
- Principle 6** Businesses should respect and make efforts to protect and restore the environment
- Principle 7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- Principle 8** Businesses should promote inclusive growth and equitable development
- Principle 9** Businesses should engage with and provide value to their consumers in a responsible manner



## Section A: General Disclosures

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L74899DL1986PLC023443
2.	Name of the Company	APL Apollo Tubes Limited
3.	Year of Incorporation	1986
4.	Registered office address	37, Hargobind Enclave, Vikas Marg, Delhi 110092
5.	Corporate office address	36, Ram Nagar, Kaushambi, Ghaziabad, Uttar Pradesh, Pin-201010
6.	E-mail	comsec@aplapollo.com
7.	Telephone	011-44457164
8.	Website	www.aplapollo.com
9.	Financial year for which reporting is being done	FY2022-23
10.	Name of the Stock Exchange(s) where shares are listed	NSE & BSE
11.	Paid-up Capital	INR 554,661,628
12.	Name and contact details (telephone, email address) of the person for BRSR Reporting	Deepak C S Company Secretary deepakcs@aplapollo.com 0120-4742700
13.	Reporting boundary	Consolidated basis

### II. Products/Services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1.	Steel Tube manufacturer	Manufacturing & Selling of Structural Steel tubes	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the turnover):

S. No.	Product/Services	NIC Code	% Of total turnover contributed
1.	Black Hollow Section and Round Pipe	27152	68%
2.	Galvanized Pipe	27152	5%
3.	Pre Galvanized Pipe	27152	27%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

S. No.	Location	Number of plants	Number of offices	Total
1.	National	11	3	14
2.	International	0	2	2

#### 17. Markets served by the entity

- a. **Number of locations:** India (800 distributors and warehouses cum-branch offices in over 20 cities) and 30 countries outside India

S. No.	Number of Locations served	Number
1.	National (Number of states)	All states
2.	International (Number of countries)	30

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Revenue from operations: ₹16,166 crores

Contribution of exports: ₹450 crores (2.8% of total revenue)

**c. A brief on types of customers**

APL Apollo takes pride in its unparalleled customer base, supported by a vast network of over 800 distributors. Our reach extends to 100,000 retailers and fabricators, establishing us as the go-to choice for structural tube solutions in India. Operating across, 2000+ towns and cities, with ten strategically located production facilities, we guarantee swift response times and punctual delivery. This expansive reach positions APL Apollo as the leading provider, empowering customers with unmatched convenience and reliability.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	1198	1176	98.2%	22	1.8%
2.	Other than permanent (E)	0	0	0	0	0.0%
3.	<b>Total employees (D+E)</b>	1198	1176	98.2%	22	1.8%
<b>Workers</b>						
4.	Permanent (F)	1389	1389	100%	0	0.0%
5.	Other than permanent (G)	1730	1730	100%	0	0.0%
6.	<b>Total workers (F+G)</b>	3119	3119	100%	0	0.0%

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently abled Employees</b>						
1.	Permanent (D)	0	0	0	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	<b>Total Differently abled employees (D+E)</b>	0	0	0	0	0
<b>Differently abled Workers</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	<b>Total Differently abled workers (F+G)</b>	0	0	0	0	0

**19. Participation/Inclusion/Representation of women**

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B/A)
Board of Directors	10	1	10%
Key Management Personnel	2	0	0

20. Turnover rate for permanent employees and workers

Category	FY 2023			FY 2022			FY 2021		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	4.2%	0%	4.2%	4.4%	0%	4.4%	4.1%	5%	4.5%
Permanent workers	5%	NA	5%	4.5%	NA	4.5%	4.5%	NA	4.5%

V. Holding, Subsidiary and Associate Companies (including Joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures	Is it a holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Apollo Metalex Private Limited	Subsidiary	100	Yes
2.	APL Apollo Building Products Private Limited	Subsidiary	100	Yes
3.	Blue Ocean Projects Private Limited	Subsidiary	100	Yes
4.	APL Apollo Mart Limited	Subsidiary	100	Yes
5.	APL Apollo Tubes FZE	Subsidiary	100	Not applicable
6.	APL Apollo Tubes Company LLC	Subsidiary	100	Not applicable

VI. CSR details

22. I. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

II. If yes, Turnover: ₹14,730 crore

III. Net worth: ₹2,571 crore

VII. Transparency and Disclosures Compliances

23. **Grievance Redressal Mechanism in place (Yes/ No):** Yes, APL Apollo has a grievance redressal mechanism in place to address the concerns and grievances of all stakeholders whether it is shareholders, investors, communities, customers, employees etc. There is also a board level stakeholders' relationship committee which periodically reviews the grievance redressal mechanism and its adequacy. There is also a whistleblower Policy which is publically available on the company's website. We are committed to maintaining the highest standard of honesty, openness, and accountability. The Company intends to prevent the occurrence of any practice not in compliance with the internal Codes, thus establishing a vigil mechanism enabling the Directors and Employees to report their genuine concerns or grievances using this policy. Furthermore, it also enables other stakeholders to freely communicate their concerns regarding illegal or unethical practices in the Company.

24. **If yes, then provide web-link for Grievance Redressal Policy:**

<https://aplapollo.com/wp-content/uploads/2020/06/Whistle-blower-Policy-25012022.pdf>

25. **Complaints/Grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):**

Stakeholder group from whom complaint is received	FY 2023			FY 2022		
	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	0	0	-	0	0	-
Investors	0	0	-	0	0	-
Shareholders	3	0	All Resolved	4	0	All Resolved
Employees and workers	0	0	-	0	0	-
Customers	54	0	All Resolved	34	0	All resolved
Value Chain Partners	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-

## 26. Overview of the entity's material responsible business conduct issues

Material concerns are those that have a direct or indirect impact on a company's operations and footprint, as well as the company's economic, environmental, and social value. APL Apollo recognizes sustainable development entails not just addressing material challenges relating to corporate governance operations and strategy, but also identifying and prioritizing its most important challenges based on stakeholder concerns.

Therefore, to understand the stakeholder's perspective, we initially identified the universe of relevant ESG topics pertaining to our industry by evaluating different standards and frameworks. Secondly, we carried out detailed stakeholder engagements through questionnaires and collected the response from various stakeholder groups. The issues identified are deeply relevant to our ability to succeed and are addressed in our stakeholder communications, internal strategic priorities, and corporate responsibility approach. During the reporting period, the list of material topics was revalidated through internal stakeholder consultations. The information collected from internal and external stakeholders was analyzed and the 15 key material issues were identified and grouped into 4 major categories:

Responsible Business	Responsible Operations	Responsible Employment	Responsibility towards communities
Corporate Governance	Energy Management	Health and Safety	Local Communities
Market Presence	Water and Effluent Management	Labour Relations and Human Rights	Corporate Social Responsibility
Economic Performance	Emissions Management	Training and Education	
Compliances	Waste Management	Diversity and Equal Opportunity	
	Environmental Compliance		

For details, refer to ESG Report FY 2022: <https://aplapollo.com/wpcontent/uploads/2020/06/ESG-Report-30-09-22.pdf>

## Section B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements. These are briefly as under:

<b>P1</b>	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
<b>P2</b>	Businesses should provide goods and services in a manner that is sustainable and safe
<b>P3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains
<b>P4</b>	Businesses should respect the interests of and be responsive to all its stakeholders
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Businesses should respect and make efforts to protect and restore the environment
<b>P7</b>	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
<b>P8</b>	Businesses should promote inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their consumers in a responsible manner

### Policy and Management processes

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
1(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1(b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1(c) Web Link of the Policies, if available	<a href="https://aplapollo.com/downloads">https://aplapollo.com/downloads</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.								
6	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.								

Most of the policies are aligned to various standards like: ISO9001(Quality Management System), ISO 14001 (Environment Management System), ISO 45001 (Occupational Health & Safety Management System). Most of the plants are certified in ISO standards such as ISO 9001, ISO 14001 & ISO 45001

- All plants to have access to renewable energy by 2025
- All Zero Liquid Discharge (ZLD) facilities by 2025
- The ratio of female workforce to be 5% in the permanent employee category by 2025
- Formalize CSR Strategy by 2025

6 out of 11 plants have access to renewable energy

2 Plants are equipped with ZLD facilities and others are in advanced stage

CSR Strategy has been formalized in FY23

### Governance, leadership, and oversight

7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	Statement of CMD: ESG has emerged as an unquestionable facilitator of organizational value development as well as a productivity and endurance indicator. We anticipate that including ESG considerations into our governance and decision-making processes will improve our capacity to identify emerging opportunities and mitigate risks. APL Apollo's unwavering dedication to excellence has resulted in not just greater financial efficiency, but also the potential to achieve critical ESG targets, therefore contributing to value creation for stakeholders.							
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors							
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, APL Apollo formalized its process towards ESG Governance. Our ESG vision and mission are a reflection to the commitments we have taken in the last year towards all our stakeholders which includes our employees, suppliers, and customer to ensure high quality materials. With our underlying objective of being honest and transparent, we are clearly outlining the targets taken, our progress and efforts for continual improvement. The ESG Charter is a policy document which outlines the purpose and allows stakeholders to communicate sustainability issues, targets, and report progress in short-, medium-, and long-term goals. We have formed a strong ESG governance structure to follow the ESG Charter and this oversight of this is through three levels broadly: The Board (ESG Committee), Corporate Management (ESG Council) and Site Management (Site Council).							

## 10 Details of Review of NGRBCs by the Company

Subject for Review		a. Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Subject for Review		b. Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against above policies and follow up action					Annually				
2	Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances					Annually				

11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		P1	P2	P3	P4	P5	P6	P7	P8	P9
		No external evaluation was undertaken, however, the processes and compliances are subject to scrutiny by internal auditors, and regulators, as applicable. Policies are periodically evaluated and updated by various department heads, business heads, and approved by the management and/or board.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The entity does not consider the principles material to its business (Yes/No)									
2	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
3	The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
4	It is planned to be done in the next financial year (Yes/No)									
5	Any other reason (please specify)									

### Section C: Principle-wise performance disclosure

This section is intended to assist demonstrating their ability to integrate the principles and core elements into essential processes and decisions. The information needed is divided into 'Essential' and 'Leadership' categories. While the essential indicators must be given by every institution required to file this report, the leadership indicators may be voluntarily disclosed by entities that desire to be leaders to advance in their drive to be more socially, ecologically, and ethically responsible.

### Principle 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATORS

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

S. No.	Segment	Total number of training & awareness programmes held	Topics / principles covered under the training	% Of persons in respective category covered by the awareness programmes
1	Board of Directors	1	All 9 principles have been covered	100%
2	Key Managerial Personnel	1	All 9 principles have been covered	100%
3	Employees other than BOD and KMPs	1	Code of Conduct	96%
4	Workers	24	Occupational Health & Safety Awareness	92%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by its directors/KMPs) with regulators/law enforcement agencies/judicial institutions in FY 2023

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or nonmonetary action has been appealed

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
None	NA

4. Does the entity have an anti-corruption policy or antibribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The company believes in upholding the values of transparency, accountability, and good governance. Apart from the Business Responsibility Policy, the Company has a 'Corporate Ethics and Code of Conduct' (inter alia covering Anti-Bribery and Anti-Corruption Directives) and an effective vigil mechanism and Whistle Blower Policy. The Corporate Ethics and Code of Conduct covers the Directors and Employees of the Company. The Company also encourages its Suppliers, contractors, NGOs, others to practice the same in a fair manner.

5. No of Directors/KMPs/Employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

Segment	FY 2023	FY 2022
1 Directors	-	-
2 Key Managerial Personnel	-	-
3 Employee	-	-
4 Workers	-	-

6. Details of complaints with regard to conflict of interest

Segment	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
1 Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
2 Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

None

## LEADERSHIP INDICATORS

## 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	GHG Emission, Supply code of conduct, Human rights	46%

## 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the company has a Code of Conduct for directors and senior management which requires all concerned to act in the interest of the Company and ensure that any other business or personal association does not involve any conflict of interest with the operations of the Company. In case of any actual or potential conflicts of interest, the Director concerned is required to immediately report the same.

Further annual statutory disclosures in Form MBP-4 are taken from the directors regarding the entities and concerns the directors may be interested in.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

## ESSENTIAL INDICATORS

## 1. Percentage of R&amp;D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&amp;D and capex investments made by the entity, respectively.

S. No.	Segment	FY 2023	FY 2022	Details of improvements in environmental and social impacts
1	R&D	(100%) 5 Crore	(100%) 5 Crore	The Company is working towards energy efficiency, waste management and process optimization
2	Capex	19%	16%	Investments in renewable energy, zero liquid discharge, rainwater harvesting and improvement of health and safety initiatives

## 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

As part of the vendor on boarding process, all vendors are made aware of our expected standards related to human rights, health and safety, and quality.

## b. If yes, what percentage of inputs were sourced sustainably?

94% suppliers (by spend) adhere to SA8000 and ISO 45001 standards

## 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

At APL Apollo, we are deeply committed to environmental sustainability. As part of our eco-friendly approach, we ensure that 100% of our process scraps are recyclable, reducing waste and promoting a circular economy. Moreover, we have established partnerships with trusted third-party vendors to responsibly manage and dispose of any non-steel materials generated from our facilities. By actively minimizing plastic usage and embracing recycling practices, we strive to create a greener and more sustainable future for generations to come.

## 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

APL Apollo does not have EPR Liability.



## LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/ concern Action Taken	Description of the risk/ concern Action Taken
-	-	-
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023	FY 2022
Processing of solid waste like steel tube end-cuts, and mild steel craps	3%	3%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023			FY 2022		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

(The Company does not reclaim any specific product at the end of life, However, at the manufacturing facilities, there are systems in place to recycle, reuse and dispose in line with regulatory guidelines)

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Steel Scrap/ tube end cuts	APL Apollo is the leading structural steel tube producer. During the course of manufacturing, the company produces steel scrap/steel tube end cuts, which are not considered as waste. Accordingly, this question is not applicable to APL Apollo. Similarly, use of packaging in the sale of steel is insignificant

## Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

### ESSENTIAL INDICATORS

#### 1. a. Details of measures for the well-being of employees:

Category	% Of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	1176	1176	100%	-	-	NA	-	-	-	NA	-
Female	22	22	100%	-	-	No Cases	-	-	-	No Cases	-
<b>Total</b>	<b>1198</b>	<b>1198</b>	<b>100%</b>	-	-	-	-	-	-	-	-
<b>Other than Permanent Employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### b. Details of measures for the well-being of workers:

Category	% Of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	1389	1389	100%	-	-	NA	-	-	-	NA	-
Female	-	-	-	-	-	No Cases	-	-	-	No Cases	-
<b>Total</b>	<b>1389</b>	<b>1389</b>	<b>100%</b>	-	-	-	-	-	-	-	-
<b>Other than Permanent Workers</b>											
Male	1730	1730	100%	-	-	NA	-	-	-	NA	-
Female	-	-	-	-	-	No Cases	-	-	-	No Cases	-
<b>Total</b>	<b>1730</b>	<b>1730</b>	<b>100%</b>	-	-	-	-	-	-	-	-

#### 2. Details of retirement benefits for Current and Previous FY

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1 PF	100%	100%	Unexempted EPFO	100%	100%	Unexempted EPFO

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
2 Gratuity	100% as per the gratuity eligibility	100% as per the gratuity eligibility	We maintain gratuity trust with Kotak Mahindra Bank for APL Apollo Tubes Limited; subsidiaries pay directly	100% as per the gratuity eligibility	100% as per the gratuity eligibility	We maintain gratuity trust with Kotak Mahindra Bank for APL Apollo Tubes Limited; subsidiaries pay directly
3 ESI	100% as per ESI limit	100% as per ESI limit	Employee State Insurance Corporation	100% as per ESI limit	100% as per ESI limit	Employee State Insurance Corporation
4 Superannuation	100%	100%	-	100%	100%	-
5 After Retirement Medi-Claim	-	-	-	-	-	-

**3. Accessibility of workplaces - Are the premises/offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

All our premises/offices are accessible for differently abled persons.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company advocates and promotes diversity and equal opportunity policies and adheres to equal opportunity

**5. Return to work and Retention rates of permanent employees that took parental leave**

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate (%)	Retention Rate (%)	Return to work Rate (%)	Retention Rate (%)
Male	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A
<b>Total</b>	N/A	N/A	N/A	N/A

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
1 Permanent workers	At APL Apollo, we prioritize a safe and inclusive work environment for our employees. To ensure transparency and address any concerns, we have implemented a robust Vigil mechanism. Additionally, our Anti-Sexual Harassment Policy is in place to effectively handle and resolve any grievances related to such issues. We are committed to fostering a culture of respect and providing a platform for employees to voice their concerns confidentially, thereby upholding our commitment to a harassment-free workplace.
2 Other than Permanent Workers	
3 Permanent Employees	
4 Other than Permanent Employees	

## 7. Membership of employees in association(s) or Unions recognised by the listed entity

Category	FY 2023			FY 2022		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/Workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	N/A	N/A	N/A	N/A	N/A	N/A
Male	N/A	N/A	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A
Total Permanent Workers	N/A	N/A	N/A	N/A	N/A	N/A
Male	N/A	N/A	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A

## 8. Details of training given to employees

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1176	-	-	1176	100%	1141	-	-	1141	100%
Female	22	-	-	22	100%	11	-	-	11	100%
<b>Total</b>	<b>1198</b>	<b>-</b>	<b>-</b>	<b>1198</b>	<b>100%</b>	<b>1152</b>	<b>-</b>	<b>-</b>	<b>1152</b>	<b>100%</b>
<b>Workers</b>										
Male	3119	3119	100%	-	-	2454	2454	100%	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3119</b>	<b>3119</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>2454</b>	<b>2454</b>	<b>100%</b>	<b>-</b>	<b>-</b>

## 9. Details of performance and career development reviews of employees and workers:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1176	1176	100%	1141	1141	100%
Female	22	22	100%	11	11	100%
<b>Total</b>	<b>1198</b>	<b>1198</b>	<b>100%</b>	<b>1152</b>	<b>1152</b>	<b>100%</b>
<b>Workers</b>						
Male	3119	3119	100%	2454	2454	100%
Female	-	-	-	-	-	-
<b>Total</b>	<b>3119</b>	<b>3119</b>	<b>100%</b>	<b>2454</b>	<b>2454</b>	<b>100%</b>



## 10. Health and Safety Management System

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage such system?

At APL Apollo, we prioritize the well-being and safety of our employees. We have implemented a comprehensive safety manual that adheres to the standards set by ISO 45001, ensuring a robust occupational health and safety management system. This manual encompasses detailed practices and guidelines aimed at creating a secure working environment. We leave no stone unturned in taking all necessary measures to safeguard our employees' health and safety, as we firmly believe that their well-being is paramount.

### b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

At APL Apollo, we prioritize proactive safety measures on our shop floors. We conduct regular morning meetings to identify, assess, and effectively mitigate any safety and hazard-related issues. These meetings serve as a platform for open communication, empowering our team to address potential risks and ensure a secure working environment. By actively engaging in these discussions, we demonstrate our commitment to maintaining a culture of safety, and continuously improving our workplace conditions.

### c. Whether you have processes for employees to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, At APL Apollo, we have well-defined process in place that empowers our employees to report any work-related hazards they encounter and take necessary action to remove themselves from such risk. Our safety manual provides comprehensive details on this process, ensuring that every employee is equipped with the knowledge and resources to prioritize their own safety and the safety of their colleagues. We are committed to fostering a culture of proactive hazard reporting and risk mitigation, placing the well-being of our employees at the forefront of our operations.

### d. Do the employees of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Yes, at APL Apollo, we prioritize the well-being of our employees beyond their occupational health. We provide access to non-occupational medical and healthcare facilities, ensuring that our employees have comprehensive healthcare support. By offering this access, we demonstrate our commitment to their overall health and welfare, fostering a supportive and holistic work environment.

## 11. Details of Safety related incidents

Safety Incident/Number	Category	FY 2023	FY 2022
1 Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.1	2.6
	Workers	3.1	0
2 Total recordable work-related injuries	Employees	5	4
	Workers	12	14
3 No. of fatalities	Employees	0	0
	Workers	0	0
4 High consequence work-related injury or ill-health (excluding fatalities)	Employees	2	2
	Workers	4	5

## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace

An internal safety committee comprised of one safety in-charge and four supporting members from cross functional departments conducts safety and health inspections at each APL Apollo Group Premise.

Internal Safety Committee is responsible for:

- Daily Safety round of whole company
- Noting down of all unsafe conditions
- Regular in-house safety training and awareness of all employees of the unit
- Planning and conducting mock-drill on regular intervals
- Regular monitoring of all firefighting equipment's
- Conduct weekly meetings with unit head for review of safety standard of the unit

**13. Number of Complaints on the following made by employees**

Category	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL			NIL		
Health & Safety						

**14. Assessments for the year**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (ISO 45001)
Working Conditions	100% (IS14489)

Note: Assessment by the senior management team

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Safety is our utmost priority at APL Apollo. To ensure the well-being of our workers, we strictly enforce the use of safety equipment such as "Safety Helmets" and "Safety Gloves". Our commitment to safety extends to prohibiting any employee from working without these essential protective measures. Additionally, we conduct regular safety audits, provide comprehensive safety training, and maintain a robust incident reporting system. These precautionary measures collectively contribute to creating a secure and hazard-free work environment for all our employees.

**LEADERSHIP INDICATORS**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

- (A) Employees: Yes
- (B) Workers: Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partner.**

The contracts with the value chain partners contain necessary clauses to ensure that statutory dues are regularly deducted and deposited by the value chain partners and adherence to the same is constantly monitored by us.

**3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023	FY 2022	FY 2023	FY 2022
Employees	Nil		Nil	
Workers				

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes, the Company continually invests in human capital development, which includes the development of current skills and competences as well as the provision of a variety of experiences to employees. These increase workforce employability and, if desired, provide for a smooth transition to different prospects.

The gratuity scheme provides for a lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equal to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting takes place after 5 years of service.

5. **Details on assessment of value chain partners:**

	<b>% Of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	100%
Working Conditions	100%

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

APL Apollo has taken several actions to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners. APL Apollo collaborates with suppliers to improve their sustainability performance by sharing opportunities for improvements, especially with those who have been identified as 'Basic' and 'Improving' under the Responsible Supply Chain Policy assessment. This includes defining follow-up actions.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**ESSENTIAL INDICATORS**

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Key stakeholders are defined based on their influence and impact on the Company's operations. The corporation undertook a materiality evaluation in which the opinions of external and internal stakeholders were solicited via online and offline surveys. The first phase in this procedure was to identify internal stakeholders as employees and external stakeholders as investors and shareholders, suppliers/partners, and customers/dealers. Furthermore, community groups were picked by the corporation to spend resources in the form of CSR projects to ensure community welfare.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

<b>Stakeholder group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Shareholders & Investors	No	Investor calls, analyst meets and general meetings	Quarterly  As and when required  As and when required  Annually	1. Transparent and effective communication of business performance 2. Addressing investor queries and concerns 3. Sound corporate governance mechanisms 4. Providing insights into the Company's corporate strategy and business environment
Employees	No	Employee engagement initiatives, continuous interaction with management, appraisals, grievance redressal mechanism	Regularly (weekly/ monthly)	1. Personal development and growth 2. Health and safety 3. Grievance resolution 4. Competitive remuneration
Suppliers/ Partners	No	Regular meetings with key suppliers by senior management, supplier visits, suppliers' meet, supplier tour of manufacturing facilities	Quarterly/ half yearly	1. Infrastructure support 2. Intearactive engagement 3. Inclusion of local and MSME vendors

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers/ Dealer	No	Regional meets, visits to dealers, need-based visits, Customer meets, Customer visits by the marketing team and senior management	Quarterly	1. Grievance redressal 2. Product quality 3. Post-sales support
Community	Yes	Need-based assessment surveys, community visits by company management, periodic cultural meets	As per regulatory requirements and as per needs	1. Public hearings 2. Meetings with community leaders

## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

APL Apollo believes that an effective stakeholder engagement system is critical to achieving long-term sustainability goals and overall company success. The company's ESG targets are prioritized by the board of directors.

- The board of directors has delegated the process of taking valuable inputs from the key internal and external stakeholders.
- During the fiscal year, the company conducted a thorough materiality assessment and stakeholder engagement process to better understand the critical environmental, social, and governance (ESG) concerns that are important to the Company's businesses.
- As part of this effort, the company engaged with key internal and external stakeholders to understand their challenges and incorporate their perspectives into materiality assessments for prioritizing ESG concerns.
- Stakeholder engagement insights were analyzed to create the materiality matrix and finalize the list of ESG priority areas.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the company has always maintained a regular and proactive engagement with the Company's important stakeholders, allowing it to work efficiently on its ESG strategies and be transparent about the results. In response to current requirements and interactions with stakeholders, the Company performs periodic evaluations to update and revise policies.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company actively engages and responds to the underprivileged, vulnerable, and marginalized segments of society. The Company, as part of its CSR initiatives, takes care of the needs of the poor and disadvantaged, either directly or through NGOs operating in the neighborhood of activities. In FY 23, the company has invested 111 million INR in people upliftment initiatives.



## Principle 5: Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2023			FY 2022		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1198	1,198	100%	1152	1152	100%
Other than permanent	0	0	NA	0	0	NA
<b>Total employees</b>	<b>1198</b>	<b>1,198</b>	<b>100%</b>	<b>1152</b>	<b>1152</b>	<b>100%</b>
<b>Workers</b>						
Permanent	1,389	1,389	100%	1308	1308	100%
Other than permanent	1,730	1,730	100%	1146	1146	100%
<b>Total workers</b>	<b>3,119</b>	<b>3,119</b>	<b>100%</b>	<b>2454</b>	<b>2,454</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers

Category	FY 2023					FY 2022				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	1176	0	0	1,176	100%	970	0	0	970	100%
Female	22	0	0	22	100%	15	0	0	15	100%
<b>Other than permanent</b>										
Male										
Female										
<b>Workers</b>										
<b>Permanent</b>										
Male	1389	-	-	1,389	100%	1308	-	-	1308	100%
Female										
<b>Other than permanent</b>										
Male	1730	-	-	1,730	100%	1146	-	-	1146	100%
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective (monthly)	Number	Median remuneration/ salary/wages of respective (monthly)
Board of Directors (BoD)	1	29.17 lakh	-	-
Key Managerial Personnel	2	6,01,310	-	-
Employees other than BoD and KMP	1176	41649	22	44076
Workers	3119	24747	-	-

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, APL Apollo, we have a dedicated complaints committee in place to address and handle all human rights-related issues. This committee ensures that grievances are handled swiftly, impartially, and with utmost confidentiality. We prioritize creating a safe and inclusive work environment, where every employees' rights are respected, and any concerns are promptly and effectively resolved.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issue**

Human rights are inherent, universal, indivisible, and interrelated in nature, according to the Company. Within its sphere of influence, the Company supports gaining knowledge about human rights and awareness throughout its value chain.

The organization has a strong and detailed Grievance Redressal Mechanism in place to protect employees and directors. Procedures have been established to ensure that the process of registering a complaint, investigating it, and ultimately reaching an appropriate decision is handled professionally and confidentially. and also in the grievance redressal policy.

**6. Number of Complaints on the following made by employees and workers:**

Segment	FY 2023		FY 2022	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

APL Apollo has established a well-defined policy to combat gender-based misconduct and to build a welcoming work environment for female personnel and others. The policy establishes guidelines, processes, procedures, and forums for the filing, hearing, and resolution of complaints alleging sexual harassment and discrimination. The complaints are heard by the Complaints Committee, which has been established by the Company's management.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human Rights forms an integral part of the company's business agreements and contracts. The company is committed to protect and uphold human rights of its workforce, communities and of those who are directly or indirectly affected by the company's business ventures.

**9. Assessments for the year**

Section	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	During the reporting period, we conducted thorough assessments of all our plants and offices, and we confirmed that there were no instances of sexual harassment, discrimination, child labour, forced labour, or wage-related issues. Our steadfast commitment to ethical practices and creating a safe work environment ensures the well-being and rights of our employees are upheld at all times.
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	
Wages	

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above**

Not Applicable

## LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
2. Details of the scope and coverage of any Human rights due diligence conducted.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
4. Details on assessment of value chain partners:

Section	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	Nil
Forced Labour/ Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

1. Details of total energy consumption (in GJ) and energy intensity, in the following format

Parameter	FY 2023	FY 2022
Total electricity consumption (A) (GJ)	479,994	434,904
Total fuel consumption (B) (GJ)	445,173	372,461
Energy consumption through other sources (C) (GJ)		
<b>Total energy consumption (A+B+C) (GJ)</b>	<b>925,167</b>	<b>807,365</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees crore) (in GJ/Crores)	57.23	61.80

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable (N)

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2023	FY 2022
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	-	-
(ii) Groundwater	458,919	529,498
(iii) Third party water	130,942	117,583
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	<b>589,861</b>	<b>647,081</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>589,861</b>	<b>647,081</b>
<b>Water intensity per rupee of turnover (Water consumed/turnover in Crores)</b>	<b>23.64</b>	<b>25.26</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, 2 out of 11 plants have zero liquid discharge facilities, while the rest are in an advanced stage of implementation. Our goal is to implement Zero Liquid Discharge for all our plants by 2025.

**5. Provide details of air emissions (other than GHG emissions) by the entity, in the following format.**

Parameter	Please specify unit	FY 2023	FY 2022
NOx	MT	3.9	3.9
SOx	MT	2.6	2.6
Particulate matter (PM)		-	-
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

Parameter	Please specify unit	FY 2023	FY 2022
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	29,260	24,486
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	59,436	59,186
<b>Total Scope 1 and Scope 2 emissions per Crores of turnover</b>	Gm CO <sub>2</sub> /Rs	5.49	6.41

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details**

No

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	Total Waste generated (in MT)	
	FY 2023	FY 2022
Plastic waste (A)	37,610	41,985
E-waste (B)	2,050	2,235
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	8,090	8,818
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector).	55,150	60,227
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>102,900</b>	<b>113,265</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.



For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	Total Waste generated (in MT)	
	FY 2023	FY 2022
(i) Recycled	22,790	25,046
(ii) Re-used	24,960	27,992
(iii) Other recovery operations	-	-
<b>Total</b>	<b>47,750</b>	<b>53,038</b>

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	Total Waste generated (in MT)	
	FY 2023	FY 2022
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other recovery operations	55,150	60,227
<b>Total</b>	<b>55,150</b>	<b>60,227</b>

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

APL Apollo is concerned about the impact of greenhouse gases (GHG) on global warming and the overall contribution of the industry towards global GHG emission due to the use of coal in steel production. Therefore the Company has committed to be Net Zero emission by 2050. This strategy includes recycling of scrap. Additionally the company's dependency of energy sourcing of almost 40% through the green energy as well as the plan to shift the complete dependency through green energy in coming days will help the Company the targets.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, specify details in the following format

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
		N.A.	

11. Details environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
			N/A		

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
			N/A	

## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2023	FY 2022
<b>From renewable sources</b>			
Total electricity consumption (A)	GJ	178,626	59,557
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>GJ</b>	<b>178,626</b>	<b>59,557</b>
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ	301,368	269,707
Total fuel consumption (E)	GJ	445,173	372,461
Energy consumption through other sources (F)	GJ	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>GJ</b>	<b>746,541</b>	<b>642,168</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2023	FY 2022
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	31,032.80	26,985
ii) Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	14,967.30	13,015
iii) Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment (Used for gardening purposes)	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kiloliters)</b>	<b>46,000.10</b>	<b>40,000</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**3. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):**

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023	FY 2022
<b>Water withdrawal by source (in kiloliters)</b>		
(i) To Surface water	-	-
(ii) Groundwater	199,302	173,306
(iii) Third party water	38,187	33,206
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kiloliters)</b>	<b>237,489</b>	<b>206,512</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>237,489</b>	<b>206,512</b>
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)	0.01	0.02
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to Third party		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kiloliters)</b>	<b>-</b>	<b>-</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023	FY 2022
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	47,535	42,661
<b>Total Scope 3 emissions per rupee of turnover</b>	Metric tonnes of CO2 equivalent/INR Crore	2.94	3.27
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		NA	NA

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Nil	Nil	Nil

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, APL Apollo has "Onsite Emergency plan & Disaster Control" measure in place, focusing on business continuity to address disruptive events like explosions, fire, cyber-attacks, acts of terror, etc. The practices have been developed through benchmarking against best practices at other organisations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

There has been no significant adverse impact arising from the value chain of APL Apollo.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

The Company is under process of developing a mechanism to assess the environment impact due to value chain partners under Scope-3 assessment of GHG

## Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers / associations: 2
- b. List the top 10 trade and industry chambers / associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	CII (Confederation of Indian Industry)	National
2	FIFO (Federation of Indian Export Organisation)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

### LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
1	NIL				
2	NIL				



## Principle 8: Businesses should promote inclusive growth and equitable development

### ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current FY 23

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NIL					
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format

S. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
1	NIL					
2	NIL					

3. Describe the mechanisms to receive and redress grievances of the community

Grievance redressal mechanisms are customized based on specific requirements of each of its locations, so as to be most effective.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Category of waste	FY 2023	FY 2022
Directly sourced from MSMEs/ small producers	2%	2%
Sourced directly from within the district and neighboring districts	1%	1%

### LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
N/A	
N/A	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (in INR)
NIL			

3.
  - a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)  
No
  - b. From which marginalized /vulnerable groups do you procure?  
No
  - c. What percentage of total procurement (by value) does it constitute?  
N/A

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1	NIL			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NIL		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1	Education of underprivileged children through Vishwa Prakash Mission	10	100%
2	Rehabilitation of refugees, medical aid and education	291	100%
3	Set up of borewell, cowshed, sound system in school etc. in Kesda and Ringni villages of Raipur	4000	80%
4	Har Ghar Tiranga Campaign	700	60%
5	Providing Higher Education Through Plakha University	60	75%
6	Eye care campaign through Vardan Sewa Sansthan	147	100%

## Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

### ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

Our consumer centric approach views consumer complaint as an opportunity for raising the bar of consumer expectations for value creation with each subsequent supply. To achieve consumer expectations, APL Apollo's complaint management process has evolved over the years, thereby remaining agile to changing consumers expectations with respect to complaint acknowledgement and resolution. Dissatisfaction expressed by consumers related to APL Apollo's product and services is regarded as a complaint and is managed through SAP based consumer complaint management system.

2. Turnover of products and / services as a percentage of turnover from all products/ service that carry information about

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	~ 3% of the total revenue is coming from recycled materials
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023			FY 2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	54	-	-	34	-	-
Restrictive trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Others	-	-	-	-	-	-

4. Details of instances of product recalls on accounts of safety issues

	Number	Reason for recall
Voluntary recalls	Nil	
Forced recalls	Nil	

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Yes, we have a cyber security policy in place which is available on the internal network of the company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not Applicable

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://aplapollo.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Different brands of the Company also have periodic programmes to educate customers about effective usage, details of some select initiatives are provided.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

APL Apollo has put in place effective communication protocols, both formal and informal, to inform its customers on any supply disruptions.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact: NIL

b. Percentage of data breaches involving personally identifiable information of customers: NIL



# financial statements

# independent auditor's report

TO THE MEMBERS OF

**APL APOLLO TUBES LIMITED**

**REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

## Opinion

We have audited the accompanying standalone financial statements of **APL APOLLO TUBES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's Report (hereinafter referred to as "Other Information"), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the



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

In preparing the standalone financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion

on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

The comparative financial information of the Company as at and for the year ended March 31, 2022 forming part of the standalone financial statements includes financial information of Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited to give accounting effect of the merger (refer Note 47 of the standalone financial statements). The financial statements of Apollo Tricoat Tubes Limited as at and for the year ended March 31, 2022 was audited by other auditor and whose report dated May 06, 2022 expressed an unmodified opinion. Our report on the Statement is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating

effectiveness of the Company's internal financial controls with reference to standalone financial statements.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 38(a) of the standalone financial statements).
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 38(b)(4) of the standalone financial statements).
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (Refer Note 38(c) of the standalone financial statements).
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 48(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any

- guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (refer note 48(f) to the standalone financial statements).
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note 48(m) to the standalone financial statements
    - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
    - (b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**JITENDRA AGARWAL**  
(Partner)  
(Membership No. 87104)  
(UDIN: 23087104BGYKXN1197)

Place: Ghaziabad  
Date: May 12, 2023

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone financial statements of **APL Apollo Tubes Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to standalone financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or

that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial

controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**JITENDRA AGARWAL**

(Partner)

(Membership No. 87104)  
(UDIN: 23087104BGYKXN1197)

Place: Ghaziabad

Date: May 12, 2023



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) In respect of the Company’s property, plant and equipment, capital work-in-progress, investment properties and Right of use assets
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of property, plant and equipment, capital work in progress, investment property and right-of-use assets so to cover all items once in every two years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings included in Property, Plant and Equipment, Right of use, Capital work in progress and investment property in the standalone financial statements whose title deeds/conveyance deeds have been pledged as security for loans are held in the name of the Company/erstwhile name of the Company based on the confirmations received by the Company from lenders/custodians. In respect of immovable properties of land that have been taken on lease and disclosed as part of Right of use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except for the following:

(Amount ₹ in crore)

Description of immovable properties	As at Balance Sheet date		Held in name of	Whether Promoter, director or their relative or employee	Period Held	Reason for not being held in the name of the Company
	Gross carrying value	Net carrying value				
Leasehold land (included under Right of Use assets) and building (included under property, plant and equipment) located at Murbad, Maharashtra admeasuring 37,800 Sq. ft	2.91	2.19	Llyod Line Pipe Limited	No	From appointed date as per the approved scheme	The conveyance deed is in the name of erstwhile Company that was merged with the Company under Section 230 and Section 232 of the Companies Act, 2013 in terms of the approval of the Honourable National Company Law Tribunal, Principal bench, New Delhi (Refer note 2(a) and 2(d) of the standalone Financial Statements)
Freehold Land included under property, plant and equipment located at Dujana, Uttar Pradesh admeasuring 25,210 sq. meters	9.06	9.06	Potential Investments and Finance Limited	No	From appointed date as per the approved scheme	The title deeds is in the name of Potential Investments and Finance Limited (name changed to Best Steel Logistics Limited), erstwhile name of Apollo Tricoat Tubes Limited, which was merged with the Company under Section 230 and Section 232 of the Companies Act, 2013 in terms of the approval of the Honourable National Company Law Tribunal, Principal bench, New Delhi. (Refer note 2(a) of the standalone Financial Statements)

(Amount ₹ in crore)

Description of immovable properties	As at Balance Sheet date		Held in name of	Whether Promoter, director or their relative or employee	Period Held	Reason for not being held in the name of the Company
	Gross carrying value	Net carrying value				
Freehold Land and building included under property, plant and equipment located at Bengaluru, Karnataka admeasuring 229,505 Sq. ft	21.56	16.78	Shri Lakshmi Metal Udyog Limited	No	From appointed date as per the approved scheme	The title deeds is in the name of erstwhile Company that was merged with the Company under Section 230 and Section 232 of the Companies Act, 2013 in terms of the approval of the Honourable National Company Law Tribunal, Principal bench, New Delhi. (Refer note 2(a) of the standalone Financial Statements)
Leasehold Land included under Right of use assets located at Malur, Karnataka admeasuring 52,611 Sq. meters	13.82	13.10	Best Steel Logistics Limited	No	From appointed date as per the approved scheme	The title deeds is in the name of Best Steel Logistics Limited, erstwhile name of Apollo Tricoat Tubes Limited, which was merged with the Company under Section 230 and Section 232 of the Companies Act, 2013 in terms of the approval of the Honourable National Company Law Tribunal, Principal bench, New Delhi. (Refer note 2(d) of the standalone Financial Statements)
Freehold Land and building included under Assets classified as held for sale located at Attibele, Karnataka admeasuring 39,320 Sq. ft	8.62	7.93	Best Steel Logistics Limited	No	From appointed date as per the approved scheme	The title deeds is in the name of Best Steel Logistics Limited, erstwhile name of Apollo Tricoat Tubes Limited, which was merged with the Company under Section 230 and Section 232 of the Companies Act, 2013 in terms of the approval of the Honourable National Company Law Tribunal, Principal bench, New Delhi. (Refer note 2(g) of the standalone Financial Statements)

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories (other than inventories in transit) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Inventories in transit, were verified by the management based on the subsequent delivery challans. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising statement of stock position filed by the Company with such banks or financial institutions are in agreement with unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has not provided any security, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has made investments in, provided guarantee and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans or advances in the nature of loans and stood guarantee during the year and details of which are given below:

	(Amount ₹ in crore)		
	Loans	Advances in nature of loans	Guarantees
A. Aggregate amount granted/ provided during the year:			
- Subsidiaries	733.43	206.03	1,193.00
B. Balance outstanding as at balance sheet date in respect of the above cases <sup>2</sup> :			
- Subsidiaries	347.18	-	1,193.00

The amount reported are at gross amounts (Refer note 41 to the standalone financial statements for guarantees, loans and advances in the natures of loans provided and outstanding from subsidiaries).

(b) The investments made and the terms and conditions of the grant of all the above mentioned loans and advances in the nature of loans and guarantee provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no amount overdue for more than 90 days at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amount which are deemed to be deposits during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been generally regularly deposited by it with the appropriate authorities. We have been informed that the provisions of Service Tax, Sales tax, duty of Excise and Value Added Tax are not applicable to the Company. Also refer to the note 38 (a)(i) to the standalone financial statements regarding management assessment on certain matters relating to the provident fund.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

(Amount ₹ in crore)					
Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (net of payment)	Amount paid under protest
Uttar Pradesh Value Added Tax Act 2008	Value Added Tax	High Court of Allahabad	2007-2008	0.61	-
	Value Added Tax	Commercial Tax Tribunal, Ghaziabad	2013-2014	1.87	-
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2014-2015	0.08	0.24
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2015-2016	-	0.09
	Value Added Tax	Additional Commissioner (Appeals), Commercial Tax	2016-2017	0.40	0.06
Central Excise Act, 1944	Excise Duty	High Court of Allahabad	1996-1997	0.77	0.04
	Excise Duty	Tribunal, Mumbai	2006-07 and 2007-08	4.55	0.17
Finance Act, 1994 Central Excise Act, 1944	Service Tax	CESTAT, Mumbai	2004-2005 and 2010-2011	0.71	-
	Service Tax	CESTAT, Mumbai	2010-2011 and 2011-2012	0.02	-
	Service Tax	CESTAT, Mumbai	2005-2006	0.21	-
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	2021-22	2.95	0.73
			2020-21	0.20	0.07
			2018-19	0.40	0.16
			2017-18	0.91	0.30

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purpose for which loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year covering specific processes scoped in the review as per Internal Audit Plan covering period upto March 2023 for the period under the audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) (a) As set out in note 48(b) of the standalone financial statements the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) amount and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

**JITENDRA AGARWAL**

(Partner)

(Membership No. 87104)

(UDIN: 23087104BGYKXN1197)

Place: Ghaziabad

Date: May 12, 2023

## Standalone Balance Sheet as at March 31, 2023

(₹ in crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2(a)	1,280.02	1,296.10
(b) Capital work-in-progress	2(b)	36.23	52.37
(c) Investment property	2(c)	62.51	62.51
(d) Right of use assets	2(d)	37.58	38.63
(e) Goodwill	2(e)	137.50	137.50
(f) Intangible assets	2(f)	1.22	1.11
(g) Investment in subsidiaries	3(a) & 3(b)	954.48	528.27
(h) Financial assets			
(i) Investments	3(c), 3(d) & 3(e)	6.23	5.30
(ii) Loans	4	347.45	0.42
(iii) Other financial assets	5	22.26	20.95
(i) Non-current tax assets (net)	6	4.62	-
(j) Other non-current assets	7	65.48	35.27
<b>Total non-current assets</b>		<b>2,955.58</b>	<b>2,178.43</b>
<b>(2) Current assets</b>			
(a) Inventories	8	1,057.54	777.92
(b) Financial assets			
(i) Investment	9	-	5.00
(ii) Trade receivables	10	104.29	373.23
(iii) Cash and cash equivalents	11	115.77	107.94
(iv) Bank balance other than (ii) above	12	139.89	179.76
(v) Loans	13	1.20	1.13
(vi) Other financial assets	14	24.49	15.45
(c) Other current assets	15	85.94	114.29
		<b>1,529.12</b>	<b>1,574.72</b>
Assets classified as held for sale	2(g)	19.27	-
<b>Total current assets</b>		<b>1,548.39</b>	<b>1,574.72</b>
<b>Total Assets</b>		<b>4,503.97</b>	<b>3,753.15</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	16(a)	55.47	50.06
(b) Other equity	16(b)	2,515.48	2,093.41
<b>Total equity</b>		<b>2,570.95</b>	<b>2,143.47</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	64.62	108.20
(ia) Lease liabilities	2(c)	-	0.01
(ii) Other financial liabilities	18	0.50	0.85
(b) Provisions	19	16.89	13.44
(c) Deferred tax liabilities (net)	20	103.34	99.22
(d) Other non-current liabilities	21	77.56	69.76
<b>Total non-current liabilities</b>		<b>262.91</b>	<b>291.48</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	333.96	229.99
(ia) Lease liabilities	2(c)	0.09	0.64
(ii) Trade payables			
- total outstanding dues of micro and small enterprises	23	11.34	7.22
- total outstanding dues other than micro and small enterprises	23	1,253.66	1,021.70
(iii) Other financial liabilities	24	6.60	10.45
(b) Other current liabilities	25	48.47	37.88
(c) Provisions	26	0.91	1.19
(d) Current tax liabilities (net)	27	15.08	9.13
<b>Total current liabilities</b>		<b>1,670.11</b>	<b>1,318.20</b>
<b>Total Equity and Liabilities</b>		<b>4,503.97</b>	<b>3,753.15</b>
See accompanying notes to the standalone financial statements	1-48		

In terms of our report attached.

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

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104

Place : Ghaziabad  
Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

## Statement of Standalone Profit & Loss for the year ended March 31, 2023

(₹ in crore)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>I</b> Revenue from operations	28	14,279.29	11,589.65
<b>II</b> Other income	29	41.91	35.63
<b>III Total income (I +II)</b>		<b>14,321.20</b>	<b>11,625.28</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	30	11,665.27	9,230.50
(b) Purchase of stock-in-trade		1,343.47	858.67
(c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap	31	(364.94)	30.97
(d) Employee benefits expense	32	148.90	124.59
(e) Finance costs	33	47.51	43.43
(f) Depreciation and amortisation expense	34	102.46	93.79
(g) Other expenses	35	689.36	580.89
<b>Total expenses</b>		<b>13,632.03</b>	<b>10,962.84</b>
<b>V Profit before tax (III - IV)</b>		689.17	662.44
<b>VI Tax expense:</b>			
(a) Current tax		173.61	161.95
(b) Deferred tax charge (net)	20	3.64	6.26
<b>Total tax expense</b>	42	<b>177.25</b>	<b>168.21</b>
<b>VII Profit for the year (V-VI)</b>		<b>511.92</b>	<b>494.23</b>
<b>VIII Other comprehensive income for the year</b>			
Add : (less) items that will not be reclassified to profit or loss			
(a) Remeasurements of post employment benefit obligation		(0.42)	0.76
(b) Income tax relating to above item		0.11	(0.20)
Other comprehensive income for the year		<b>(0.31)</b>	<b>0.56</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>511.61</b>	<b>494.79</b>
<b>X Earnings per equity share of ₹2 each</b>			
(a) Basic (in ₹)	37	18.47	19.80
(b) Diluted (in ₹)	37	18.45	17.85
See accompanying notes to the standalone financial statements	1-48		

In terms of our report attached.

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

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104

Place : Ghaziabad  
Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

## Statement of Changes in Standalone Equity for the year ended March 31, 2023

### a) Equity share capital

(₹ in crore)

Particulars	Amount
Balance as at April 1, 2021	24.98
Changes during the year ended March 31, 2022	25.08
<b>Balance as at March 31, 2022</b>	<b>50.06</b>
Changes during the year ended March 31, 2023	5.41
<b>Balance as at March 31, 2023</b>	<b>55.47</b>

### b) Other equity

(₹ in crore)

Particulars	Reserve & Surplus							Total
	Securities premium	General reserve	Capital Reserve	Capital Reserve on merger	Share capital pending allotment	Retained earnings	Share option outstanding account	
<b>Balance as at April 1, 2021</b>	<b>415.13</b>	<b>25.52</b>	<b>13.38</b>	-	-	<b>966.00</b>	<b>3.78</b>	<b>1,423.81</b>
Profit for the year ended March 31, 2022	-	-	-	-	-	494.23	-	494.23
Other comprehensive income for the year, net of tax (Remeasurements of post employment benefit obligation)	-	-	-	-	-	0.56	-	0.56
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>494.79</b>	-	<b>494.79</b>
<b>Allocations/ Appropriations :</b>								
Add : Addition pursuant to merger of Tricoat (see note 47)	-	-	0.30	-	-	143.96	-	144.26
Add : Addition pursuant to merger of SLMUL (see note 47)	-	13.95	-	-	-	188.61	-	202.56
Less : Elimination of reserve created on fair valuation of investment in SLMUL (see note 47)	-	-	-	-	-	(187.11)	-	(187.11)
Capital reserve created on Merger (See note 47)	-	-	-	28.23	-	-	-	28.23
Other adjustment pursuant to merger (see note 47)	-	-	-	-	-	(2.14)	-	(2.14)
Share option outstanding account	-	-	-	-	-	-	1.69	1.69
Issue of bonus shares (see note 16(a)(vii))	(24.98)	-	-	-	-	-	-	(24.98)
Share capital pending issue to minority shareholders of Tricoat (see note 47)	-	-	-	-	5.37	-	-	5.37
Transfer to securities premium	3.90	-	-	-	-	-	(3.90)	-
Securities premium on issue of shares	6.93	-	-	-	-	-	-	6.93
	<b>(14.15)</b>	<b>13.95</b>	<b>0.30</b>	<b>28.23</b>	<b>5.37</b>	<b>143.32</b>	<b>(2.21)</b>	<b>174.81</b>

## Statement of Changes in Standalone Equity for the year ended March 31, 2023 (Contd.)

b) Other equity								(₹ in crore)
Particulars	Reserve & Surplus							Total
	Securities premium	General reserve	Capital Reserve	Capital Reserve on merger	Share capital pending allotment	Retained earnings	Share option outstanding account	
<b>Balance as at March 31, 2022</b>	<b>400.98</b>	<b>39.47</b>	<b>13.68</b>	<b>28.23</b>	<b>5.37</b>	<b>1,604.11</b>	<b>1.57</b>	<b>2,093.41</b>
Profit for the year ended March 31, 2023	-	-	-	-	-	511.92	-	511.92
Other comprehensive income for the year, net of tax (Remeasurements of post employment benefit obligation)	-	-	-	-	-	(0.31)	-	(0.31)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>511.61</b>	<b>-</b>	<b>511.61</b>
<b>Allocations/ Appropriations :</b>								
Dividend paid	-	-	-	-	-	(87.60)	-	(87.60)
Other adjustment	-	-	-	-	-	0.51	-	0.51
Share option outstanding account	-	-	-	-	-	-	0.22	0.22
Share capital issued pursuant to merger to minority shareholders of Tricoat (see note 47)	-	-	-	-	(5.37)	-	-	(5.37)
Transfer to Securities premium	0.01	-	-	-	-	-	(0.01)	-
Securities premium on issue of shares	2.70	-	-	-	-	-	-	2.70
	<b>2.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.37)</b>	<b>(87.09)</b>	<b>0.21</b>	<b>(89.54)</b>
<b>Balance As at March 31, 2023</b>	<b>403.69</b>	<b>39.47</b>	<b>13.68</b>	<b>28.23</b>	<b>-</b>	<b>2,028.63</b>	<b>1.78</b>	<b>2,515.48</b>

See accompanying notes to the standalone financial statements 1-48

In terms of our report attached.

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

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104

Place : Ghaziabad  
Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060



## Statement of Standalone Cash Flow for the year ended March 31, 2023

(₹ in crore)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>			(See note 47)
Profit before tax		689.17	662.44
Adjustments for:			
Depreciation and amortisation expense		102.46	93.79
Loss/(gain) on sale of property, plant and equipment (net)		0.11	0.37
Finance costs		47.51	43.43
Interest income on fixed deposits		(9.89)	(11.94)
Interest income on others		(11.69)	(5.76)
Share based expenses		0.25	1.69
Provision for slow moving inventory of spares & consumables		1.13	1.25
Bad debts written off		4.57	0.25
Allowance for doubtful claims receivables		-	0.27
Allowance for doubtful payment under protest		-	0.13
Allowance/(write back) for doubtful trade receivables (expected credit loss allowance)		0.94	(0.27)
(Gain)/loss on derivatives measured at fair value through profit & loss account		1.02	(0.28)
Net unrealized foreign exchange loss/(gain)		1.79	0.75
Government grant income		(7.77)	(6.97)
<b>Operating profit before working capital changes</b>		<b>819.60</b>	<b>779.15</b>
<b>Changes in working capital:</b>			
Adjustments for (increase)/decrease in operating assets:			
Inventories		(280.24)	(125.05)
Trade receivables		263.80	(250.19)
Current loans and other financial assets		(1.11)	3.43
Non-current loans and other financial assets		(1.31)	106.75
Other current assets		28.34	9.23
Other non-current assets		0.24	0.56
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		236.08	261.82
Other current liabilities		10.60	(20.60)
Other current financial liabilities		0.15	(0.07)
Other non current liabilities		7.78	0.25
Other non current financial liabilities		(0.35)	0.07
Provisions (current & non-current)		2.73	0.91
<b>Cash generated from operations</b>		<b>1,086.31</b>	<b>766.26</b>
Income tax (paid)		(171.70)	(151.82)
<b>Net cash flow from operating activities (A)</b>		<b>914.61</b>	<b>614.44</b>

## Statement of Standalone Cash Flow for the year ended March 31, 2023 (Contd.)

		(₹ in crore)	
Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>B. Cash flow from investing activities</b>			
Capital expenditure on property, plant and equipment (including capital advances)		(138.73)	(128.66)
Proceeds from sale of property, plant and equipment		18.65	13.95
Investment in other companies		(0.93)	(3.82)
Proceeds from sale of mutual funds and investment (net)		5.00	(5.00)
Loan (given)/repayment from subsidiary		(347.03)	
Investment in subsidiaries		(426.21)	(227.35)
Proceeds / (investment) in fixed deposits (net)		39.87	161.54
Interest received			
- fixed deposits		4.63	9.64
- others		7.92	8.24
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>(836.83)</b>	<b>(171.46)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from non-current borrowings		17.14	-
Repayment of non-current borrowings		(67.35)	(265.27)
Proceeds from current borrowings (net)		108.45	-
(Repayment) of current borrowings (net)		-	(46.45)
Payment of dividend		(87.51)	-
Proceeds from issue of equity share capital		2.74	7.03
Payment on account of lease liabilities		(0.56)	0.51
Finance costs		(42.86)	(45.13)
<b>Net cash flow (used in) financing activities (C)</b>		<b>(69.95)</b>	<b>(349.31)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>7.83</b>	<b>93.67</b>
Cash and cash equivalents at the beginning of the year		107.94	3.19
Cash and cash equivalents acquired on merger of Tricoat & SLMUL (see note 47)		-	11.08
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>115.77</b>	<b>107.94</b>

See accompanying notes to the standalone financial statements 1-48

In terms of our report attached.

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

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104

Place : Ghaziabad  
Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 1(i) Company background

APL Apollo Tubes Limited ("the Company") is a public limited Company incorporated in India on 24 February 1986 having CIN : L74899DL1986PLC023443 with its registered office at 37, Hargobind Enclave, Vikas Marg, Delhi-110092, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in the business of production of ERW steel tubes. The Company has Eight manufacturing units one each at i) Sikanderabad, Uttar Pradesh, ii) Hosur, Tamilnadu, iii) Raipur, Chhattisgarh, iv) Murbad, Maharashtra, v) Chegunta, Telangana, vi) Attebele, Karnataka, vii) Mallur, Karnataka and viii) Dujana, Uttar Pradesh. During the year, Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited (step down subsidiary and subsidiary company) got merged with the Company (see note 47).

The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 12, 2023.

### 1(ii) Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

#### (a) Statement of compliance

The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time as notified under Section 133 of the Companies Act 2013, the relevant provision of the Companies Act 2013 ("the Act") and other accounting principles generally accepted in India.

#### (b) Basis of Preparation

The standalone financial statements have been prepared in conformity with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between

market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### (c) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

### Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Standalone Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Standalone Statement of Profit or Loss.

### Useful lives of Property, plant and equipment ('PPE')

The Company reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

### Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined

benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Fair value measurement of derivative and other financial instruments

The fair value of financial instruments, that are not traded in an active market, is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

### (d) Operating cycle

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

### (e) Foreign currency translation

#### (i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

### (f) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

#### (i) Sale of goods

The Company derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. The Company recognises revenue at point in time.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/returns, goods and services tax and applicable discounts and allowances.

In contracts where the Company acts as an agent, the revenue is recorded at the net amount that the Company retains for its services.

### (ii) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

### (iii) Commission Income

Commission income is recognised when the services are rendered.

### (iv) Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

## (g) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in the Statement of profit or loss on a systematic basis over the expected useful life of the related assets.

The grant which is received to compensate the import cost of assets subject to an export obligation as prescribed in the export promotion capital goods scheme is recognised as income in the statement of profit and loss linked to fulfilment of associated export obligations.

The benefit of a government loan at a below-market rate of interest is treated as government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and are presented in the balance sheet as deferred income.

## (h) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each year adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in Other Comprehensive Income.

### (i) Leases

#### As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are

evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (j) Impairment of assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the assets does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (k) Cash and cash equivalents and Cash Flow Statement

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

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 cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Short term borrowings, repayments and advances having maturity of three months or less, are shown as net in cash flow statement.

### (l) Inventories

#### Raw materials, work in progress, stores, traded and finished goods

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

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

#### Rejection and scrap

Rejection and scrap are valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (m) Property, plant and equipment and capital work-in-progress

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

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

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of 3 years.

Property, plant and equipment acquired in business combination are recognised at fair value at the acquisition date. Subsequent costs are included in the assets carrying value or recognised as a separate assets as appropriate only when it is possible that future economic benefit associated with the item will flow to the Company.

#### Capital work-in-progress

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

#### Depreciation methods, estimated useful lives and residual value

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act,

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

2013 except in the case of the certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of various property, plant and equipment is as under:-

- (a) Buildings- 10 to 60 years
- (b) Roads- 10 years
- (c) Plant and machinery used in manufacturing of pipe 10-20 years
- (d) Other plant and machinery- 2 to 10 years
- (e) Vehicles- 8 years
- (f) Furniture and fixtures- 10 years
- (g) Office equipment- 2-5 years
- (h) Computer & server- 3-6 years

The residual values, useful lives and method of depreciation of Property, plant & equipment is reviewed at the end of each financial year and adjusted prospectively, if appropriate.

### (n) Intangible assets

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

- (a) Computer software - 3 to 6 years

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

### (o) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected

to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### (p) Earnings per share

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

### (q) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

### (r) Contingent liabilities

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

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

### (s) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Rental income from leasing out of investment property is recognized on a straight line basis over the lease term, based on the total of the contractual payments divided by the number of months of the lease.

### (t) Employee benefits

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

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

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

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

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

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

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

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund."

### (u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### (v) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### (w) Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### A. Investments and other financial assets

##### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income.

The classification criteria of the Company for debt and equity instruments is provided as under:

##### (a) Debt instruments

Depending upon the business model of the Company, debt instruments can be classified under following categories:

- Debt instruments measured at amortised cost
- Debt instruments measured at fair value through other comprehensive income
- Debt instruments measured at fair value through profit or loss

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

##### (b) Equity instruments

The equity instruments can be classified as:

- Equity instruments measured at fair value through profit or loss ("FVTPL")



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

- Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

Equity instruments and derivatives are normally measured at FVTPL. However, on initial recognition, an entity may make an irrevocable election (on an instrument-by-instrument basis) to present in OCI the subsequent changes in the fair value of an investment in an equity instrument within the scope of Ind AS -109.

### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from

these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Investment in equity shares

The Company subsequently measures all equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Company has equity investments in two entities which are not held for trading. The Company has elected the FVTOCI irrevocable option for both of these investments (see note 3(b)). Fair value is determined in the manner described in note 43.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Expected credit loss are measured through a loss allowance at an amount equal to the following:

- (a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other income.

### (iv) Derecognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## B. Financial Liabilities

### (i) Classification

The Company classifies its financial liabilities in the following measurement categories:

- Financial liabilities measured at fair value through profit or loss
- Financial liabilities measured at amortized cost

### (ii) Measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognised at fair value.

Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

#### Financial liabilities measured at Amortized Cost :

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in the statement of profit or loss.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the financial liabilities using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (iii) De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

### (x) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### (y) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### (z) Segment information

The Company determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the standalone financial statements are consistently applied to record revenue and expenditure in individual segments.

The Company is engaged in the business of production of ERW steel tubes. As the Company's business activity primarily falls within a single business and geographical segment i.e

manufacture of steel tubes, there are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.

### 1(iii) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements - This amendment require companies to disclose their material accounting policies information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect to have any significant impact in its financial statements due to this amendment.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The Company does not expect to have any significant impact in its financial statements due to this amendment.

Ind AS 12 – Income Taxes - The amendment has narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect to have any significant impact in its financial statements due to this amendment.

Other amendments - Other amendments include amendments in Ind AS 102, Share-based Payments, Ind AS 103, Business Combination, Ind AS 109, Financial Instruments, Ind AS 115, Revenue from Contract with Customers, are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact in its financial statements due to these amendments.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 2(a) : Property, Plant and Equipment

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of :</b>		
Freehold land	72.48	66.56
Building	243.73	263.40
Plant and machinery	943.06	942.38
Office equipments	2.68	2.91
Vehicles	11.72	13.73
Furniture and fixtures	4.24	5.20
Computers	2.11	1.92
	<b>1,280.02</b>	<b>1,296.10</b>

(₹ in crore)

	Freehold Land	Building	Plant and machinery	Office equipments	Vehicles	Furniture and fixtures	Computers	Total
<b>Cost/Deemed cost</b>								
<b>As at April 1, 2021</b>	<b>40.46</b>	<b>225.96</b>	<b>824.53</b>	<b>4.51</b>	<b>16.11</b>	<b>8.60</b>	<b>3.84</b>	<b>1,124.01</b>
Addition pursuant to merger of Tricoat (see note 47)	18.20	59.38	269.41	1.43	1.88	1.12	-	351.42
Addition pursuant to merger of SLMUL (see note 47)	7.90	9.34	37.39	0.04	0.88	0.17	0.04	55.76
Additions	-	15.55	139.95	1.53	1.50	1.12	0.84	160.49
Sales/transfer during the year	-	-	(17.29)	-	(0.85)	-	-	(18.14)
<b>Balance at March 31, 2022</b>	<b>66.56</b>	<b>310.23</b>	<b>1,253.99</b>	<b>7.51</b>	<b>19.52</b>	<b>11.01</b>	<b>4.72</b>	<b>1,673.54</b>
Additions	11.16	6.01	109.81	0.96	1.16	0.16	1.00	130.26
Sales during the year	-	(0.16)	(35.04)	(0.04)	(0.27)	-	-	(35.51)
Asset classified as held for sale (see note 2(g))	(5.24)	(16.08)	-	-	-	-	-	(21.32)
<b>Balance at March 31, 2023</b>	<b>72.48</b>	<b>300.00</b>	<b>1,328.76</b>	<b>8.43</b>	<b>20.41</b>	<b>11.17</b>	<b>5.72</b>	<b>1,746.97</b>
<b>Accumulated depreciation</b>								
<b>As at April 1, 2021</b>	<b>-</b>	<b>31.28</b>	<b>207.13</b>	<b>3.06</b>	<b>3.55</b>	<b>4.37</b>	<b>2.17</b>	<b>251.56</b>
Addition pursuant to merger of Tricoat (see note 47)	-	3.39	22.49	0.52	0.15	0.19	-	26.74
Addition pursuant to merger of SLMUL (see note 47)	-	1.01	11.66	0.02	0.45	0.06	0.03	13.23
Elimination on disposal of assets	-	-	(5.06)	-	(0.72)	-	-	(5.78)
Depreciation expense	-	11.15	75.39	1.00	2.36	1.19	0.60	91.69
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>46.83</b>	<b>311.61</b>	<b>4.60</b>	<b>5.79</b>	<b>5.81</b>	<b>2.80</b>	<b>377.44</b>
Elimination on disposal of assets	-	-	(8.72)	(0.01)	(0.25)	-	-	(8.98)
Asset classified as held for sale (see note 2(g))	-	(2.05)	-	-	-	-	-	(2.05)
Depreciation expense	-	11.49	82.81	1.16	3.15	1.12	0.81	100.54
<b>Balance at March 31, 2023</b>	<b>-</b>	<b>56.27</b>	<b>385.70</b>	<b>5.75</b>	<b>8.69</b>	<b>6.93</b>	<b>3.61</b>	<b>466.95</b>
<b>Net carrying value</b>								
<b>Balance at March 31, 2022</b>	<b>66.56</b>	<b>263.40</b>	<b>942.38</b>	<b>2.91</b>	<b>13.73</b>	<b>5.20</b>	<b>1.92</b>	<b>1,296.10</b>
<b>Balance at March 31, 2023</b>	<b>72.48</b>	<b>243.73</b>	<b>943.06</b>	<b>2.68</b>	<b>11.72</b>	<b>4.24</b>	<b>2.11</b>	<b>1,280.02</b>

#### Notes :-

- (1) Property, plant and equipment as detailed in note 2(a) have been pledged as security for loans taken as at March 31, 2022. See note 17 & 22 for loans taken against which these assets are pledged.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 2 : Below are the title deed of Immovable Property not held in the name of the Company

(i) Particulars	As at March 31, 2023	As at March 31, 2022
Relevant line items in the balance sheet	Property, plant and equipment	Property, plant and equipment
Description of item property	Building	Building
Gross carrying value (₹ in crore)	1.47	1.47
Title deeds held in the name of	Llyod Line Pipes Limited	Llyod Line Pipes Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Property held since which date	23-Nov-08	23-Nov-08
Reason for not being held in the name of the Company	Pending transfer in name of the Company post merger	Pending transfer in name of the Company post merger
(ii) Particulars	As at March 31, 2023	As at March 31, 2022
Relevant line item in the balance sheet	Property, plant and equipment	Property, plant and equipment
Description of item property	Land at Dujana plant	Land at Dujana plant
Gross carrying amount (Amount in ₹ crore)	9.06	9.06
Title deeds held in the name of	Potential Investments and Finance Limited	Potential Investments and Finance Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Property held since which date	26-Dec-15	26-Dec-15
Reason for not being held in the name of the Company	Pending transfer in name of the Company post merger and name change	Pending transfer in name of the Company post merger and name change
<b>Note:</b> Potential Investments and Finance Limited is the erstwhile name of Apollo Tricoat Tubes Limited which has been merged with the Company (see note 47)		
(iii) Particulars	As at March 31, 2023	As at March 31, 2022
Relevant line item in the balance sheet	Property, plant and equipment	Property, plant and equipment
Description of item property	Land & building at Attibele plant	Land & building at Attibele plant
Gross carrying amount (Amount in ₹ crore)	21.56	20.13
Title deeds held in the name of	Shri Lakshmi Metal Udyog Limited	Shri Lakshmi Metal Udyog Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Property held since which date	06-May-09	06-May-09
Reason for not being held in the name of the Company	Pending transfer in name of the Company post merger (see note 47)	Pending transfer in name of the Company post merger (see note 47)



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 2(b) Capital work in progress

(₹ in crore)

Particulars	Building	Plant and machinery	Total
<b>As at April 1, 2021</b>	<b>4.98</b>	<b>47.91</b>	<b>52.89</b>
Addition pursuant to merger of Tricoat (see note 47)	3.15	9.24	12.39
Addition pursuant to merger of SLMUL (see note 47)	-	0.35	0.35
Add : Additions during the year	3.36	72.55	75.91
Less : Transfer to property, plant and equipment (see note 2(a))	(8.42)	(80.75)	(89.17)
<b>Closing balance as at March 31, 2022</b>	<b>3.07</b>	<b>49.30</b>	<b>52.37</b>
Add : Additions during the year	6.15	93.53	99.68
Less : Transfer to property, plant and equipment (see note 2(a))	(6.01)	(109.81)	(115.82)
<b>Closing balance as at March 31, 2023</b>	<b>3.21</b>	<b>33.02</b>	<b>36.23</b>

#### Ageing of Capital work in progress (CWIP) is as below :

(₹ in crore)

Amount in CWIP for a period of	Projects in progress	Projects temporarily suspended	Amount as at March 31, 2023
Less than 1 year	17.89	-	17.89
1-2 years	11.74	-	11.74
2-3 years	0.18	6.34	6.52
More than 3 years	0.08	-	0.08
<b>Total</b>	<b>29.89</b>	<b>6.34</b>	<b>36.23</b>

(₹ in crore)

Amount in CWIP for a period of	Projects in progress	Projects temporarily suspended	Amount as at March 31, 2022
Less than 1 year	44.81	-	44.81
1-2 years	1.22	6.34	7.56
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total</b>	<b>46.03</b>	<b>6.34</b>	<b>52.37</b>

### 2(c) Investment property

(₹ in crore)

	Investment property
<b>Cost/deemed cost</b>	
<b>As at April 1, 2021</b>	-
Additions	-
Assets re-classified from "Asset classified as held for sale" (see note 2(g) below)	62.51
<b>Balance at March 31, 2022</b>	<b>62.51</b>
Additions	-
<b>Balance at March 31, 2023</b>	<b>62.51</b>
<b>Accumulated depreciation</b>	
<b>As at April 1, 2021</b>	-
Charge for the year	-
<b>Balance at March 31, 2022</b>	-
Charge for the year	-
<b>Balance at March 31, 2023</b>	-
Net carrying value	
<b>Balance at March 31, 2022</b>	<b>62.51</b>
<b>Balance at March 31, 2023</b>	<b>62.51</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### Note :-

- (i) Term loan facilities & working capital facilities availed by wholly owned subsidiary company i.e. APL Apollo Building Products Private Limited are secured by first pari passu charge through equitable mortgage of the above investment property situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh.
- (ii) Rental income on assets given on operating lease to subsidiary is ₹1.86 crore for the year ended March 31, 2023 (March 31, 2022 : ₹0.31 crore).
- (iii) The future minimum lease payments receivable under operating leases in the aggregate and for each of the following periods :

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Minimum future lease payments receivable :</b>		
a) not later than one year	1.86	1.86
b) later than one year but not later than five year	9.30	9.30
c) later than five year	49.44	51.30

### 2(d) Right of use assets (ROU) and lease liabilities

(₹ in crore)

Particulars	Category of ROU Asset			Total
	Land	Building	Vehicle	
<b>As at April 1, 2021</b>	17.47	0.09	-	17.56
Addition pursuant to merger of Tricoat (see note 47)	21.03	-	0.09	21.12
Additions	-	1.09	-	1.09
Amortisation	(0.60)	(0.54)	-	(1.14)
<b>Balance as at March 31, 2022</b>	<b>37.90</b>	<b>0.64</b>	<b>0.09</b>	<b>38.63</b>
Additions	-	-	-	-
Amortisation	(0.50)	(0.55)	-	(1.05)
<b>Balance as at March 31, 2023</b>	<b>37.40</b>	<b>0.09</b>	<b>0.09</b>	<b>37.58</b>

- (i) ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The lease term is 44-90 years for land and 3 years for building and 3 years for vehicle. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of standalone Profit and Loss.
- (ii) ROU assets have been pledged as security for loans taken as at March 31, 2023. See note 17 & 22 for loans taken against which these assets are pledged (except Vehicle loan).
- (iii) ROU asset includes leasehold land located at Murbad, Maharashtra having gross carrying value of ₹1.44 crore (March 31, 2022 : ₹1.44 crore) (net carrying value of ₹1.05 crore as at March 31, 2023, March 31, 2022 : ₹1.06 crore), the title deeds of whose is in the name of Lloyd Line Pipe Limited (LLPL). LLPL was merged with the Company in earlier year under section 230 and section 232 of the Companies Act, 2013 in terms of approval of Hon'ble National Company Law Tribunal, Principal bench, New Delhi and the land is pending transfer in the name of the Company post merger. The Company is holding the property since September 26, 1994.
- (iv) ROU asset includes leasehold land located at Malur, Karnataka having gross carrying value of ₹13.82 crore (March 31, 2022: ₹13.82 crore) (net carrying value of ₹13.10 crore as at March 31, 2023, March 31, 2022 : ₹13.24 crore), the title deeds of whose is in the name of Best Steel Logistics Limited. Best Steel Logistics Limited is the erstwhile name of Apollo Tricoat Tubes Limited which has been merged with the Company (See note 47)
- (v) The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022 :

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liability	0.09	0.64
Non-current lease liability	-	0.01
<b>Total</b>	<b>0.09</b>	<b>0.65</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(vi) The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 : (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning</b>	0.65	0.08
Addition pursuant to merger of Tricoat (see note 47)	-	0.06
Additions	-	1.09
Finance cost accrued during the year	0.03	0.03
Payment of lease liabilities	(0.59)	(0.61)
<b>Balance at the end</b>	<b>0.09</b>	<b>0.65</b>

(vii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis : (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.10	0.61
One to five years	-	0.10
More than five years	-	-
<b>Total</b>	<b>0.10</b>	<b>0.71</b>

(viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ix) Rental expense recorded for short-term leases is ₹4.99 crore for the year ended March 31, 2023 (March 31, 2022 : ₹4.74 crore).

### 2(e) : Goodwill

(₹ in crore)

	As at March 31, 2023
<b>As at April 1, 2021</b>	-
Add : Goodwill as appearing in Consolidated Financial Statements on April 1, 2021 pursuant to merger (See note 47)	137.50
As at March 31, 2022	137.50
Add : Addition	-
<b>As at March 31, 2023</b>	<b>137.50</b>

#### Note :

Goodwill represents the difference between purchase consideration and the fair value of net assets acquired in past.

### 2(f) Intangible Assets

(₹ in crore)

	Computer Softwares
<b>Cost / deemed cost</b>	
<b>As at April 1, 2021</b>	<b>5.82</b>
Addition pursuant to merger of Tricoat (see note 47)	0.51
Additions	0.24
Disposal	-
<b>Balance at March 31, 2022</b>	<b>6.57</b>
Additions	0.63
Disposal	-
<b>Balance at March 31, 2023</b>	<b>7.20</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 2(f) Intangible Assets (contd.)

(₹ in crore)

	Computer Softwares
<b>Amortisation</b>	
<b>As at April 1, 2021</b>	<b>4.20</b>
Addition pursuant to merger of Tricoat (see note 47)	0.30
Amortisation expense	0.96
Elimination on disposal	-
<b>Balance at March 31, 2022</b>	<b>5.46</b>
Amortisation expense	0.52
Elimination on disposal	-
<b>Balance at March 31, 2023</b>	<b>5.98</b>
Net carrying value	
<b>Balance at March 31, 2022</b>	<b>1.11</b>
<b>Balance at March 31, 2023</b>	<b>1.22</b>

### 2(g) : Asset classified as held for sale

(₹ in crore)

	Land
<b>As at April 1, 2021</b>	62.51
Assets re-classified to investment property during the year (see note (i) below)	(62.51)
<b>Balance at March 31, 2022</b>	-
Addition during the year (net) (see note (ii) below)	19.27
<b>Balance at March 31, 2023</b>	<b>19.27</b>

#### Note :

- (i) As at March 31, 2021, Assets classified as held for sale consists of plot of land whose fair valuation was ₹64.26 crore. The valuation was performed by Government of India approved valuer. The fair value measurement categorised as a level 3 fair value based on the inputs of the valuation technique used. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. No impairment loss was recognised in reclassification of the land as asset held for sale as the Directors of the Company, based on valuation report, expected that the fair value less cost to sell to be higher than the carrying amount.

During the previous year ended March 31, 2022, the Company, instead of selling the said land to APL Apollo Building Products Private Limited (subsidiary company), decided to lease out the same on long term basis and accordingly reclassified the land to Investment Property. Fair value of land as on March 31, 2023 is ₹71.52 crore (March 31, 2022 : ₹63.07 crore). The valuation was performed by Government of India approved valuer. The fair value measurement categorised as a level 3 fair value based on the inputs of the valuation technique used. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

- (ii) The Company intends to sell guest house and freehold land & building at Attebele, which it no longer plans to utilise in next 12 months. Assets classified as held for sale consist of land and building whose aggregate fair value is ₹15.00 crore and ₹9.00 crore for guest house and freehold land & building at attebele respectively. The valuation was performed by Government of India approved valuer. The fair value measurement categorised as a level 3 fair value based on the inputs of the valuation technique used. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. No impairment loss has been recognised in reclassification of the land and building as asset held for sale as the Directors of the Company, based on valuation report, expects that the fair value less cost to sell to be higher than the carrying amount.

The title deeds of Freehold land & building located Attebele, Karnataka included above having gross carrying value of ₹8.62 crore (March 31, 2022 : ₹8.62 crore) (net carrying value of ₹7.93 crore as at March 31, 2023, March 31, 2022 : ₹8.04 crore) are in the name of Best Steel Logistics Limited (erstwhile name of Apollo Tricoat Tubes Limited). Apollo Tricoat Tubes Limited has been merged with the Company in the current year under section 230 and section 232 of the Companies Act, 2013 in terms of approval of Hon'ble National Company Law Tribunal, Principal bench, New Delhi and the land is pending transfer in the name of the Company post merger. The Company is holding the property since October 14, 2016. As at March 31, 2022, freehold land & building located at Attebele, Karnataka was classified in Property, plant & equipment.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 3 Investment (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>3(a) Investment in wholly owned subsidiaries - (unquoted, fully paid) :</b>		
(i) 2,711,100 (March 31, 2022: 2,711,100) equity shares of ₹10 each fully paid up in Apollo Metalex Private Limited - at fair value (see note (i) below)	132.78	132.78
(ii) 44,150 (March 31, 2022: 23,511) equity shares of ₹10 each fully paid up in Blue Ocean Projects Private Limited - at cost (see note (ii) below)	115.06	57.83
(iii) 1.00 (March 31, 2022 : 1) equity share of AED 1,000,000 each fully paid up in APL Apollo Tubes FZE - at cost	1.90	1.90
(iv) 300 (March 31, 2022 : Nil) equity share of AED 1,000 each fully paid up in A P L Apollo Tubes Company L.L.C- at cost (see note (iii) below)	0.66	-
(v) 600,000,000 (March 31, 2022: 260,000,000) equity shares of ₹10 each fully paid up in APL Apollo Building Products Private Limited - at cost (see note (iv) below)	600.00	260.00
(vi) 104,080,274 (March 31, 2022: 100,000) equity shares of ₹10 each fully paid up in APL Apollo Mart Limited - at cost (see note (v) below)	104.08	0.10
<b>Sub Total</b>	<b>954.48</b>	<b>452.61</b>
<b>3(b) Investment in wholly owned subsidiaries - (unquoted, fully paid, pending allotment):</b>		
(i) 75,660,774 (March 31, 2022: 75,660,774) equity shares of ₹10 each in APL Apollo Mart Limited - at cost (see note (v) below)	-	75.66
<b>Sub Total</b>	<b>-</b>	<b>75.66</b>
<b>Total (3(a) + 3(b))</b>	<b>954.48</b>	<b>528.27</b>

#### Notes :

- The Company in previous year ended March 31, 2018 measured its investment in subsidiary on the date of transition to Ind-AS (i.e. April 1, 2016) at its fair value and considered the same as its deemed cost. Accordingly the Company has recorded the investment in subsidiary at its fair value of ₹132.78 crore (original cost ₹7.21 crore).
- The Company has during the year invested ₹57.23 crore (March 31, 2022 : ₹17.05 crore) in Blue Ocean Projects Private Limited by subscribing to 20,639 equity shares of ₹10 each at a premium of ₹27,715.28 each (March 31, 2022 : 6,636 shares of ₹10 each at a premium of ₹25,678.47 each).
- The Company has during the year invested ₹0.66 crore (March 31, 2022 : Nil) in A P L Apollo Tubes Company L.L.C. by subscribing to 300 equity shares of AED 1,000 each.
- The Company has during the year invested ₹340.00 crore (March 31, 2022 : ₹154.30 crore) in APL Apollo Building Products Private Limited by subscribing to 340,000,000 equity shares (March 31, 2022 : 154,312,500 equity share) of ₹10 each.
- The Company has during the year invested ₹103.98 crore (March 31, 2022 : ₹0.10 crore) in APL Apollo Mart Limited by subscribing to 103,980,274 shares (including ₹75.66 crore to subscribe to 75,660,774 equity shares paid in previous year and pending allotment against right issue) (March 31, 2022 : 100,000 equity shares of ₹10 each). APL Apollo Mart Limited was incorporated on December 7, 2021. During the current year, the shares pending allotment against the right issue were allotted.

### 3(c) Investments in equity instruments carried at fair value through the other comprehensive income - (unquoted, fully paid):

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) 931,400 (March 31, 2022: 931,400) equity shares of ₹10 each fully paid up in Clover Energy Private Limited (see note (i) below)	0.93	0.93
(ii) 126,000 (March 31, 2022: 126,000) equity shares of ₹10 each fully paid up in AMPSOLAR Urja Private Limited (see note (ii) below)	0.13	0.13
(iii) 2,900,000 (March 31, 2022: 2,900,000) equity shares of ₹10 each fully paid up in Radiance Ka Sunrise Two Private Limited (see note (iii) below)	2.90	2.90
(iv) 75,000 (March 31, 2022: Nil) equity shares of ₹10 each fully paid up in APL Apollo Foundation (see note (iv) below)	0.08	-
<b>Sub Total</b>	<b>4.04</b>	<b>3.96</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### Notes :

- (i) The Company holds 3.35% (March 31, 2022 : 3.35%) equity shares of Clover Energy Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (ii) The Company holds 3.91% (March 31, 2022 : 3.91%) equity shares of AMPSOLAR Urja Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (iii) The Company holds 26.00% (March 31, 2022 : 3.91%) equity shares of Radiance Ka Sunrise Two Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (iv) The Company has during the year invested ₹0.08 crore in APL Apollo Foundation ('Foundation'), a Company registered under section 8 of the Companies Act, 2013. The Company was incorporated on April 19, 2022 and the purpose of the Foundation is to undertake CSR activities. As at March 31, 2023, the Company holds 50.00% (March 31, 2022 : Nil) equity shares of the Foundation.

### 3(d) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid): (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth (1,099,925 units at NAV of ₹9.64 per unit) (March 31, 2022 : 99,895 units at NAV of ₹12.42 per unit)	1.06	0.21
<b>Sub Total</b>	<b>1.06</b>	<b>0.21</b>

### 3(e) Investments in compulsory convertible debentures carried at cost - (unquoted, fully paid): (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) 11,340 (March 31, 2022: 11,340) compulsory convertible debentures of ₹1,000 each fully paid up in AMPSOLAR Urja Private Limited	1.13	1.13
<b>Sub Total</b>	<b>1.13</b>	<b>1.13</b>
<b>Total (3(c) + 3(d) + 3(e))</b>	<b>6.23</b>	<b>5.30</b>
<b>Aggregate carrying value/book value of unquoted investment</b>	<b>959.64</b>	<b>533.36</b>
<b>Aggregate carrying value/book value of quoted investment</b>	<b>1.06</b>	<b>0.21</b>
<b>Market value of quoted investment</b>	<b>1.06</b>	<b>0.21</b>

## 4 Loans (Non-current)

### (Unsecured, considered good) (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Loans to subsidiary company (see note below)	347.18	-
(b) Loans & advances to employees	0.27	0.42
<b>Total</b>	<b>347.45</b>	<b>0.42</b>

### Note :

- a) During the year, the Company has given loan amounting to ₹280.00 crore (March 31, 2022 : Nil) carrying interest 8.00 % p.a. to a wholly owned subsidiary viz. APL Apollo Building Products Private Limited for the purpose of meeting its operational and capital requirements. The loan is repayable upto 5 years as and when funds are available with APL Apollo Building Products Private Limited. The maximum amount outstanding during the year was ₹280.00 crore (March 31, 2022 : Nil).
- b) During the year, the Company has paid a loan amounting to AED 30,000,000 (Equivalent ₹67.18 crore) (March 31, 2022 : Nil) carrying interest 8.00 % p.a. to a wholly owned subsidiary viz. A P L Apollo Tubes Company L.L.C. for the purpose of meeting its capital expenditure requirements. The loan is repayable upto 5 years as and when funds are available with A P L Apollo Tubes Company L.L.C. The maximum amount outstanding during the year was ₹67.18 crore (March 31, 2022 : Nil).

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 5 Other financial assets (Non-current)

(Unsecured)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claim receivable	0.54	0.32
Less : Provision created for doubtful claims receivable	0.27	0.27
	<b>0.27</b>	<b>0.05</b>
(b) Security deposit (considered good)	21.97	20.82
(c) Balance in fixed deposits with maturity of more than 12 months	0.02	0.08
<b>Total</b>	<b>22.26</b>	<b>20.95</b>

### 6 Non-current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance income (net of provision of ₹102.94 crore) (As at March 31, 2022 : ₹196.69 crore)	4.62	-
<b>Total</b>	<b>4.62</b>	<b>-</b>

### 7 Other non-current assets

(Unsecured, considered good) (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital advances	59.90	29.44
(b) Prepaid expenses	2.36	3.18
(c) Value added tax (VAT) credit receivable	0.44	0.19
(d) Income tax deposit refundable	0.92	0.92
(e) Payment under protest (see note below)		
(i) Excise duty	0.21	0.25
(ii) Value added tax	0.39	0.83
(iii) Income tax	1.26	0.46
<b>Total</b>	<b>65.48</b>	<b>35.27</b>

#### Note :

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially effect on its standalone financial statements.

### 8 Inventories

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw material (including stock-in-transit)	215.26	300.49
(b) Finished goods (including stock-in-transit)	570.69	288.76
(c) Stock in trade	4.37	5.46
(d) Work in progress	210.02	147.70
(e) Stores and spares (including stock-in-transit)	23.47	23.56
(f) Rejection and scrap (including stock-in-transit)	33.73	11.95
<b>Total</b>	<b>1,057.54</b>	<b>777.92</b>

#### Notes :

- (i) Cost of inventory (including stores & spares) recognised as expense during the year amounted to ₹12,725.20 crore (March 31, 2022 : ₹10,192.59 crore).

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (ii) Details of stock-in-transit

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
Raw material	1.94	1.71
Finished goods	43.12	37.40
Rejection and Scrap	-	1.84
Stores and spares	0.35	0.04
(iii) Provision for slow moving inventory of stores & spares.	1.13	1.25

(iv) The mode of valuation of inventories has been stated in note 1(ii)(m) of significant accounting policies.

(v) Inventories have been pledged as security towards Company's borrowings from banks.

### 9 Investment (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid)		
(i) Investment in mutual fund of Invesco Mutual Fund - regular plan growth (March 31, 2023 : Nil) (March 31, 2022 : 1,950,330.407 units at NAV of ₹25.6354 per unit)	-	5.00
	-	<b>5.00</b>

### 10 Trade receivables (Current)

(Unsecured)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Considered good		
(i) Related parties	5.27	62.04
(ii) Other than related parties	99.02	311.19
<b>Sub total</b>	<b>104.29</b>	<b>373.23</b>
(b) Considered doubtful (other than related parties)	2.12	5.75
Less: Allowance for trade receivables (expected credit loss allowance)	(2.12)	(5.75)
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>104.29</b>	<b>373.23</b>

(i) The average credit period on sale of goods is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. Customers who represent more than 10% of the total balance of trade receivables are as follows :

(₹ in crore)

Particulars	As at March 31, 2023
Customer B	19.46
Customer C	18.60
	<b>38.06</b>
% of total trade receivables	36.50%

(₹ in crore)

Particulars	As at March 31, 2022
Customer A	58.33
Customer B	42.25
	<b>100.58</b>
% of total trade receivables	26.95%

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

- (ii) In determining the allowance for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

### (1) Movements in expected credit loss is as below :

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	5.75	6.27
Provison (written back) / Charge in statement of profit and loss	0.94	(0.27)
Utilised during the year	(4.57)	(0.25)
<b>Balance at the end of the year</b>	<b>2.12</b>	<b>5.75</b>

### (2) Ageing of trade receivables and credit risk arising there from is as below :

(₹ in crore)

Particulars	As at March 31, 2023						Total
	Outstanding for following periods from due date of payment						
	Not yet due	Less than six months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables - considered good	96.08	8.20	0.01	-	-	-	104.29
(b) Undisputed trade receivables - credit impaired	0.26	0.45	1.20	-	-	0.21	2.12
	<b>96.34</b>	<b>8.65</b>	<b>1.21</b>	<b>-</b>	<b>-</b>	<b>0.21</b>	<b>106.41</b>
Less : Allowance for credit losses							2.12
<b>Net trade receivables</b>							<b>104.29</b>

(₹ in crore)

Particulars	As at March 31, 2022						Total
	Outstanding for following periods from due date of payment						
	Not yet due	Less than six months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables - considered good	326.00	47.01	0.16	0.06	-	-	373.23
(b) Undisputed trade receivables - credit impaired	0.62	0.37	0.08	0.10	1.56	3.02	5.75
	<b>326.62</b>	<b>47.38</b>	<b>0.24</b>	<b>0.16</b>	<b>1.56</b>	<b>3.02</b>	<b>378.98</b>
Less : Allowance for credit losses							5.75
<b>Net trade receivables</b>							<b>373.23</b>

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

### (3) Ageing wise % of expected credit loss

Particulars	As at March 31, 2023	As at March 31, 2022
Not yet due	0.00 % to 0.28 %	0.00 % to 0.19 %
Less than six months	0.29 % to 5.25 %	0.20 % to 0.79 %
6 months- 1 year	5.26 % to 99.13 %	0.80 % to 33.48 %
1-2 years	100.00%	33.49 % to 61.20 %
2-3 years	100.00%	100.00 %
More than 3 years	100.00%	100.00 %

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(4) Trade receivables have been pledged as security towards Company's borrowings from banks.

**Note :**

There are no outstanding debts due from directors or other officers of the Company.

### 11 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	0.14	0.23
(b) Balances with banks - in current accounts	1.26	7.70
(c) Balances with banks - in cash credit accounts (see note 22)	114.37	-
(d) In fixed deposits with maturity of less than 3 months at inception	-	100.01
<b>Total</b>	<b>115.77</b>	<b>107.94</b>

### 12 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) In earmarked accounts		
(i) unpaid dividend account	0.56	0.46
(ii) Escrow account (see note 48 (b))	2.34	1.58
(iii) In fixed deposits with maturity of more than 3 months and less than 12 months at inception	10.75	177.72
(iv) In margin money with maturity of more than 3 months and less than 12 months at inception (see note below)	126.24	-
<b>Total</b>	<b>139.89</b>	<b>179.76</b>

**Note :**

Fixed deposits have been pledged as security for working capital facilities taken as at March 31, 2023. See note 22 for working capital facilities taken against which these assets are pledged.

### 13 Loans (Current)

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Loans & advances to employees	1.20	1.13
<b>Total</b>	<b>1.20</b>	<b>1.13</b>

### 14 Other financial assets (Current)

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Interest accrued but not due on fixed deposits	8.74	3.48
(b) Interest accrued and due on loans given	3.77	-
(c) Security Deposit	0.01	0.01
(d) Derivative assets (net)	1.27	2.30
(e) Export incentives receivable	0.25	3.67
(f) Claim receivables	10.45	5.99
<b>Total</b>	<b>24.49</b>	<b>15.45</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 15 Other current assets

(Unsecured, considered good unless otherwise stated)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance to suppliers	42.66	100.86
Less : Provision for doubtful advances	0.56	0.56
Net advance to suppliers	42.10	100.30
(b) Balances with government authorities		
(i) Goods and services tax (GST) credit receivable	41.02	5.59
(ii) Advance goods and service tax credit on import of goods	0.59	0.30
(c) GST Refund Receivable	-	6.54
(d) Prepaid expenses	2.23	1.56
<b>Total</b>	<b>85.94</b>	<b>114.29</b>

### 16 Equity

#### 16(a) Equity share capital

(Rupees in crore, except otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised capital</b>				
Equity shares of ₹2 each (March 31, 2022 : ₹2 each) (see note (vii))	375,000,000	75.00	375,000,000	75.00
Add : Increase in Authorised Share capital pursuant to Scheme of Amalgamation by 110,000,000 equity shares of ₹2 each) (See note 47)	110,000,000	22.00	-	-
	<b>485,000,000</b>	<b>97.00</b>	<b>375,000,000</b>	<b>75.00</b>
<b>Issued capital</b>				
Equity shares of ₹2 each (March 31, 2022 : ₹2 each) (see note (vii))	277,330,814	55.47	250,280,500	50.06
	<b>277,330,814</b>	<b>55.47</b>	<b>250,280,500</b>	<b>50.06</b>
<b>Subscribed and fully paid up capital</b>				
Equity shares of ₹2 each (March 31, 2022 : ₹2 each) (see note (vii))	277,330,814	55.47	250,280,500	50.06
	<b>277,330,814</b>	<b>55.47</b>	<b>250,280,500</b>	<b>50.06</b>

(i) Reconciliation of the number of shares and amount outstanding as at March 31, 2023 and March 31, 2022 :

Particulars	Number of shares		Amount (₹ in crores)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Equity share capital</b>				
<b>Outstanding at the beginning of the year</b>	250,280,500	124,896,000	50.06	24.98
Add: Issue of shares under Company's employee stock option plan (see note 40(d))	190,314	488,500	0.04	0.10
Add: Increase in the number of shares on account of bonus issue (see note (vii) below)	-	124,896,000	-	24.98
Add: Issue of shares to minority shareholders of Tricoat under merger scheme (see note 47)	26,860,000	-	5.37	-
<b>Outstanding at the end of the year</b>	<b>277,330,814</b>	<b>250,280,500</b>	<b>55.47</b>	<b>50.06</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

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

The Company has one class of equity shares having a par value of ₹2 each (March 31, 2022 : ₹2 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
APL Infrastructure Private Limited	78,000,000	28.13%	78,000,000	31.17%
Kitara PIIN 1001	18,633,768	6.72%	18,905,648	7.55%
SmallCap World Fund INC	15,782,000	5.69%	15,314,090	6.12%

### (iv) Shares held by promoters at the end of the year\*

Name of promoter	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
APL Infrastructure Private Limited	78,000,000	28.13%	78,000,000	31.17%
Sanjay Gupta	350,000	0.13%	350,000	0.14%
Veera Gupta	5,420,000	1.95%	5,420,000	2.17%
Rahul Gupta	1,501,000	0.54%	1,501,000	0.60%
Rohan Gupta	1,125,000	0.41%	1,125,000	0.45%
<b>Total</b>	<b>86,396,000</b>	<b>31.16%</b>	<b>86,396,000</b>	<b>34.53%</b>

### (v) Change in shares held by promoters during the current year and previous year

Name of promoter	Increase/(decrease) in sharholding (Year ended March 31, 2023)	Increase/(decrease) in sharholding (Year ended March 31, 2022)
APL Infrastructure Private Limited	(3.04)%	(1.26)%
Sanjay Gupta	(0.01)%	-
Veera Gupta	(0.21)%	(0.16)%
Rahul Gupta	(0.06)%	(0.60)%
Rohan Gupta	(0.04)%	(0.45)%

\*Promoter means promoter as defined in the Companies Act, 2013.

### (vi) Share options granted under the Company's employee share options plans

As at March 31, 2023, executives and senior employees held options over 193,750 equity shares of ₹2 each of the Company. (March 31, 2022 : 387,500 equity shares of ₹2 each) (see note (vii) below). Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 40.

(vii) The Board of Directors in its meeting held on August 6, 2021 recommended (subject to approval by shareholders) bonus issue of 1 (one) equity share of ₹2 each for every 1 (one) equity shares of ₹2 each held by shareholders of the Company as on the record date.

Pursuant to the approval of the shareholders through postal ballot (including remote e-voting), the Company allotted 124,896,000 bonus equity shares of ₹2 each as fully paid-up bonus equity shares, in the proportion of 1 (One) equity share of ₹2 each for every 1 (One) existing equity shares of ₹2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently, the Company capitalised a sum of ₹24.98 crore from 'other equity'(securities premium) to 'equity share capital'.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 16(b) Other equity

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	403.69	400.98
General reserve	39.47	39.47
Capital Reserve	41.91	41.91
Share capital to issue to minority shareholders of Tricoat (see note 47)	-	5.37
Retained earnings	2,028.63	1,604.11
Share option outstanding account	1.78	1.57
<b>Total</b>	<b>2,515.48</b>	<b>2,093.41</b>
<b>(1) Securities premium</b>		
Balance at the beginning of the year	400.98	415.13
Less: Utilised on account of issue of bonus shares (see note 16(a)(vii))	-	(24.98)
Add: On issue of shares under Company's employee stock option plan	2.71	10.83
<b>Balance at the end of the year</b>	<b>403.69</b>	<b>400.98</b>
<b>(2) General reserve</b>		
Balance at the beginning of the year	39.47	25.52
Add: Addition pursuant to merger of SLMUL (see note 47)	-	13.95
<b>Balance at the end of the year</b>	<b>39.47</b>	<b>39.47</b>
<b>(3) Capital reserve</b>		
Balance at the beginning of the year	41.91	13.38
Add: Addition pursuant to merger of Tricoat (see note 47)	-	0.30
Add: Adjustment arising on account of merger (see note 47)	-	28.23
<b>Balance at the end of the year</b>	<b>41.91</b>	<b>41.91</b>
<b>(4) Share capital pending allotment</b>		
Balance at the beginning of the year	5.37	-
Add: Share capital pending issuance to minority shareholders of Tricoat (see note 47)	-	5.37
Less: Share capital issued during the year to minority shareholders of Tricoat (see note 47)	(5.37)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>5.37</b>
<b>(5) Retained earnings</b>		
Balance at the beginning of the year	1,604.11	966.00
Add: Addition pursuant to merger of Tricoat (see note 47)	-	143.96
Add: Addition pursuant to merger of SLMUL (see note 47)	-	188.61
Less: Elimination of reserve created on fair valuation of investment in SLMUL (see note 47)	-	(187.11)
Less: Other adjustment pursuant to merger (net) (see note 47)	-	(2.14)
Add: Other adjustment	0.51	-
Add: Total comprehensive income for the year	511.61	494.79
Less: Dividend paid	(87.60)	-
<b>Balance at the end of the year</b>	<b>2,028.63</b>	<b>1,604.11</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 16(b) Other equity (contd.)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(6) Share option outstanding account</b>		
Balance at the beginning of the year	1.57	3.78
Add : Addition during the year	0.22	1.69
Less : Transfer to Securities premium reserve	(0.01)	(3.90)
<b>Balance at the end of the year</b>	<b>1.78</b>	<b>1.57</b>

#### Nature and purpose of reserves :-

- (i) **Securities premium** : Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 ("the Companies Act").
- (ii) **General reserve** : The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. General reserves represents the free profits of the Company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time Company distribute dividend. General reserve is not an item of OCI, items included in the general reserve will not be reclassified to profit or loss.
- (iii) **Capital reserve** : The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve. The reserve is not available for distribution.
- (iv) **Retained earnings** : It represents unallocated/un-distributed profits of the Company. The amount that can be distributed as dividend by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus amount reported above are not distributable in entirety.
- (v) **Share option outstanding account** : The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share option outstanding account is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme. (see note 40)

### 17 Borrowings (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Term Loan:</b>		
- From banks		
(i) Secured (see note (i) below)	47.49	108.18
- From banks		
(ii) Vehicle loan Secured (see note (ii) below)	-	0.02
<b>(b) Interest free loan</b>		
- From others		
(i) Unsecured (see note (iii) below)	17.14	-
<b>Total</b>	<b>64.62</b>	<b>108.20</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
<p><b>(i) Term loan from banks are secured as follows:</b></p> <p>Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area -V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.</p> <p>The loan outstanding is repayable in 7 quarterly instalments payable from April 2023 and ending in October 2024. Applicable rate of interest is 8.78 % (March 31, 2022 : 5.58%).</p>	8.34	11.11	19.44	11.11
<p>Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area -V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.</p> <p>The loan outstanding is repayable in 7 quarterly instalments payable from April 2023 and ending in October 2024. Applicable rate of interest is 8.78 % (March 31, 2022 : 5.58%).</p>	16.67	22.22	38.89	22.22



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
<p>Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.</p> <p>The loan outstanding is repayable in 3 quarterly instalments payable from June 2023 and ending in December 2023. Applicable rate of interest is 4.15%. Closing balance of loan as on March 31, 2023 is USD 1,972,716 (March 31, 2022 : USD 4,603,002) equivalent to ₹16.23 crore (March 31, 2022 : ₹34.88 crore).</p>	-	16.23	14.06	20.82
<p>Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.</p> <p>The loan outstanding is repayable in 5 equal half yearly installments payable from May 2023 and ending in May 2025. Applicable rate of interest is 8.78% p.a. (March 31, 2022: 5.58% p.a.)</p>	4.97	3.30	8.29	3.17

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.	17.50	10.00	27.50	10.00
The loan outstanding is repayable in 11 equal half yearly installments payable from June 2023 and ending in December 2025. Applicable Rate of Interest is 8.78% p.a. (March 31, 2022: 5.59% p.a.)				
<b>(ii) Vehicle loan from bank</b>	-	0.02	0.02	0.02
Vehicle Loan is secured by way of hypothecation of respective vehicle and repayable in 36 monthly installments commencing from February 2021. As on March 31, 2023 there were 10 installments outstanding. Applicable rate of interest is 7.75% p.a (March 31, 2022 : 7.75% p.a.).				
<b>(iii) Interest free loan from government</b>	17.14	-	-	-
The Company has received interest free loan of ₹17.21 crore & ₹9.24 crore from government repayable in Financial year 2028-2029. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is estimated at ₹15.94 crore (As at March 31, 2022 : Nil). The difference of ₹10.51 crore (As at March 31, 2022 : ₹ Nil) between the gross proceeds and the fair value of the loan is recognised as deferred income. (see note 21)				
<b>Total</b>	<b>64.62</b>	<b>62.88</b>	<b>108.20</b>	<b>67.34</b>

### 18 Other financial liabilities (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred payment (see note below)	0.50	0.85
<b>Total</b>	<b>0.50</b>	<b>0.85</b>

#### Note :

The Company has deferred liability related to sales tax of ₹1.05 crore of year ending March, 2016 payable in March, 2026. Using prevailing market interest rates for an equivalent loan of 10.00% in the year of grant, the fair value of loan is estimated at ₹0.71 crore as on March 31, 2023 (March 31, 2022 : ₹0.85 crore). The difference of ₹0.14 crore (March 31, 2022 : ₹0.20 crore) between the gross proceeds and the fair value of the loan is recognised as deferred income. (See note 21, 24 & 25)

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 19 Provisions (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for compensated absences	5.93	5.18
(b) Provision for gratuity (see note 39)	10.96	8.26
<b>Total</b>	<b>16.89</b>	<b>13.44</b>

### 20 Deferred Tax Liabilities (net)

#### (a) Component of deferred tax assets and liabilities are :-

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Deferred Tax Liabilities on account of</b>		
- Property, plant and equipments and other intangible assets	109.25	104.81
- Others	0.20	0.44
<b>Total deferred tax liabilities (A)</b>	<b>109.45</b>	<b>105.25</b>
<b>(ii) Deferred Tax Assets on account of</b>		
- Provision for employee benefit expenses	5.55	4.55
- Allowance for expected credit loss	0.53	1.45
- Others	0.03	0.03
<b>Total deferred tax assets (B)</b>	<b>6.11</b>	<b>6.03</b>
<b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b>	<b>103.34</b>	<b>99.22</b>

#### (b) Movement in deferred tax liabilities/asset

(₹ in crore)

Movement in deferred tax liabilities / asset	As at April 1, 2021	Addition pursuant to merger of Tricoat (see note 47)	Addition pursuant to merger of SLMUL (see note 47)	Inter Company elimination pursuant to merger	(Profit) / Loss Recognised in profit or loss	(Profit) / Loss Recognised in other comprehensive income	As at March 31, 2022
<b>Deferred Tax Liabilities (A)</b>							
Property, plant and equipments and other intangible assets	81.28	12.44	4.75	(0.23)	6.57	-	104.81
Others	0.39	-	-	-	0.05	-	0.44
<b>Total</b>	<b>81.67</b>	<b>12.44</b>	<b>4.75</b>	<b>(0.23)</b>	<b>6.62</b>	<b>-</b>	<b>105.25</b>
<b>Deferred Tax Assets (B)</b>							
Provision for employee benefit expenses	3.70	0.29	0.27	-	0.49	(0.20)	4.55
Allowance for expected credit loss	1.58	-	-	-	(0.13)	-	1.45
Others	-	0.03	-	-	-	-	0.03
<b>Total</b>	<b>5.28</b>	<b>0.32</b>	<b>0.27</b>	<b>-</b>	<b>0.36</b>	<b>(0.20)</b>	<b>6.03</b>
<b>Deferred tax liabilities (Net - A-B)</b>	<b>76.39</b>	<b>12.12</b>	<b>4.48</b>	<b>(0.23)</b>	<b>6.26</b>	<b>0.20</b>	<b>99.22</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

	(₹ in crore)				
Movement in deferred tax liabilities/asset	As at April 1, 2022	Inter Company elimination pursuant to merger	(Profit)/Loss Recognised in profit or loss	(Profit)/Loss Recognised in other comprehensive income	As at March 31, 2023
<b>Deferred Tax Liabilities (A)</b>					
Property, plant and equipments and other intangible assets	104.81	0.59	3.85	-	109.25
Others	0.44	-	(0.24)	-	0.20
<b>Total</b>	<b>105.25</b>	<b>0.59</b>	<b>3.61</b>	<b>-</b>	<b>109.45</b>
<b>Deferred Tax Assets (B)</b>					109.45
Provision for employee benefit expenses	4.55	-	0.89	0.11	5.55
Allowance for expected credit loss	1.45	-	(0.92)	-	0.53
Others	0.03	-	-	-	0.03
<b>Total</b>	<b>6.03</b>	<b>-</b>	<b>(0.03)</b>	<b>0.11</b>	<b>6.11</b>
<b>Deferred tax liabilities (Net - A-B)</b>	<b>99.22</b>	<b>0.59</b>	<b>3.64</b>	<b>(0.11)</b>	<b>103.34</b>

### 21 Other Non-current liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deferred liability - government grant for		
- Deferred liability related to purchase of property, plant and equipment (see note (i) below)	69.47	69.62
- Deferred liability related to sales tax (see note (ii) below)	0.06	0.14
- Deferred liability related to Interest free loan (see note (iii) below)	8.03	-
<b>Total</b>	<b>77.56</b>	<b>69.76</b>

#### Note :

- Deferred liability arises in respect of import of property, plant and equipment without payment of custom duty under Export Promotion Capital Goods Scheme. The income is recognised in Profit or loss on a straight line basis over the useful life of the related assets. (see note 38(b)(2)).
- The Company has deferred liability related to sales tax of ₹1.05 crore of year ending March, 2016 payable in March, 2026. Using prevailing market interest rates for an equivalent loan of 10.00% in the year of grant, the fair value of loan is estimated at ₹0.71 crore as on March 31, 2023 (March 31, 2022 : ₹0.85 crore). The difference of ₹0.14 crore (March 31, 2022 : ₹0.20 crore) between the gross proceeds and the fair value of the loan is recognised as deferred income. (See note 21, 24 & 25)
- The Company during the year has received interest free loan aggregating to ₹26.45 crore from government repayable in financial year 2028-2029. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is ₹15.94 crore (As at March 31, 2022 : Nil). The difference of ₹10.51 crore (As at March 31, 2022 : ₹Nil) between the gross proceeds and the fair value of the loan is recognised as deferred income. (see note 25)

### 22 Borrowings (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Loan repayable on demand</b>		
- From banks (Secured)		
(i) Working capital facilities (see note (i) & (ii) below)	271.08	162.65
(b) Current Maturity of non current borrowings (see note 17)	62.88	67.34
<b>Total</b>	<b>333.96</b>	<b>229.99</b>

#### Nature of security :

- Working capital facilities from banks are secured by first pari passu charge on entire present and future current assets and second charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahr, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1,

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area -V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka.

Working capital facilities are further secured by second charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.

- (ii) Working capital facilities from banks are further secured by margin money given in the form of fixed deposits with banks.

### 23 Trade payables (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) (see note 48(a))	11.34	7.22
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,253.66	1,021.70
<b>Total</b>	<b>1,265.00</b>	<b>1,028.92</b>

#### Outstanding for following periods from date of transaction :

(₹ in crore)

Particulars	As at March 31, 2023					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	11.32	-	0.02	-	11.34
Total outstanding dues of creditors other than MSME	137.26	1,115.31	-	0.16	0.93	1,253.66
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	<b>137.26</b>	<b>1,126.63</b>	<b>-</b>	<b>0.18</b>	<b>0.93</b>	<b>1,265.00</b>

#### Outstanding for following periods from date of transaction :

(₹ in crore)

Particulars	As at March 31, 2022					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	7.22	-	-	-	7.22
Total outstanding dues of creditors other than MSME	85.65	934.66	0.45	0.01	0.93	1,021.70
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	<b>85.65</b>	<b>941.88</b>	<b>0.45</b>	<b>0.01</b>	<b>0.93</b>	<b>1,028.92</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 24 Other financial liabilities (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Security deposits payable	0.92	0.98
(b) Payable on purchase of property, plant and equipment	0.92	4.68
(c) Retention money payable	2.19	3.34
(e) Deferred payment	0.21	-
(e) Unclaimed dividends	0.56	0.47
(f) Interest accrued but not yet due on borrowings	1.80	0.98
<b>Total</b>	<b>6.60</b>	<b>10.45</b>

### 25 Other current liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory remittances	24.94	12.28
(b) Advance from customers	14.34	21.13
(c) Advance received against sale of property, plant & equipment	3.00	-
(d) Deferred liability (see note 21)		
- Deferred liability related to purchase of property, plant and equipment	4.83	4.40
- Deferred liability related to sales tax	0.07	0.07
- Deferred liability related to Interest free loan	1.29	-
<b>Total</b>	<b>48.47</b>	<b>37.88</b>

### 26 Provisions (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for compensated absences	0.35	0.46
(b) Provision for gratuity (see note 39)	0.56	0.73
<b>Total</b>	<b>0.91</b>	<b>1.19</b>

### 27 Current tax liabilities (net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for tax net of advance tax of ₹438.54 crore (March 31, 2022 : net of advance tax ₹151.14 crore)	15.08	9.13
<b>Total</b>	<b>15.08</b>	<b>9.13</b>

### 28 Revenue from operations

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products (see note (i) below)	13,876.85	11,210.34
(b) Other operating revenue (see note (ii) below)	402.44	379.31
<b>Total</b>	<b>14,279.29</b>	<b>11,589.65</b>

#### Notes :

#### (i) Reconciliation of revenue recognised with contract price :

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract price	14,420.29	11,474.02
Adjustments for:		
Discount & incentives	(543.44)	(263.68)
<b>Revenue from operations</b>	<b>13,876.85</b>	<b>11,210.34</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (ii) Other operating revenue comprises

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of scrap	402.20	375.91
Export incentives	0.23	3.30
Job work	0.01	0.10
	<b>402.44</b>	<b>379.31</b>

### 29 Other income

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income on fixed deposit	9.89	11.94
(b) Interest income on others	11.69	5.76
(c) Gain on foreign currency transactions (net)	9.30	8.64
(d) Profit on derivatives measured at fair value through profit & loss account	-	0.28
(e) Provision written back for expected credit loss	-	0.27
(f) Miscellaneous income (see note below)	11.03	8.74
<b>Total</b>	<b>41.91</b>	<b>35.63</b>

#### Note :

Miscellaneous income includes (a) unwinding of deferred income of ₹3.95 crore (March 31, 2022 : ₹4.14 crore), (b) Subvention interest income on export packing credit facilities of ₹2.63 crore (March 31, 2022 : ₹2.82 crore), (c) unwinding of interest income on grant of ₹1.20 crore (March 31, 2022 : ₹ Nil) and (c) Other miscellaneous income of ₹3.25 crore (March 31, 2022 : ₹1.78 crore).

### 30 Cost of materials consumed

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories of raw material as at the beginning of the year	300.49	112.68
Add: Addition pursuant to merger of Tricoat (see note 47)	-	26.28
Add: Addition pursuant to merger of SLMUL (see note 47)	-	5.05
Add: Purchases during the year	11,580.04	9,386.98
Less: Inventories of raw material as at the end of the year	215.26	300.49
<b>Total</b>	<b>11,665.27</b>	<b>9,230.50</b>

### 31 Change in inventories

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Inventories at the end of the year:</b>		
(a) Finished goods	570.69	288.76
(b) Stock in trade	4.37	5.46
(c) Work in progress	210.02	147.70
(d) Rejection and scrap	33.73	11.95
<b>Inventories at the end of the year:</b>	<b>818.81</b>	<b>453.87</b>
<b>Inventories at the beginning of the year:</b>		
(a) Finished goods	288.76	300.99
Add: Addition pursuant to merger of Tricoat (see note 47)	-	30.65
Add: Addition pursuant to merger of SLMUL (see note 47)	-	10.01
<b>Total finished goods</b>	<b>288.76</b>	<b>341.65</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 31 Change in inventories (contd.)

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(b) Stock in trade	5.46	4.17
<b>Total stock in trade</b>	<b>5.46</b>	<b>4.17</b>
(c) Work in progress	147.70	100.64
Add: Addition pursuant to merger of SLMUL (see note 47)	-	21.28
<b>Total work in progress</b>	<b>147.70</b>	<b>121.92</b>
(d) Rejection and scrap	11.95	14.39
Add: Addition pursuant to merger of Tricoat (see note 47)	-	0.76
Add: Addition pursuant to merger of SLMUL (see note 47)	-	1.95
<b>Total rejection and scrap</b>	<b>11.95</b>	<b>17.10</b>
<b>Inventories at the beginning of the year:</b>	<b>453.87</b>	<b>484.84</b>
<b>Total</b>	<b>(364.94)</b>	<b>30.97</b>

### 32 Employee benefits expense

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries and wages	142.01	117.32
(b) Contribution to provident fund (see note 39)	5.18	4.42
(c) Gratuity expense (see note 39)	2.62	2.41
(d) Share-based payments to employees (see note 36(a) & 39)	0.26	1.66
(e) Staff welfare expenses	4.01	2.56
	<b>154.08</b>	<b>128.37</b>
(f) Less: Allocation of common employee benefits expenses (see note 36(b))	5.18	3.78
<b>Total</b>	<b>148.90</b>	<b>124.59</b>

During the year, the Company recognised ₹5.04 crore (Year ended March 31, 2022 ₹7.86 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Short term employee benefits	4.98	7.50
(ii) Post employment benefits (Gratuity expense)	0.03	0.20
(iii) Other long term employee benefits (Leave encashment expense)	0.03	0.16
	<b>5.04</b>	<b>7.86</b>

### 33 Finance costs

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Interest expense :</b>		
(i) working capital facilities	30.68	24.61
(ii) term loan	11.30	13.42
(iii) delayed payment of income tax	0.07	-
(iv) on leases	0.03	0.03
	42.08	38.06
<b>(b) Other borrowing cost</b>	<b>5.43</b>	<b>5.37</b>
<b>Total</b>	<b>47.51</b>	<b>43.43</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 34 Depreciation and amortisation expense

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Depreciation on property, plant and equipment (see note 2(a))	100.54	91.69
(b) Amortisation on right of use assets (see note 2(d))	1.05	1.14
(c) Amortisation on intangible assets (see note 2(f))	0.52	0.96
(d) Depreciation on capital work in progress	0.35	-
<b>Total</b>	<b>102.46</b>	<b>93.79</b>

### 35 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Freight outward	370.80	307.11
(b) Power and fuel	146.93	118.49
(c) Consumption of stores and spare parts	81.40	72.46
(d) Derivatives measured at fair value through profit & loss account	1.02	-
(e) Advertisement and sales promotion	28.21	34.55
(f) Rent	4.99	4.74
(g) Travelling and conveyance	10.56	6.70
(h) Legal and professional charges (see note (i) below)	9.29	7.75
(i) Job work charges	-	0.05
(j) Repair and maintenance:		
(i) Building	0.40	0.33
(ii) Plant and machinery	8.16	7.51
(iii) Others	2.52	2.31
(k) Rates and taxes	2.52	1.82
(l) Security services	2.83	2.62
(m) Allowance for expected credit loss	0.94	-
(n) Allowance for doubtful payment under protest	-	0.13
(o) Allowance for doubtful claims receivable	-	0.27
(p) Bad debts written off	-	0.25
(q) Loss on sale of property, plant and equipment (net)	0.11	0.37
(r) Corporate social responsibility (see note 48(b))	8.46	5.49
(s) Provision for slow moving inventory of spares & consumables	1.13	1.25
(t) Insurance	2.53	1.61
(u) Miscellaneous expenses	14.83	12.27
	<b>697.63</b>	<b>588.09</b>
(v) Less: Allocation of common expenses (see note 36(b))	8.27	7.20
<b>Total</b>	<b>689.36</b>	<b>580.89</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### Note :-

(i) Legal and professional charges include auditor's remuneration (excluding indirect taxes) as follows :

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) To statutory auditors</b>		
For audit (including quarterly limited reviews)	1.53	1.20
For other services	0.01	0.01
Reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>1.55</b>	<b>1.22</b>
<b>(b) To cost auditors for cost audit</b>	0.02	0.02
<b>Total</b>	<b>0.02</b>	<b>0.02</b>

### 36 Allocation of common expenses

- (a) The Company has charged back the "Share based expenses" to employees (included under "Employee benefits expense" in note 32) incurred by it to its group companies on cost i.e. on cost to cost basis. The allocation of common expenses has been carried out on the basis of share options held of the Company by employees of the respective companies.
- (b) The Company has charged back the common expenses (included under "Employee benefits expense" in note 32 & "Other expenses" in note 35) incurred by it to its group companies on cost i.e. on cost to cost basis. The allocation of common expenses has been carried out on the basis of turnover of the respective companies, as per latest financial statements.

### 37 Earnings per Equity share

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share (a)	511.92	494.23
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (b)	277,202,548	249,918,500
Adjustments for calculation of diluted earnings per share (Employee stock option) (Number)	193,750	387,500
Adjustments for shares to be issued to shareholders of Tricoat pursuant to merger (see note 47)	-	26,860,000
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (c)	277,396,298	277,166,000
Nominal value of equity shares	2.00	2.00
(a) Basic earnings per share in ₹ (a/b)	18.47	19.80
(b) Diluted earnings per share in ₹ (a/c)	18.45	17.85

In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended March 31, 2022 has been arrived at after giving effect to bonus issue. Also see note 16(a)(vii).



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

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

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Contingent liabilities (for pending litigations)		
(1) Disputed claims/levies in respect of sales tax:		
- Reversal of input tax credit	2.89	6.16
- Provisional Assessment	0.46	1.77
	<b>3.35</b>	<b>7.93</b>
(2) Disputed claims/levies in respect of excise duty	5.53	6.34
(3) Disputed claims/levies in respect of service tax:	0.94	0.94
(4) Disputed claims/levies in respect of income tax	5.72	2.28
<b>Total</b>	<b>15.54</b>	<b>17.49</b>

(i) Based upon the legal opinion obtained by the management, there are various interpretation issues and thus management is in the process of evaluating the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, can not be ascertained.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially effect on its standalone financial statements.

#### (b) Commitments

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

(i) Property, plant and equipments	57.08	99.94
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(2) The Company has obtained EPCG (Export Promotion Capital Goods Scheme) licenses for importing the capital goods without payment of basic custom duty against submission of bonds.

The export obligation is to be fulfilled within a period of 6 years from the date of issuance of license. Under this scheme the Company has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Company is required to export of FOB value of ₹138.58 crore (March 31, 2022 ₹254.24 crore) against which the Company has saved a duty of ₹23.11 crore (March 31, 2022 ₹42.38 crore).

(3) The Company has given corporate guarantees amounting to ₹183.00 crore and ₹1010.00 crore on behalf of its subsidiaries i.e. Apollo Metalex Private Limited and APL Apollo Building Products Private Limited respectively for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2023 of Apollo Metalex Private Limited is ₹30.00 crore (March 31, 2022 ₹3.65 crore) and APL Apollo Building Products Private Limited is ₹443.66 crore (March 31, 2022 ₹238.74 crore).

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

(c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 39 Employee benefit obligations

#### (a) Defined contribution plans

The Company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹5.18 crore (Year ended March 31, 2022 ₹4.42 crore) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

#### (b) Defined benefit plans

##### a) Gratuity

The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹0.20 crore (March 31, 2022 ₹0.20 crore). Vesting occurs upon completion of 5 years of service.

During the year, the Company has made contribution of ₹ Nil (March 31, 2022 : ₹2.50 crore) to APL Apollo Tubes Limited Employees Group Gratuity Trust which has made further contribution to Kotak Mahindra Life Insurance Co. Ltd.

(₹ in crore)

Particulars	As at March 31, 2023		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.56	10.96	11.52
<b>Total employee benefit obligations</b>	<b>0.56</b>	<b>10.96</b>	<b>11.52</b>

Particulars	As at March 31, 2022		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.73	8.26	8.99
<b>Total employee benefit obligations</b>	<b>0.73</b>	<b>8.26</b>	<b>8.99</b>

##### (i) Movement of defined benefit obligation :

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in crore)

Particulars	Gratuity
<b>Opening balance as at April 1, 2021</b>	9.75
Addition pursuant to merger of Tricoat (see note 47)	0.67
Addition pursuant to merger of SLMUL (see note 47)	0.79
<b>Total opening balance</b>	<b>11.21</b>
Current service cost	1.70
Interest expense	0.81
Expected return on plan assets	(0.10)
<b>Total amount recognised in profit or loss</b>	<b>2.41</b>
Remeasurements	
Effect of change in financial assumptions	(0.61)
Effect of change in demographic assumptions	-
Effect of experience adjustments	(0.18)
Changes in asset ceiling	0.03
<b>Total amount recognised in other comprehensive income</b>	<b>(0.76)</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)	
Particulars	Gratuity
Employer contributions : benefit payments	(0.24)
<b>Balance as at March 31, 2022</b>	<b>12.62</b>
<b>Balance as at March 31, 2022</b>	<b>12.62</b>
Current service cost	1.97
Interest expense/(income)	0.92
Expected return on plan assets	(0.27)
<b>Total amount recognised in profit or loss</b>	<b>2.62</b>
Add/(less): Transfer to subsidiary (note (i) below)	(0.43)
Remeasurements	
Effect of change in financial assumptions	-
Effect of change in demographic assumptions	-
Effect of experience adjustments	0.18
Changes in asset ceiling	0.24
<b>Total amount recognised in other comprehensive income</b>	<b>0.42</b>
Employer contributions : benefit payments	(0.59)
<b>Balance as at March 31, 2023</b>	<b>14.64</b>

### Note :

The Company has transferred some employees who were on payroll of APL Apollo Tubes Limited to APL Apollo Building Products Private Limited, (a wholly owned subsidiary of the Company). Accordingly, corresponding liability has been transferred to subsidiary Company.

### (ii) Movement of Plan Assets

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	3.63	1.39
Contribution by the employer	-	2.50
Expected return on plan assets	0.27	0.10
Actuarial gains / loss	(0.24)	(0.03)
Benefits paid	(0.54)	(0.33)
<b>Closing balance</b>	<b>3.12</b>	<b>3.63</b>

### (iii) Net asset / (liability) recognised in the Balance Sheet

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of defined benefit obligation	14.64	12.62
Less : fair value of plan assets	3.12	3.63
Funded status- surplus/ (deficit)	(11.52)	(8.99)
Unrecognised past service costs	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>(11.52)</b>	<b>(8.99)</b>

### (iv) Category of assets

Funds managed by Insurer	100.00%	100.00%
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## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (v) Post-Employment benefits

The significant actuarial assumptions were as follows:

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.36%	7.53%
Salary growth rate	8.00%	8.00%
Expected return on assets	7.53%	7.09%
Retirement age	60 Years	60 Years
Mortality	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Attrition rate		
18 to 30 years	3.00%	3.00%
30 to 45 years	2.00%	2.00%
Above 45 years	1.00%	1.00%

#### Notes :

- (1) The discount rate is based on the prevailing market yield of Indian Government Securities as at Balance Sheet date for the estimated term of obligation.
- (2) The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### (vi) The Company expects to make a contribution of ₹13.83 crore (March 31, 2022: ₹8.84 crore) to the defined benefit plans during the next financial year.

### (vii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is : (₹ in crore)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Gratuity</b>		
Discount rate (increase by 1%)	(1.70)	(1.38)
Salary growth rate (increase by 1%)	2.01	1.65

(₹ in crore)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Gratuity</b>		
Discount rate (decrease by 1%)	2.04	1.68
Salary growth rate (decrease by 1%)	(1.71)	(1.38)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

### (viii) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

**Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

**Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

**Investment risk :** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

### (ix) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 16.90 years (March 31, 2022 : 16.70 years).

The expected maturity analysis of undiscounted gratuity is as follows: (₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Less than a year	0.58	0.61
Between 1 - 2 years	0.47	0.37
Between 2 - 3 years	0.98	0.49
Between 3 - 4 years	0.66	0.86
Between 4 - 5 years	1.24	0.84
Beyond 5 years	10.19	7.16
<b>Total</b>	<b>14.12</b>	<b>10.32</b>

## 40 Share Based Payments

### (a) Employee Share Option Plan :

- (i) The ESOS scheme titled "Employee Stock Option Scheme 2015" (ESOS 2015) was approved by the shareholders through postal ballot on July 27, 2015 and December 22, 2015. 7,50,000 options are covered under the Scheme for 750,000 Equity shares (before giving effect of share split and bonus issue).
- (ii) During the financial year 2015-16, the Nomination and Remuneration Committee in its meeting held on July 28, 2015 has granted 724,000 options respectively under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price was determined at ₹452.60 per share.
- (iii) During the financial year 2016-17, the Nomination and Remuneration Committee in its meeting held on January 28, 2017 has granted 45,000 options under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price was determined at ₹1,028.80 per share.
- (iv) During the financial year 2017-18, the the Nomination and Remuneration Committee in its meeting held on September 9, 2017 and February 5, 2018 has granted 96,000 and 70,000 options respectively, under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price was determined at ₹1,633.05 and ₹2,124.10 respectively per share.



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

- (v) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 has granted 95,000 options under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹1,438.55 per share.
- (vi) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 also recommended reduction in exercise price of options granted on September 9, 2017 and February 5, 2018 to reflect the fall in Company's share prices. The same was approved by shareholders of the Company on January 27, 2020 through postal ballot. The revised exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of reduction in exercise price. The revised exercise price was determined at ₹1,438.55 per share.

**(b) The following share based payment arrangements were in existence during the current and prior years :**

Number of options granted (before giving effect of share split and bonus issue)	Grant Date	Expiry Date	Exercise Price (see note below) (Amount in ₹)	Fair Value at grant date (Amount in ₹)
724,000	July 28, 2015	January 26, 2020	452.60	168.88
46,000	January 28, 2017	July 29, 2021	1,028.80	354.56
96,000	September 9, 2017	October 3, 2022	1,438.55	602.36
70,000	February 5, 2018	August 6, 2022	1,438.55	751.34
95,000	November 9, 2019	May 9, 2024	1,438.55	466.08

- i) The earlier exercise price of the Options granted on September 9, 2017 and February 5, 2018 were ₹1,633.05 and ₹2,124.10 respectively. The exercise price of these options was reduced in earlier year (See note (a) (vi) above).

**(c) Fair value of option granted/ modified**

- (i) No options were granted during the year ended March 31, 2023 and March 31, 2022.
- (ii) During the previous year ended March 31, 2020, the incremental fair value of the options granted on September 9, 2017 and February 5, 2018 due to modification were determined at ₹131.46 and ₹372.36 respectively which has been recognised as expense over the period from the modification date to the end of vesting period. The expense of original option grant continues to be recognised as if the terms had not been modified.

The incremental fair value of the options was determined using the Black Scholes Model with the following model inputs :

	Original Grant on September 9, 2017	Original Grant on February 5, 2018
Modification date share price (before giving effect of share split)	1,438.55	1,438.55
Revised exercise price (before giving effect of share split)	1,438.55	1,438.55
Expected volatility	33.49%-34.96%	33.28%-33.96%
Option remaining life	1.31-2.12	1.51-2.53
Dividend yield	0.80%	0.80%
Risk-free interest rate	5.45%-5.70%	5.70%-6.23%

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (d) Movement in share option during the year (see note (f) below)

The following reconciles the share options outstanding at the beginning and end of the year :

	Year ended March 31, 2023		Year ended March 31, 2022	
	Number of options	Weighted Average Exercise Price (Amount in ₹)	Number of options	Weighted Average Exercise Price (Amount in ₹)
Balance at the beginning of the year	387,500 <sup>#</sup>	143.86	876,000 <sup>#</sup>	143.86
Granted during the year	-	-	-	-
Vested during the year	190,314	143.86	467,500	143.86
Lapsed during the year	3,436	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	190,314	143.86	488,500	143.86
Expired during the year	-	-	-	-
Options outstanding at the end of the year	193,750 <sup>#</sup>	143.86	387,500 <sup>#</sup>	143.86
Options available for grant	112,616	-	109,180	-

<sup>#</sup>As at March 31, 2023 & March 31, 2022, There are Nil options which were vested but not exercised.

### (e) Share option exercised (see note (f) below) :

Share option exercised during the Period ended March 31, 2023	Number exercised/allotted	Exercise/ Allotment date	Share Price at exercise/ allotment date (₹)
Granted on November 9, 2019	190,314	December 3, 2022	1,185.50
Share option exercised during the Period ended March 31, 2022	Number exercised/allotted	Exercise/ Allotment date	Share Price at exercise/ allotment date (₹)
Granted on September 09, 2017 & November 9, 2019	313,500	November 17, 2021	907.90
Granted on February 05, 2018	175,000	March 10, 2022	873.46

(f) Disclosures for March 31, 2023 and March 31, 2022 have been made after giving effect to the bonus issue. See note 16(a)(vii) also.

### (g) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions, i.e., employee share option plan during the year recognised in profit or loss as part of employee benefit expense is ₹0.26 crore (March 31, 2022 ₹1.66 crore).

## 41 Related party transaction :

### (a) Details of related parties :

(i) Subsidiaries

### Name of related parties

Apollo Metalex Private Limited  
 Blue Ocean Projects Private Limited  
 APL Apollo Building Products Private Limited  
 APL Apollo Mart Limited (Company incorporated on December 7, 2021)  
 APL Apollo Tubes FZE  
 A P L Apollo Tubes Company L.L.C. (Company incorporated on December 7, 2022)

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### Details of related parties :

Details of related parties :	Name of related parties
(ii) Key Management Personnel (KMP) (with whom transactions have taken place during the year)	Mr. Sanjay Gupta (Chairman and Managing Director) Mr. Romi Sehgal (Director) Mr. Deepak Goyal (Chief Financial Officer) Mr. Deepak C S (Company Secretary) Mr. Rahul Gupta (Director & Son of Mr. Sanjay Gupta)
(iii) Relative of KMP (with whom transactions have taken place during the year)	Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta) Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta) Mr. Rohan Gupta (Son of Mr. Sanjay Gupta)
(iv) Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year)	APL Infrastructure Private Limited Apollo Pipes Limited APL Apollo Foundation (Foundation incorporated on April 19, 2022)

### (b) Transactions during the year

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)		Enterprises significantly influenced by KMP and their relatives	Total
			Relatives of KMP			
<b>Sale of goods (net of discounts)</b>						
Apollo Metalex Private Limited	C.Y.	271.59	-	-	-	271.59
	P.Y.	169.04	-	-	-	169.04
Apollo Pipes Limited	C.Y.	-	-	-	1.10	1.10
	P.Y.	-	-	-	1.22	1.22
APL Apollo Building Products Private Limited	C.Y.	113.05	-	-	-	113.05
	P.Y.	48.45	-	-	-	48.45
Blue Ocean Projects Private Limited	C.Y.	0.06	-	-	-	0.06
	P.Y.	0.02	-	-	-	0.02
	<b>C.Y.</b>	<b>384.71</b>	<b>-</b>	<b>-</b>	<b>1.10</b>	<b>385.81</b>
	<b>P.Y.</b>	<b>217.51</b>	<b>-</b>	<b>-</b>	<b>1.22</b>	<b>218.73</b>
<b>Sale of scrap (other operating revenue)</b>						
Apollo Metalex Private Limited	C.Y.	0.37	-	-	-	0.37
	P.Y.	0.04	-	-	-	0.04
APL Apollo Building Products Private Limited	C.Y.	0.15	-	-	-	0.15
	P.Y.	2.22	-	-	-	2.22
Apollo Pipes Limited	C.Y.	-	-	-	0.04	0.04
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>0.52</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>0.56</b>
	<b>P.Y.</b>	<b>2.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.27</b>
<b>Sale of property, plant and equipments</b>						
Apollo Metalex Private Limited	C.Y.	0.35	-	-	-	0.35
	P.Y.	0.08	-	-	-	0.08
APL Apollo Building Products Private Limited	C.Y.	45.23	-	-	-	45.23
	P.Y.	69.75	-	-	-	69.75
	<b>C.Y.</b>	<b>45.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45.58</b>
	<b>P.Y.</b>	<b>69.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69.83</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
<b>Sale of licenses</b>						
Apollo Pipes Limited	C.Y.	-	-	-	2.74	2.74
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.74</b>	<b>2.74</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Purchase of property, plant and equipments</b>						
Apollo Pipes Limited	C.Y.	-	-	-	0.01	0.01
	P.Y.	-	-	-	-	-
Apollo Metalex Private Limited	C.Y.	0.29	-	-	-	0.29
	P.Y.	0.40	-	-	-	0.40
APL Apollo Building Products Private Limited	C.Y.	1.89	-	-	-	1.89
	P.Y.	2.01	-	-	-	2.01
	<b>C.Y.</b>	<b>2.19</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>2.20</b>
	<b>P.Y.</b>	<b>2.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.42</b>
<b>Purchase of stock-in-trade (net of discounts)</b>						
Apollo Metalex Private Limited	C.Y.	565.77	-	-	-	565.77
	P.Y.	489.73	-	-	-	489.73
APL Apollo Building Products Private Limited	C.Y.	240.62	-	-	-	240.62
	P.Y.	3.25	-	-	-	3.25
	<b>C.Y.</b>	<b>806.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>806.39</b>
	<b>P.Y.</b>	<b>492.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>492.98</b>
<b>Purchase of raw material (net of discounts)</b>						
Apollo Metalex Private Limited	C.Y.	423.36	-	-	-	423.36
	P.Y.	215.56	-	-	-	215.56
APL Apollo Building Products Private Limited	C.Y.	231.80	-	-	-	231.80
	P.Y.	27.42	-	-	-	27.42
Apollo Pipes Limited	C.Y.	-	-	-	0.91	0.91
	P.Y.	-	-	-	2.05	2.05
	<b>C.Y.</b>	<b>655.16</b>	<b>-</b>	<b>-</b>	<b>0.91</b>	<b>656.07</b>
	<b>P.Y.</b>	<b>242.98</b>	<b>-</b>	<b>-</b>	<b>2.05</b>	<b>245.03</b>
<b>Purchase of scrap</b>						
Apollo Metalex Private Limited	C.Y.	6.40	-	-	-	6.40
	P.Y.	14.89	-	-	-	14.89
Apollo Pipes Limited	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
APL Apollo Building Products Private Limited	C.Y.	5.59	-	-	-	5.59
	P.Y.	0.01	-	-	-	-
	<b>C.Y.</b>	<b>11.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.99</b>
	<b>P.Y.</b>	<b>14.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.89</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
<b>Rent received</b>						
APL Apollo Building Products Private Limited	C.Y.	1.86	-	-	-	1.86
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>1.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.86</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rent paid</b>						
APL Infrastructure Private Limited	C.Y.	-	-	-	0.06	0.06
	P.Y.	-	-	-	-	-
Apollo Pipes Limited	C.Y.	-	-	-	0.42	0.42
	P.Y.	-	-	-	0.34	0.34
Apollo Metalex Private Limited	C.Y.	0.41	-	-	-	0.41
	P.Y.	0.41	-	-	-	0.41
Mrs. Neera Gupta	C.Y.	-	-	0.02	-	0.02
	P.Y.	-	-	0.02	-	0.02
Mrs. Vandana Gupta	C.Y.	-	-	0.02	-	0.02
	P.Y.	-	-	0.02	-	0.02
	<b>C.Y.</b>	<b>0.41</b>	<b>-</b>	<b>0.04</b>	<b>0.48</b>	<b>0.93</b>
	<b>P.Y.</b>	<b>0.41</b>	<b>-</b>	<b>0.04</b>	<b>0.34</b>	<b>0.79</b>
<b>Interest expense</b>						
Apollo Metalex Private Limited	C.Y.	0.26	-	-	-	0.26
	P.Y.	3.05	-	-	-	3.05
	<b>C.Y.</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.26</b>
	<b>P.Y.</b>	<b>3.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.05</b>
<b>Interest income</b>						
Apollo Metalex Private Limited	C.Y.	0.48	-	-	-	0.48
	P.Y.	1.26	-	-	-	1.26
APL Apollo Building Products Private Limited	C.Y.	9.07	-	-	-	9.07
	P.Y.	1.82	-	-	-	1.82
APL Apollo Tubes FZE	C.Y.	0.26	-	-	-	0.26
	P.Y.	-	-	-	-	-
APL Apollo Tubes Company LLC	C.Y.	0.72	-	-	-	0.72
	P.Y.	-	-	-	-	-
APL Apollo Mart Limited	C.Y.	0.01	-	-	-	0.01
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>10.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.54</b>
	<b>P.Y.</b>	<b>3.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.08</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
<b>Allocation of common expenses incurred by the Company</b>						
<b>(a) Employee benefit expenses:</b>						
Apollo Metalex Private Limited	C.Y.	5.13	-	-	-	5.13
	P.Y.	3.78	-	-	-	3.78
APL Apollo Building Products Private Limited	C.Y.	0.05	-	-	-	0.05
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>5.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.18</b>
	<b>P.Y.</b>	<b>3.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.78</b>
<b>(b) Expenses incurred by Company on behalf of</b>						
Apollo Metalex Private Limited	C.Y.	8.18	-	-	-	8.18
	P.Y.	7.23	-	-	-	7.23
APL Apollo Building Products Private Limited	C.Y.	0.08	-	-	-	0.08
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>8.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.26</b>
	<b>P.Y.</b>	<b>7.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.23</b>
<b>(c) Share based expense incurred by Company on behalf of</b>						
Apollo Metalex Private Limited	C.Y.	-	-	-	-	-
	P.Y.	0.03	-	-	-	0.03
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>P.Y.</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>
<b>Salary</b>						
Mr. Sanjay Gupta	C.Y.	-	3.70	-	-	3.70
	P.Y.	-	3.50	-	-	3.50
Mr. Rohan Gupta	C.Y.	-	-	0.09	-	0.09
	P.Y.	-	-	0.05	-	0.05
Mr. Deepak Goyal	C.Y.	-	1.05	-	-	1.05
	P.Y.	-	4.06	-	-	4.06
Mr. Deepak C S	C.Y.	-	0.29	-	-	0.29
	P.Y.	-	0.30	-	-	0.30
	<b>C.Y.</b>	<b>-</b>	<b>5.04</b>	<b>0.09</b>	<b>-</b>	<b>5.13</b>
	<b>P.Y.</b>	<b>-</b>	<b>7.85</b>	<b>0.05</b>	<b>-</b>	<b>7.90</b>
<b>Loans taken during the year</b>						
Apollo Metalex Private Limited	C.Y.	-	-	-	-	-
	P.Y.	100.00	-	-	-	100.00
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>P.Y.</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>
<b>Loans repaid during the year</b>						
Apollo Metalex Private Limited	C.Y.	-	-	-	-	-
	P.Y.	200.00	-	-	-	200.00
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>P.Y.</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200.00</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
<b>Advance in nature of loans given during the year (see note (v) below)</b>						
Apollo Metalex Private Limited	C.Y.	206.03	-	-	-	206.03
	P.Y.	1,287.32	-	-	-	1,287.32
APL Apollo building products private limited	C.Y.	-	-	-	-	-
	P.Y.	5.14	-	-	-	5.14
	<b>C.Y.</b>	<b>206.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206.03</b>
	<b>P.Y.</b>	<b>1,292.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,292.46</b>
<b>Advance in nature of loans received back during the year (see note (v) below)</b>						
Apollo Metalex Private Limited	C.Y.	206.03	-	-	-	206.03
	P.Y.	1,287.32	-	-	-	1,287.32
APL Apollo building products private limited	C.Y.	-	-	-	-	-
	P.Y.	5.14	-	-	-	5.14
	<b>C.Y.</b>	<b>206.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206.03</b>
	<b>P.Y.</b>	<b>1,292.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,292.46</b>
<b>Advance in nature of loans taken during the year</b>						
Apollo Metalex Private Limited	C.Y.	37.68	-	-	-	37.68
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>37.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.68</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Advance in nature of loans repaid during the year</b>						
Apollo Metalex Private Limited	C.Y.	37.68	-	-	-	37.68
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>37.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.68</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans given during the year</b>						
APL Apollo Building Products Private Limited	C.Y.	647.74	-	-	-	647.74
	P.Y.	329.17	-	-	-	329.17
APL Apollo Mart Limited	C.Y.	2.50	-	-	-	2.50
	P.Y.	-	-	-	-	-
APL Apollo Tubes FZE	C.Y.	16.01	-	-	-	16.01
	P.Y.	-	-	-	-	-
A P L Apollo Tubes Company L.L.C.	C.Y.	67.18	-	-	-	67.18
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>733.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>733.43</b>
	<b>P.Y.</b>	<b>329.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329.17</b>
<b>Loans received back during the year</b>						
APL Apollo Building Products Private Limited	C.Y.	367.74	-	-	-	367.74
	P.Y.	336.30	-	-	-	336.30
APL Apollo Mart Limited	C.Y.	2.50	-	-	-	2.50
	P.Y.	-	-	-	-	-
Blue Ocean Projects Private Limited	C.Y.	-	-	-	-	-
	P.Y.	0.16	-	-	-	0.16

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
APL Apollo Tubes FZE	C.Y.	16.01	-	-	-	16.01
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>386.25</b>	-	-	-	<b>386.25</b>
	<b>P.Y.</b>	<b>336.46</b>	-	-	-	<b>336.46</b>
<b>Payment for corporate social responsibility expense</b>						
APL Apollo Foundation	C.Y.	-	-	-	0.10	0.10
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	-	-	-	<b>0.10</b>	<b>0.10</b>
	<b>P.Y.</b>	-	-	-	-	-
<b>Payment of dividend during the year</b>						
Mr. Sanjay Gupta	C.Y.	-	0.12	-	-	0.12
	P.Y.	-	-	-	-	-
Mr. Rohan Gupta	C.Y.	-	-	0.39	-	0.39
	P.Y.	-	-	-	-	-
Mr. Rahul Gupta	C.Y.	-	0.53	-	-	0.53
	P.Y.	-	-	-	-	-
Mrs. Veera Gupta	C.Y.	-	-	1.90	-	1.90
	P.Y.	-	-	-	-	-
Mr. Deepak Goyal	C.Y.	-	0.04	-	-	0.04
	P.Y.	-	-	-	-	-
Mr. Romi Sehgal	C.Y.	-	0.05	-	-	0.05
	P.Y.	-	-	-	-	-
APL Infrastructure Private Limited	C.Y.	-	-	-	27.30	27.30
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	-	<b>0.75</b>	<b>2.29</b>	<b>27.30</b>	<b>30.34</b>
	<b>P.Y.</b>	-	-	-	-	-
<b>Director sitting fees paid during the year</b>						
Mr. Vinay Gupta	C.Y.	-	0.05	-	-	0.05
	P.Y.	-	-	-	-	-
Mr. Rahul Gupta	C.Y.	-	0.02	-	-	0.02
	P.Y.	-	-	-	-	-
Mr. Ashok Kumar Gupta	C.Y.	-	0.06	-	-	0.06
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	-	<b>0.13</b>	-	-	<b>0.13</b>
	<b>P.Y.</b>	-	-	-	-	-
<b>Investment in equity share capital</b>						
APL Apollo Building Products Private Limited	C.Y.	340.00	-	-	-	340.00
	P.Y.	154.30	-	-	-	154.30
A P L Apollo Tubes Company L.L.C.	C.Y.	0.66	-	-	-	0.66
	P.Y.	-	-	-	-	-
APL Apollo Mart Limited	C.Y.	103.98	-	-	-	103.98
	P.Y.	0.10	-	-	-	0.10

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
APL Apollo Foundation	C.Y.	-	-	-	0.08	0.08
	P.Y.	-	-	-	-	-
Blue Ocean Projects Private Limited	C.Y.	57.23	-	-	-	57.23
	P.Y.	17.05	-	-	-	17.05
	<b>C.Y.</b>	<b>501.87</b>	-	-	<b>0.08</b>	<b>501.95</b>
	<b>P.Y.</b>	<b>171.45</b>	-	-	-	<b>171.45</b>
<b>Disinvestment in equity share capital</b>						
APL Apollo Tubes FZE	C.Y.	-	-	-	-	-
	P.Y.	19.75	-	-	-	19.75
	<b>C.Y.</b>	-	-	-	-	-
	<b>P.Y.</b>	<b>19.75</b>	-	-	-	<b>19.75</b>
<b>(c) Balances outstanding at the end of the year</b>						
<b>Trade receivables</b>						
APL Apollo Building Products Private Limited	C.Y.	5.12	-	-	-	5.12
	P.Y.	58.32	-	-	-	58.32
APL Apollo Mart Limited	C.Y.	0.03	-	-	-	0.03
	P.Y.	-	-	-	-	-
Apollo Pipes Limited	C.Y.	-	-	-	0.04	0.04
	P.Y.	-	-	-	-	-
APL Apollo Tubes FZE	C.Y.	0.08	-	-	-	0.08
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>5.23</b>	-	-	<b>0.04</b>	<b>5.27</b>
	<b>P.Y.</b>	<b>58.32</b>	-	-	-	<b>58.32</b>
<b>Claim receivables</b>						
Apollo Metalex Private Limited	C.Y.	6.70	-	-	-	6.70
	P.Y.	4.63	-	-	-	4.63
APL Apollo Foundation	C.Y.	-	-	-	0.18	0.18
	P.Y.	-	-	-	-	-
APL Apollo Building Products Private Limited	C.Y.	3.75	-	-	-	3.75
	P.Y.	0.38	-	-	-	0.38
	<b>C.Y.</b>	<b>10.45</b>	-	-	<b>0.18</b>	<b>10.63</b>
	<b>P.Y.</b>	<b>5.01</b>	-	-	-	<b>5.01</b>
<b>Security deposits given</b>						
Mrs. Neera Gupta	C.Y.	-	-	3.00	-	3.00
	P.Y.	-	-	3.00	-	3.00
Mrs. Vandana Gupta	C.Y.	-	-	3.00	-	3.00
	P.Y.	-	-	3.00	-	3.00
APL Infrastructure Private Limited	C.Y.	-	-	-	5.00	5.00
	P.Y.	-	-	-	5.00	5.00
	<b>C.Y.</b>	-	-	<b>6.00</b>	<b>5.00</b>	<b>11.00</b>
	<b>P.Y.</b>	-	-	<b>6.00</b>	<b>5.00</b>	<b>11.00</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
<b>Interest receivable</b>						
Apollo Metalex Private Limited	C.Y.	-	-	-	-	-
	P.Y.	0.17	-	-	-	0.17
APL Apollo Building Products Private Limited	C.Y.	3.05	-	-	-	3.05
	P.Y.	1.26	-	-	-	1.26
A P L Apollo Tubes Company L.L.C.	C.Y.	0.72	-	-	-	0.72
	P.Y.	-	-	-	-	-
	<b>C.Y.</b>	<b>3.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.77</b>
	<b>P.Y.</b>	<b>1.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.43</b>
<b>Interest payable</b>						
Apollo Metalex Private Limited	C.Y.	-	-	-	-	-
	P.Y.	1.94	-	-	-	1.94
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>P.Y.</b>	<b>1.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.94</b>
<b>Loans receivable</b>						
APL Apollo Building Products Private Limited	C.Y.	280.00	-	-	-	280.00
	P.Y.	7.13	-	-	-	7.13
A P L Apollo Tubes Company L.L.C.	C.Y.	67.18	-	-	-	67.18
	P.Y.	-	-	-	-	-
Blue Ocean Projects Private Limited	C.Y.	-	-	-	-	-
	P.Y.	0.16	-	-	-	0.16
	<b>C.Y.</b>	<b>347.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347.18</b>
	<b>P.Y.</b>	<b>7.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.29</b>
<b>Loans payable</b>						
Apollo Metalex Private Limited	C.Y.	-	-	-	-	-
	P.Y.	100.00	-	-	-	100.00
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>P.Y.</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>
<b>Trade payables</b>						
Apollo Metalex Private Limited	C.Y.	2.74	-	-	-	2.74
	P.Y.	0.07	-	-	-	0.07
APL Apollo Building Products Private Limited	C.Y.	0.03	-	-	-	0.03
	P.Y.	0.65	-	-	-	0.65
Apollo Pipes Limited	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	0.25	0.25
Mr. Rohan Gupta	C.Y.	-	-	0.01	-	0.01
	P.Y.	-	-	0.01	-	0.01
Mr. Rahul Gupta	C.Y.	-	-	-	-	-
	P.Y.	-	0.20	-	-	0.20
Mr. Sanjay Gupta	C.Y.	-	0.18	-	-	0.18
	P.Y.	-	0.54	-	-	0.54



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars		Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Mr. Deepak Goyal (net of advances recoverable)	C.Y.	-	0.04	-	-	0.04
	P.Y.	-	0.06	-	-	0.06
Mr. Deepak C S (net of advances recoverable)	C.Y.	-	0.02	-	-	0.02
	P.Y.	-	0.02	-	-	0.02
	<b>C.Y.</b>	<b>2.77</b>	<b>0.24</b>	<b>0.01</b>	<b>-</b>	<b>3.02</b>
	<b>P.Y.</b>	<b>0.72</b>	<b>0.82</b>	<b>0.01</b>	<b>0.25</b>	<b>1.80</b>

### Notes :

- C.Y. represents amount as at and for the year ended March 31, 2023 and P.Y. represents amount as at and for the year ended March 31, 2022.
- Amount of expense of gratuity and compensated absences is taken on actuarial basis.
- The term loan and other credit facilities of the Company are also secured by personal guarantee of directors of the Company, Mr. Sanjay Gupta and Mr. Vinay Gupta.
- The Company has given corporate guarantees amounting to ₹183.00 crore and ₹1010.00 crore on behalf of its subsidiaries i.e. Apollo Metalex Private Limited and APL Apollo Building Products Private Limited respectively for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2023 of Apollo Metalex Private Limited is ₹30.00 crore (March 31, 2022 ₹3.65 crore) and APL Apollo Building Products Private Limited is ₹443.66 crore (March 31, 2022 ₹238.74 crore).
- The treasury and finance operations of the Company and its subsidiaries (APL Group Companies) are managed centrally. Based on the funding requirement, APL group companies provide short term advances in the nature of loan to each other and these are repaid as and when funds are available with respective company. Also interest is charged for the period on such advance in the nature of loan remains outstanding to ensure arms' length transaction. The above transactions are undertaken with the approval of the Board of Directors and the Audit Committee as applicable. The maximum amount outstanding during the year in respect of advance in nature of loan given by the Company to its subsidiaries is as under :

(₹ in crore)

Name of company	Year ended March 31, 2023		Year ended March 31, 2022	
	Limits approved	Maximum amount outstanding during the year	Limits approved	Maximum amount outstanding during the year
Apollo Metalex Private Limited	200.00	150.00	200.00	63.63
APL Apollo Building Products Private Limited	280.00	280.00	100.00	21.79

## 42 Income tax expense

The reconciliation of estimated income tax to income tax expense is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax as per standalone statement of profit and loss	689.17	662.44
Income tax expenses calculated as per tax rates of Income tax act of 25.168% (March 31, 2022 : 25.168%)	173.45	166.72
(i) Items not deductible	3.80	1.49
(ii) Income tax / deferred tax expense/(credit) of earlier year	-	-
Tax expense as reported	177.25	168.21

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 43 Fair value measurements

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022 :-

(₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets - Non Current</b>						
Investments						
- Other investments	1.06	4.04	1.13	0.21	3.96	1.13
Loans given	-	-	347.45	-	-	0.42
Security deposit	-	-	21.97	-	-	20.82
Balance in margin money with maturity of more than 12 months	-	-	0.02	-	-	0.08
Claim receivable (net of provision)	-	-	0.27	-	-	0.05
<b>Financial assets - Current</b>						
Investment	-	-	-	5.00	-	-
Loans given	-	-	1.20	-	-	1.13
Claim receivable	-	-	10.45	-	-	5.99
Export incentives	-	-	0.25	-	-	3.67
Security deposit	-	-	0.01	-	-	0.01
Government grants	-	-	-	-	-	-
Derivative assets (net)	1.27	-	-	2.30	-	-
Trade receivables	-	-	104.29	-	-	373.23
Cash and cash equivalents	-	-	115.77	-	-	107.94
Bank balances other than cash and cash equivalents	-	-	139.89	-	-	179.76
Others	-	-	12.51	-	-	3.48
<b>Total financial assets</b>	<b>2.33</b>	<b>4.04</b>	<b>755.21</b>	<b>7.51</b>	<b>3.96</b>	<b>697.71</b>
<b>Financial liabilities - Non Current</b>						
Borrowings	-	-	64.62	-	-	108.20
Lease liabilities	-	-	-	-	-	0.01
Deferred payment	-	-	0.50	-	-	0.85
<b>Financial liabilities - Current</b>						
Borrowings	-	-	333.96	-	-	229.99
Lease liabilities	-	-	0.09	-	-	0.64
Interest accrued but not due on borrowings	-	-	1.80	-	-	0.98
Deferred payment	-	-	0.21	-	-	-
Security deposit payable	-	-	0.92	-	-	0.98
Trade payables	-	-	1,268.11	-	-	1,036.94
Others	-	-	0.56	-	-	0.47
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,670.77</b>	<b>-</b>	<b>-</b>	<b>1,379.06</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (a) Financial assets and liabilities measured at fair value - recurring fair value measurements : (₹ in crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Level 1	Level 2	Level 1	Level 2
Financial Assets				
- Assets for foreign currency forward contracts	-	1.27	-	2.30
- Investment in equity instruments	1.06	-	1.06	-
- Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth	1.06	-	0.21	-
<b>Total financial assets</b>	<b>2.12</b>	<b>1.27</b>	<b>1.27</b>	<b>2.30</b>

Fair value of forward contracts determined by reference to quote from financial institution.

### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

### (c) Assets and liabilities which are measured at amortised cost for which fair values are disclosed

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

### (d) Valuation inputs and relationships to fair value- investment property / Assets classified as held for sale (Level 3)

(₹ in crore)

Particulars	Fair Value as at	
	March 31, 2023	March 31, 2022
Investment property (see note 2(c))	71.52	63.07
Assets classified as held for sale (see note 2(g))	24.00	-

- The fair value was derived using the market comparable approach based on recent market prices carried out by an independent valuer without any significant adjustments being made to the market observable data.
- There were no significant inter-relationships between unobservable inputs that materially affect fair values.

## 44 Financial risk management objectives

The Company's activities expose it to market risk including foreign currency risk and interest rate risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as hedging of foreign currency transactions foreign exchange risk.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements can not be normally predicted with reasonable accuracy.

### (i) Foreign currency risk

The Company's functional currency is Indian Rupees (₹). The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to import of capital goods. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in the increase in the Company's overall debt positions in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivable in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months or as deemed appropriate based on market conditions. In respect of imports and other payables, the Company hedges its payable as when the exposure arises.

### Details of derivative instruments and unhedged foreign currency exposure :-

- (1) The position of foreign currency exposure to the Company as at the end of the year are as follows : (₹ in crore)

(a) Option outstanding	Buy/Sell	As at March 31, 2023	As at March 31, 2022
In USD	Buy	1,972,715	4,603,002
Equivalent amount in ₹ in crore		16.22	34.88
In USD	Sell	1,972,715	4,603,002
Equivalent amount in ₹ in crore		16.22	34.88

(₹ in crore)

(b) Forward contract outstanding	Buy/Sell	As at March 31, 2023	As at March 31, 2022
In USD	Sell	1,000,000	-
Equivalent amount in ₹ in crore	Sell	8.22	-
In USD	Buy	10,850,000	-
Equivalent amount in ₹ in crore	Buy	89.23	-

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

(₹ in crore)

Currency	As at March 31, 2023	As at March 31, 2022
<b>Payables:</b>		
USD	5,995	437,250
Equivalent amount in ₹ in crore	0.05	3.31
<b>Advance paid to vendors:</b>		
USD	4,251,962	953,400
Equivalent amount in ₹ in crore	34.97	7.23
EURO	1,341,481	643,558
Equivalent amount in ₹ in crore	12.01	5.40

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

	(₹ in crore)	
Currency	As at March 31, 2023	As at March 31, 2022
<b>Trade receivables:</b>		
USD	4,492,944	8,301,232
Equivalent amount in ₹ in crore	36.95	62.91
EURO	317,819	141,201
Equivalent amount in ₹ in crore	2.85	1.18
<b>Advance Received from Customers:</b>		
USD	266,535	126,733
Equivalent amount in ₹ in crore	2.19	0.96
EURO	30,350	28,951
Equivalent amount in ₹ in crore	0.27	0.24
GBP	9,002.58	-
Equivalent amount in ₹ in crore	0.09	-

### Sensitivity

If INR is depreciated or appreciated by 2.5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss (after tax) of the Company are given below: (₹ in crore)

Particulars	Impact on profit after tax	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>EURO sensitivity</b>		
INR/EURO Increases by 2.5% (March 31, 2022 - 2.5%)	0.05	0.02
INR/EURO Decreases by 2.5% (March 31, 2022 - 2.5%)	(0.05)	(0.02)
<b>USD sensitivity</b>		
INR/USD Increases by 2.5% (March 31, 2022 - 2.5%)	0.69	1.11
INR/USD Decreases by 2.5% (March 31, 2022 - 2.5%)	(0.69)	(1.11)

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts.

	(₹ in crore)	
Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	382.33	303.28
Fixed rate borrowings	16.25	34.91
<b>Total borrowings</b>	<b>398.58</b>	<b>338.19</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding :

Particulars	(₹ in crore)	
	Balance	% of total loans
<b>As at March 31, 2023</b>		
Bank overdrafts, bank loans, Cash Credit	382.33	96%
<b>As at March 31, 2022</b>		
Bank overdrafts, bank loans, Cash Credit	303.28	90%

### Sensitivity

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	(₹ in crore)	
	Impact on profit after tax	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest rates – increase by 50 basis points (50 bps)	(1.43)	(1.13)
Interest rates – decrease by 50 basis points (50 bps)	1.43	1.13

### (b) Credit risk (see note 10)

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

Company's trade receivables are generally categorized into following categories:

1. Export customers
2. Institutional customers
3. Dealers

In case of export sales, in order to mitigate credit risk, generally sales are made on advance payment terms. Where export sales are not made on advance payment terms, the same are secured through letter of credit or bank guarantee, etc.

In case of sale to institutional customers, certain credit period is allowed. In order to mitigate credit risk, majority of the sales are secured by letter of credit, bank guarantee, post dated cheques, etc.

In case of sale to dealers certain, credit period is allowed. In order to mitigate credit risk, majority of the sales made to dealers are secured by way of post dated cheques (PDC).

Further, Company has an ongoing credit evaluation process in respect of customers who are allowed credit period.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

### (c) Liquidity risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

### (i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate borrowings	1,058.92	1,167.35
Nature of facility	Working Capital	Working Capital

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (ii) Maturities of financial liabilities

The table below analyses the Company's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### Contractual maturities of financial liabilities :-

(₹ in crore)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
<b>As at March 31, 2023</b>				
Borrowings (interest bearing)	333.96	47.49	17.14	398.58
Lease liabilities (interest bearing)	0.09	-	-	0.09
Interest accrued but due on borrowings	1.80	-	-	1.80
Trade payables	1,268.11	-	-	1,268.11
Security deposits payable	0.92	-	-	0.92
Deferred payment (interest bearing)	0.21	0.50	-	0.71
Others	0.56	-	-	0.56
<b>Total non-derivative liabilities</b>	<b>1,605.65</b>	<b>47.98</b>	<b>17.14</b>	<b>1,670.77</b>
<b>As at March 31, 2022</b>				
Borrowings (interest bearing)	229.99	108.20	-	338.19
Lease liabilities (interest bearing)	0.64	0.01	-	0.65
Interest accrued but due on borrowings	0.89	-	-	0.89
Trade payables	1,037.02	-	-	1,037.02
Security deposits payable	0.99	-	-	0.99
Deferred payment (interest bearing)	-	0.85	-	0.85
Others	0.47	-	-	0.47
<b>Total non-derivative liabilities</b>	<b>1,270.00</b>	<b>109.06</b>	<b>-</b>	<b>1,379.06</b>

### 45 Reconciliation of liabilities arising from financing activities

(₹ in crore)

Particulars	As at March 31, 2022	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2023
Non-current borrowings	108.20	(41.42)	(2.16)	64.62
Current borrowings	229.99	103.97	-	333.96
<b>Total liabilities from financing activities</b>	<b>338.19</b>	<b>62.55</b>	<b>(2.16)</b>	<b>398.58</b>

(₹ in crore)

Particulars	Opening balance as at April 1, 2021	Addition pursuant to merger of Tricoat & SLMUL (see note 47)	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2022
Non-current borrowings	224.48	148.99	(263.20)	(2.07)	108.20
Current borrowings	263.39	13.04	(46.44)	-	229.99
<b>Total liabilities from financing activities</b>	<b>487.87</b>	<b>162.03</b>	<b>(309.64)</b>	<b>(2.07)</b>	<b>338.19</b>

### 46 Capital management

#### (a) Risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents.

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Non current borrowings	64.62	108.20
Current borrowings	333.96	229.99
Less : Cash and cash equivalents	(115.77)	(107.94)
Less : Bank balances other than cash and cash equivalents	(139.89)	(179.76)
<b>Net debt</b>	<b>142.92</b>	<b>50.49</b>
<b>Total equity</b>	<b>2,570.95</b>	<b>2,143.47</b>
<b>Gearing Ratio</b>	<b>0.06</b>	<b>0.02</b>

Equity includes all capital and reserves of the Company that are managed as capital.

### 47 Merger of Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited with APL Apollo Tubes Limited

The Board of Directors of APL Apollo Tubes Limited ("Company"), at its meeting held on February 27, 2021, had considered and approved a draft scheme of amalgamation ('scheme') under Sections 230 to 232 of the Companies Act, 2013, of Shri Lakshmi Metal Udyog Limited ('SLMUL' – wholly owned subsidiary company) and Apollo Tricoat Tubes Limited ('Tricoat' – subsidiary company of wholly owned subsidiary) with the Company. The New Delhi bench of the National Company Law Tribunal (NCLT), through its order dated October 14, 2022 has approved the scheme. The certified copy of the NCLT order was filed with Registrar of Companies on October 31, 2022. Consequently, the scheme became operative from October 31, 2022 ('Effective Date') with appointed date from April 1, 2021 as per the approved scheme.

- (i) In terms of the Scheme, the whole of undertaking of Tricoat and SLMUL as a going concern stands transferred to and vested in the Company with effect from the appointed date.
- (ii) Tricoat and SLMUL were engaged in the business of manufacturing of ERW steel tubes.
- (iii) The said amalgamation was accounted under the "Pooling of interest" method as prescribed under Ind AS 103 'Business Combination' for amalgamation of companies under common control.

Under "Pooling of interest" method, the assets and liabilities of the combining entities are reflected at their carrying amount as appearing in the respective financial statements of the subsidiary companies in accordance with Ind AS Technical Facilitation Group (ITGG) clarification bulliten. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Company in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Company.

- the entire business and undertaking of Tricoat and SLMUL including all assets, liabilities and reserves as a going concern were transferred to and vested in the Company pursuant to the Scheme at their respective book value under the respective accounting heads of the Company from the appointed date.
- In case of SLMUL, as it was a wholly owned subsidiary of the Company and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Company in the wholly owned subsidiary were cancelled and no shares were issued to effect the amalgamation.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

- In case of Tricoat, the Company held 55.82% equity shares and accordingly, consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Company in Tricoat were cancelled and 26,860,000 shares at face value of ₹2.00 each amounting to ₹5.37 crore were issued to the minority shareholders of Tricoat to effect the amalgamation.
- all inter-company balances and transactions were eliminated.
- In terms of the Scheme, the authorised share capital of the Company has increased from ₹75.00 Crore to ₹97.00 Crore.

The amalgamation resulted in transfer of assets, liabilities and changes in reserves in accordance with the terms of the scheme at the values given below as at April 1, 2021 :

	(₹ in crore)	
Particulars	Tricoat	SLMUL
<b>Non-current assets</b>		
Property, plant and equipment (see note (i) below)	322.91	42.53
Capital work-in-progress	12.39	0.35
Right of use assets (see note (ii) below)	13.55	-
Other intangible assets	0.21	-
Investment in subsidiary	-	
Financial assets		
-Other financial assets	1.75	0.72
Non-current tax assets (net)	-	0.12
Other non-current assets	3.34	0.31
<b>Current assets</b>		
Inventories	64.38	39.35
Financial assets		
(i) Trade receivables	11.62	24.97
(ii) Cash and cash equivalents	9.80	1.28
(iii) Loans	0.05	0.03
(iv) Other financial assets	0.40	0.49
Other current assets	16.02	3.31
<b>Total Assets acquired (A)</b>	<b>456.42</b>	<b>113.46</b>
<b>Other equity</b>		
- General reserves	-	13.95
- Capital reserves	0.30	-
- Retained earnings	143.96	188.61
<b>Total reserves acquired (B)</b>	<b>144.26</b>	<b>202.56</b>
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	48.99	100.00
Provisions	0.88	1.07
Deferred tax liabilities (net)	12.12	4.48
Other non-current liabilities	20.74	-
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	13.04	-
(ii) Lease liabilities	0.06	

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars	Tricoat	SLMUL
(iii) Trade payables	33.89	36.34
(iv) Other financial liabilities	2.05	2.46
Other current liabilities	18.43	4.21
Provisions	0.26	0.02
Current tax liabilities (net)	1.70	1.40
<b>Total liabilities acquired (C)</b>	<b>152.16</b>	<b>149.98</b>
<b>Book value of net assets acquired (D = A-B-C)</b>	<b>160.00</b>	<b>(239.08)</b>
Impact of fair value adjustment as reflected in the consolidated financial statements (See note (i) and (ii) below)	11.48	-
Investment eliminated on merger of SLMU	-	252.38
Goodwill as appearing in the consolidated financial statements	114.50	23.00
<b>Total net assets acquired (as was appearing the consolidated financial statements) (E)</b>	<b>285.98</b>	<b>36.30</b>
<b>Less : Consideration and eliminations</b>		
Investment in shares of transferor company : eliminated on merger	252.38	223.41
Fair value gain of Investment in shares of transferor company eliminated	-	(187.11)
Shares issued to minority shareholders of Tricoat	5.37	-
<b>Total consideration (F)</b>	<b>257.75</b>	<b>36.30</b>
<b>Net Capital reserve on account of merger (E-F)</b>	<b>(28.23)</b>	<b>-</b>

### Notes :

- Property plant and equipment as in note 2(a) includes impact of fair value of land aggregating to ₹3.91 crore and is net of ₹2.14 crore related to intercompany interest capitalised by subsidiary company.
- Right of use assets as in note 2(d) includes impact of fair value of leasehold land aggregating to ₹7.57 crore.

## 48 Additional Regulatory Information

- The amount due to Micro and small enterprises as defined in "The Micro, Small and Medium Enterprises Development act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The principal amount remaining unpaid to supplier as at the end of the year	11.34	7.22
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-
<b>Total</b>	<b>11.34</b>	<b>7.22</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (b) Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which were specified in schedule VII of the Companies Act, 2013 :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Amount required to be spent as per section 135 of Companies Act, 2013	8.46	5.49
(ii) Amount of expenditure in the books of accounts	8.46	5.49
(iii) Actual expenditure	0.28	4.73
(iv) Provision made for liability	8.18	0.76
(v) Shortfall at the end of the year	-	-
(vi) Total of previous years shortfall	-	-
(vii) Reason for shortfall	See note below	See note below
(viii) Amount of expenditure incurred on		
(i) Construction / acquisition of any asset	-	0.27
(ii) On purposes other (i) above	0.28	4.46
(ix) Nature of CSR activities	Education and skill enhancement, healthcare, rural development	Education and skill enhancement, healthcare, rural development
(x) Details of related party transactions (See note 41 (b))	0.10	None

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the Company has subsequent to balance sheet date deposited ₹8.18 crore (March 31, 2022 : ₹0.76 crore) to a separate bank account.

#### Notes :

Based on legal opinion, the Company is of the view that the past unspent CSR obligation till March 31, 2020 not carried forward will be treated as lapsed and accordingly does not require to be spent / transferred to a separate bank account.

### (c) Financial Ratios as per the Schedule III requirements

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Current Ratio	0.92	1.19
Current Ratio = Current Assets / Current Liabilities		
% change from previous year	(23.36)%	
(ii) Debt-Equity Ratio	0.06	0.02
Debt-Equity Ratio = Net Debt(1) / Shareholder's Equity		
% change from previous year	136.03%	
Reason for change more than 25%	See note (a) below	
(iii) Debt Service Coverage Ratio	5.81	2.05
Debt Service Coverage Ratio = Earnings available for debt service(2) / Debt service(3)		
% change from previous year	183.36%	
Reason for change more than 25%	See note (b) below	

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
(iv) Return on Equity Ratio	21.72%	27.52%
Return on Equity Ratio= Net Profit after tax / Average Shareholder's Equity		
% change from previous year	(21.08)%	
(v) Inventory turnover ratio	15.56	17.45
Inventory turnover ratio= Sales / Average inventory		
% change from previous year	(10.84)%	
(vi) Trade receivables turnover ratio	59.81	50.34
Trade receivables turnover ratio= Sales / Average trade receivables		
% change from previous year	18.79%	
(vii) Trade payables turnover ratio	11.36	11.95
Trade payables turnover ratio= Net purchases / Average trade payables		
% change from previous year	(4.96)%	
(viii) Net capital turnover ratio	(101.28)	45.18
Net capital turnover ratio= Sales / Working capital		
% change from previous year	(324.16)%	
Reason for change more than 25%	See note (c) below	
(ix) Net Profit Ratio	3.58%	4.26%
Net Profit Ratio= Profit after tax / Sales		
% change from previous year	(15.93)%	
(x) Return on capital employed	26.16%	30.80%
Return on capital employed = Earning before interest and taxes(4) / Capital employed(5)		
% change from previous year	(15.05)%	
(xi) Return on investment	4.75%	4.30%
Return on investment= Income generated from invested funds / average invested funds in treasury investments		
% change from previous year	10.67%	

### Explanation of formulas used in calculating ratios :

- (1) Net debt includes borrowings (long term and short term) net of cash & cash equivalents and bank balances.
- (2) Earnings available for debt service includes profit after tax, finance costs, depreciation and other non cash expense.
- (3) Debt service includes finance costs paid and principal repayment of borrowings (long term and short term).
- (4) Earning before interest and taxes includes Profit before tax plus depreciation.
- (5) Capital employed includes Tangible net worth (Total assets - total liability - intangible assets), net debt and deferred tax liability.

### Note :

- (a) Due to increase in net debt during the year.
- (b) Due to increase in earnings available during the year.
- (c) Due to decrease in net working capital during the year.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

(d) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(e) Disclosures under Rule 11(e)(i) of the Company (Audit & Auditors) Rule, 2014 :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Name of investee	APL Apollo Tubes Limited	APL Apollo Tubes Limited
Date	May 6, 2022	March 21, 2022
Amount	26.25 crore	75.66 crore
Nature of fund	Investment	Investment
Name of intermediary Company	APL Apollo Mart Limited	APL Apollo Mart Limited
Relationship	Wholly-owned subsidiary	Wholly-owned subsidiary

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Name of intermediary Company	APL Apollo Mart Limited	APL Apollo Mart Limited
Date	May 6, 2022	March 21, 2022
Amount	26.25 crore	75.66 crore
Nature of fund	Investment	Investment
Ultimate beneficiary	Shankara Building Products Limited	Shankara Building Products Limited
Relationship	-	-

(f) Disclosures under Rule 11(e)(ii) of the Company (Audit & Auditors) Rule, 2014 :

No funds have been received by the Company in current and previous year (other than as disclosed under note 48(e) from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) **Details of benami property held**

No proceeding has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(h) **Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or any lender.

(i) **Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(j) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(k) **Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(l) **Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### (m) Disclosures under Rule 11(f) of the Company (Audit & Auditors) Rule, 2014 - Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. The Company declares and pays dividends in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Final dividend per share	₹ 5.00	₹ 3.50

During the year ended March 31, 2023, on account of the final dividend for year ended March 31, 2022, the Company has incurred a net cash outflow of ₹87.60 crore. The Board of Directors in their meeting held on May 12, 2023 recommended a final dividend of ₹5.00 per equity share for the year ended March 31, 2023. This payment of dividend is subject to the approval of shareholders in the upcoming Annual General Meeting of the Company and if approved, would result in a net cash outflow of approximately ₹138.67 crore.

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

# independent auditor's report

TO THE MEMBERS OF

**APL APOLLO TUBES LIMITED**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

## Opinion

We have audited the accompanying consolidated financial statements of **APL Apollo Tubes Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant

to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

## Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's Report (hereinafter referred to as "Other Information"), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

(a) The comparative financial information of the Group as at and for the year ended March 31, 2022 forming part of these consolidated financial statements includes financial information of Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited to give accounting effects of the merger. The financial statements of Apollo Tricoat Tubes Limited as at and for the year ended March 31, 2022 was

audited by other auditor and whose report dated May 06, 2022 expressed an unmodified opinion (refer Note no. 46 of the consolidated financial statements).

- (b) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rupees 1,845.04 crore as at March 31, 2023 and total revenues of Rupees 938.83 crore and net cash (outflows) amounting to Rupees 1.25 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (c) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rupees 79.69 crore as at March 31, 2023, total revenues of Rupees Nil and net cash inflows amounting to Rupees 1.19 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note no 37(a) of the consolidated financial statements).
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts (Refer Note no 37(b)(4) of the consolidated financial statements).
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India (Refer Note no 37(c) of the consolidated financial statements).
- iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 47(e) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other

auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 47(e) and 47(f) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) As stated in note 47(m) to the consolidated financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.
- (b) The Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023, to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

**JITENDRA AGARWAL**  
(Partner)

(Membership No. 87104)  
(UDIN: 23087104BGYKXM4122)

Place: Ghaziabad  
Date: May 12, 2023

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

### **Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **APL Apollo Tubes Limited** (hereinafter referred to as “Parent”) and its subsidiary companies (the Parent and its subsidiaries together referred to “the Group”), which are companies incorporated in India, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls with reference to consolidated financial statements**

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



## Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects,

an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on “the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

## Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

**JITENDRA AGARWAL**  
(Partner)  
(Membership No. 87104)  
(UDIN: 23087104BGYKXM4122)

Place: Ghaziabad  
Date: May 12, 2023

## Consolidated Balance Sheet as at March 31, 2023

(₹ in crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2(a)	2,349.25	1,604.14
(b) Capital work-in-progress	2(b)	373.98	503.68
(c) Right of use assets	2(c)	92.47	94.60
(d) Goodwill	2(d)	137.50	137.50
(e) Other intangible assets	2(e)	1.23	1.12
(f) Financial assets			
(i) Investments	3	96.04	86.25
(ii) Loans	4	0.28	0.42
(iii) Other financial assets	5	34.21	29.98
(g) Non-current tax assets (net)	6	6.55	55.11
(h) Other non-current assets	7	202.35	112.61
<b>Total non-current assets</b>		<b>3,293.86</b>	<b>2,625.41</b>
<b>(2) Current assets</b>			
(a) Inventories	8	1,479.87	847.22
(b) Financial assets			
(i) Investment	9	-	5.00
(ii) Trade receivables	10	137.44	341.70
(iii) Cash and cash equivalents	11	122.69	163.73
(iv) Bank balance other than (iii) above	12	229.78	212.69
(v) Loans	13	1.34	1.29
(vi) Other financial assets	14	297.76	11.00
(c) Other current assets	15	269.62	244.37
<b>Assets classified as held for sale</b>	2(f)	19.27	-
<b>Total current assets</b>		<b>2,557.77</b>	<b>1,827.00</b>
<b>Total Assets</b>		<b>5,851.63</b>	<b>4,452.41</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	16(a)	55.47	50.06
(b) Other equity	16(b)	2,950.14	2,413.95
<b>Total equity</b>		<b>3,005.61</b>	<b>2,464.01</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	408.13	347.17
(ia) Lease liabilities	2(c)	-	0.01
(ii) Other financial liabilities	18	0.50	0.85
(b) Provisions	19	21.78	16.93
(c) Deferred tax liabilities (net)	20	117.14	118.71
(d) Other non-current liabilities	21	118.22	75.40
<b>Total non-current liabilities</b>		<b>665.77</b>	<b>559.07</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	464.79	233.40
(ia) Lease liabilities	2(c)	0.09	0.64
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	23	15.23	8.22
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	1,581.77	1,051.23
(iii) Other financial liabilities	24	35.99	17.62
(b) Other current liabilities	25	61.16	53.32
(c) Provisions	26	1.50	1.46
(d) Current tax liabilities (net)	27	19.72	63.44
<b>Total current liabilities</b>		<b>2,180.25</b>	<b>1,429.33</b>
<b>Total Equity and Liabilities</b>		<b>5,851.63</b>	<b>4,452.41</b>

See accompanying notes to the consolidated financial statements

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In terms of our report attached.

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

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104

Place : Ghaziabad  
Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

**Statement of Consolidated Profit & Loss** for the year ended March 31, 2023

(₹ in crore)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>I</b> Revenue from operations	28	16,165.95	13,063.32
<b>II</b> Other income	29	47.18	40.50
<b>III Total income (I +II)</b>		<b>16,213.13</b>	<b>13,103.82</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	30	14,313.30	10,909.59
(b) Purchase of stock-in-trade		286.90	250.49
(c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap	31	(582.42)	63.04
(d) Employee benefits expense	32	206.19	153.04
(e) Finance costs	33	67.09	44.47
(f) Depreciation and amortisation expense	34	138.33	108.97
(g) Other expenses	35	920.43	741.90
<b>Total expenses</b>		<b>15,349.82</b>	<b>12,271.50</b>
<b>V Profit before tax (III - IV)</b>		<b>863.31</b>	<b>832.32</b>
<b>VI Tax expense:</b>			
(a) Current tax		218.35	206.61
(b) Deferred tax charge (net)	20	3.10	6.73
<b>Total tax expense</b>	41	<b>221.45</b>	<b>213.34</b>
<b>VII Profit for the year (V-VI)</b>		<b>641.86</b>	<b>618.98</b>
<b>VIII Other comprehensive income</b>			
<b>Add : (less) items that will not be reclassified to profit or loss</b>			
(a) Equity instruments through other comprehensive income		(17.41)	3.04
(b) Income tax relating to (a) above		1.99	(0.34)
(c) Remeasurements of post employment benefit obligation		(0.32)	0.87
(d) Income tax relating to (c) above		0.09	(0.22)
<b>Other comprehensive (expense)/income for the year</b>		<b>(15.65)</b>	<b>3.35</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>626.21</b>	<b>622.33</b>
<b>X Earnings per equity share (EPS) of ₹2 each</b>			
(a) Basic (in ₹)	36	23.15	24.77
(b) Diluted (in ₹)	36	23.14	22.33

See accompanying notes to the consolidated financial statements

1-48

In terms of our report attached.

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

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104

Place : Ghaziabad  
Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

## Statement of Changes in Consolidated Equity for the year ended March 31, 2023

(₹ in crore)

a) Equity share capital								Amount				
Particulars												
Balance as at April 1, 2021								24.98				
Changes during the year ended March 31, 2022								25.08				
<b>Balance as at March 31, 2022</b>								<b>50.06</b>				
Changes during the year ended March 31, 2023								5.41				
<b>Balance as at March 31, 2023</b>								<b>55.47</b>				
b) Other equity								(₹ in crore)				
Particulars	Reserves and surplus					Items of other comprehensive income	Attributable to the owners of the Company	Non-controlling interests	Total			
	Securities premium	General reserve	Capital Reserve	Share capital pending allotment	Share option outstanding account					Retained earnings	Equity instruments through other comprehensive income	
<b>Balance as at April 1, 2021</b>	415.13	39.97	13.38	-	-	3.79	1,197.41	-	1,669.68	138.30	1,807.98	
Profit for the year ended March 31, 2022	-	-	-	-	-	-	618.98	-	618.98	-	618.98	
Equity instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	2.70	2.70	-	2.70	
Other comprehensive income for the year, net of tax (Remeasurements of post employment benefit obligation)	-	-	-	-	-	-	0.65	-	0.65	-	0.65	
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>619.63</b>	<b>2.70</b>	<b>622.33</b>	-	<b>622.33</b>	
<b>Allocations/Appropriations:</b>												
Share option outstanding account	-	-	-	-	-	1.69	-	-	1.69	-	1.69	
Share capital pending issuance to minority shareholders of Tricoat (see note 46)	-	-	-	(5.37)	5.37	-	-	-	-	-	-	
Adjustment pursuant to merger (see note 46)	-	-	-	-	-	-	138.30	-	138.30	(138.30)	-	
Transfer to Securities premium	3.90	-	-	-	-	(3.90)	-	-	-	-	-	
Issue of bonus shares (see note 16(a)(viii))	(24.98)	-	-	-	-	-	-	-	(24.98)	-	(24.98)	
Security premium on issue of shares	6.93	-	-	-	-	-	-	-	6.93	-	6.93	
	(14.15)	-	-	(5.37)	5.37	(2.21)	138.30	-	121.94	(138.30)	(16.36)	
<b>Balance as at March 31, 2022</b>	400.98	39.97	13.38	(5.37)	5.37	1.58	1,955.34	2.70	2,413.95	(138.30)	-	2,413.95

## Statement of Changes in Consolidated Equity for the year ended March 31, 2023 (Contd.)

Particulars	Reserves and surplus						Items of other comprehensive income		Attributable to the owners of the Company	Non-controlling interests	Total
	Securities premium	General reserve	Capital Reserve	Capital Reserve on merger	Share capital pending allotment	Share option outstanding account	Retained earnings	Equity instruments through other comprehensive income			
Profit for the year ended March 31, 2023	-	-	-	-	-	-	641.86	-	641.86	-	641.86
Equity instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	(15.42)	(15.42)	-	(15.42)
Other comprehensive income for the year, net of tax (Remeasurements of post employment benefit obligation)	-	-	-	-	-	-	(0.23)	-	(0.23)	-	(0.23)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>641.63</b>	<b>(15.42)</b>	<b>626.21</b>	-	<b>626.21</b>
<b>Allocations/Appropriations:</b>											
Dividend paid	-	-	-	-	-	-	(87.60)	-	(87.60)	-	(87.60)
Share capital issued pursuant to merger to minority shareholders of Tricoat (see note 46)	-	-	-	-	(5.37)	-	-	-	(5.37)	-	(5.37)
Share option outstanding account	-	-	-	-	-	0.25	-	-	0.25	-	0.25
Transfer to Securities premium	0.01	-	-	-	-	(0.01)	-	-	-	-	-
Security premium on issue of shares	2.70	-	-	-	-	-	-	-	2.70	-	2.70
	2.71	-	-	-	(5.37)	0.24	(87.60)	-	(90.02)	-	(90.02)
<b>Balance as at March 31, 2023</b>	<b>403.69</b>	<b>39.97</b>	<b>13.38</b>	<b>(5.37)</b>	<b>-</b>	<b>1.82</b>	<b>2,509.37</b>	<b>(12.72)</b>	<b>2,950.14</b>	<b>-</b>	<b>2,950.14</b>

See accompanying notes to the consolidated financial statements 1-48

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

**JITENDRA AGARWAL**

Partner

Membership No. 87104

Place : Ghaziabad

Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**

Chairman & Managing Director

DIN : 00233188

**VINAY GUPTA**

Director

DIN : 00005149

**DEEPAK GOYAL**

Chief Financial Officer

Place : Ghaziabad

Date : May 12, 2023

**DEEPAK CS**

Company Secretary

ICSI Membership No. : F5060



## Statement of Consolidated Cash Flow for the year ended March 31, 2023

(₹ in crore)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>			
Profit before tax		863.31	832.32
Adjustments for:			
Depreciation and amortisation expense		138.33	108.97
Loss on sale of property, plant and equipment (net)		0.94	0.58
Finance costs		67.09	44.47
Interest income on fixed deposits		(21.07)	(12.93)
Interest income on others		(1.30)	(2.80)
Provision for slow moving inventory of spares & consumables		1.32	1.44
Government grant income		(8.61)	(8.27)
Loss/(gain) on derivatives measured at fair value through profit & loss account		1.02	(0.28)
Net unrealised foreign exchange loss		1.97	0.75
Bad debts written off		4.57	0.25
Allowance for doubtful trade receivables (expected credit loss allowance)		0.94	(0.52)
Share based expenses		0.25	1.69
Provisions		4.89	0.73
<b>Operating profit before working capital changes</b>		<b>1,053.65</b>	<b>966.40</b>
<b>Changes in working capital:</b>			
Adjustments for (increase)/decrease in operating assets:			
Inventories		(633.97)	(88.74)
Trade receivables		198.95	(210.84)
Current loans and other financial assets		(271.38)	0.09
Non-current loans and other financial assets		(4.09)	(3.48)
Other current assets		(25.26)	(104.77)
Other non-current assets		0.56	(0.71)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		537.54	273.95
Other current liabilities		7.85	18.47
Other current financial liabilities		0.15	(0.05)
Other non current financial liabilities		(0.35)	(0.15)
Other non current liabilities		42.83	-
Provisions (current & non-current)		(0.32)	0.86
<b>Cash generated from operations</b>		<b>906.16</b>	<b>851.03</b>
Net Income tax (paid)		(216.09)	(199.32)
<b>Net cash flow from operating activities (A)</b>		<b>690.07</b>	<b>651.71</b>

**Statement of Consolidated Cash Flow** for the year ended March 31, 2023 (Contd.)

(₹ in crore)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>B. Cash flow from investing activities</b>			
Capital expenditure on property, plant and equipment (including capital advances)		(862.05)	(596.65)
Proceeds from sale of property, plant and equipment		19.69	9.77
Proceeds/(investment) in short term fixed deposits (net)		(17.08)	129.11
Investment in other companies		(27.21)	(82.07)
Investment in mutual funds		-	(5.00)
Proceeds from sale of mutual funds		5.00	-
Interest received			
- fixed deposits		4.61	11.91
- others		1.30	2.80
<b>Net cash flow (used in) investing activities (B)</b>		<b>(875.74)</b>	<b>(530.13)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from non-current borrowings		219.88	238.74
Repayment of non-current borrowings		(65.25)	(86.52)
Proceeds from current borrowings (net)		135.55	-
Repayment of current borrowings (net)		-	(91.97)
Payment of dividend		(87.51)	-
Proceeds from issue of equity share capital		2.74	7.03
Payment on account of lease liabilities		(0.56)	(0.58)
Finance costs		(60.22)	(40.67)
<b>Net cash flow from financing activities (C)</b>		<b>144.63</b>	<b>26.03</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(41.04)</b>	<b>147.61</b>
Cash and cash equivalents at the beginning of the year		163.73	16.12
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>122.69</b>	<b>163.73</b>

See accompanying notes to the Consolidated financial statements 1-48

In terms of our report attached.

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

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104

Place : Ghaziabad  
Date : May 12, 2023

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 12, 2023

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 1(i) Company background

APL Apollo Tubes Limited ("the Company" or "the Holding Company") is a public limited Company incorporated in India on February 24, 1986 having CIN : L74899DL1986PLC023443 with its registered office at 37, Hargobind Enclave, Vikas Marg, Delhi-110092, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in the business of production of ERW steel tubes. The Company has four wholly owned subsidiaries in India, two wholly owned subsidiary in United Arab Emirates (the Company and its subsidiaries constitute "the Group"). The Group has eleven manufacturing units, a) three at Sikanderabad, Uttar Pradesh, b) one at Dujana, Uttar Pradesh, c) one at Hosur, Tamilnadu, d) two at Raipur, Chhattisgarh, e) one at Murbad, Maharashtra, f) one at Bengaluru, Karnataka, g) one at Malur, Karnataka and h) one at Chegunta, Hyderabad. During the year, Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited (step down subsidiary and subsidiary company) got merged with the Company (see note 46).

The consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 12, 2023.

### 1(ii) Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

#### (a) Statement of compliance

The consolidated financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time as notified under Section 133 of the Companies Act 2013, the relevant provision of the Companies Act 2013 ("the Act") and other accounting principles generally accepted in India.

#### (b) Basis of Preparation

The consolidated financial statements have been prepared in conformity with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial statements have been prepared on accrual basis under the historical cost basis except for

certain financial instruments which are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### (c) Principles of consolidation

The Group consolidates all entities which are controlled by it. The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The consolidated financial statements relate to APL Apollo Tubes Limited, the holding Company and its subsidiary companies (hereinafter collectively referred as "the Group").

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2022.
- b. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.
- c. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' is determined separately for each subsidiary Company and such amounts are not set off between different entities.
- d. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.
- e. Goodwill arising on consolidation is not amortised but tested for impairment.
- f. Following Indian subsidiaries have been considered in the preparation of consolidated financial statements:
  - Apollo Metalex Private Limited (a wholly owned subsidiary) (CIN : U27104DL2006PTC146579)
  - Blue Ocean Projects Private Limited (a wholly owned subsidiary) (CIN : U70109DL2011PTC224580)
  - APL Apollo Building Products Private Limited (a wholly owned subsidiary) (CIN : U27200DL2019PTC358966)
  - APL Apollo Mart Limited (a wholly owned subsidiary) (CIN : U52590DL2021PLC390908)
- g. Following foreign subsidiary has been considered in the preparation of consolidated financial statements:
  - APL Apollo Tubes FZE
  - A P L Apollo Tubes Company LLC.

### (d) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

#### Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Consolidated Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

### Useful lives of Property, plant and equipment ('PPE')

The Group reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

### Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Fair value measurement of derivative and other financial instruments

The fair value of financial instruments, that are not traded in an active market, is determined by using valuation

techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

### (e) Operating cycle

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

### (f) Foreign currency translation

#### (i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

### (g) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

#### (i) Sale of goods

The Group derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods. To recognize revenues, the Group applies the following five step approach: (1) identify the contract with a customer, (2) identify the

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. The Group recognises revenue at point in time.

Any change in scope or price is considered as a contract modification. The Group accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.

In contracts where the Company acts as an agent, the revenue is recorded at the net amount that the Company retains for its services.

### (ii) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

### (iii) Commission Income

Commission income is recognised when the services are rendered.

### (iv) Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

## (h) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in the Statement of profit or loss on a systematic basis over the expected useful life of the related assets.

The grant which is received to compensate the import cost of assets subject to an export obligation as prescribed in the export promotion capital goods scheme is recognised as income in the statement of profit and loss linked to fulfilment of associated export obligations.

The benefit of a government loan at a below-market rate of interest is treated as government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and are presented in the balance sheet as deferred income.

### (i) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each year adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in Other Comprehensive Income.

### (j) Leases

#### As a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are

evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (k) Impairment of assets

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the assets does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (l) Cash and cash equivalents and Cash Flow Statement

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

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 cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Short term borrowings, repayments and advances having maturity of three months or less, are shown as net in cash flow statement.

### (m) Inventories

#### Raw materials, work in progress, stores, traded and finished goods

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

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

#### Rejection and scrap

Rejection and scrap are valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (n) Property, plant and equipment and capital work-in-progress

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost

less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

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

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of 3 years.

Property, plant and equipment acquired in business combination are recognised at fair value at the acquisition date. Subsequent costs are included in the assets carrying value or recognised as a separate assets as appropriate only when it is possible that future economic benefit associated with the item will flow to the Group.

#### Capital work-in-progress

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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### Depreciation methods, estimated useful lives and residual value

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

The estimated useful life of various property, plant and equipment is as under:-

- (a) Buildings- 30 to 60 years
- (b) Roads- 10 years
- (c) Plant and machinery used in manufacturing of pipe 10-20 years
- (d) Other plant and machinery- 2 to 10 years
- (e) Vehicles- 8 years
- (f) Furniture and fixtures- 10 years
- (g) Office equipment- 2-5 years
- (h) Computers & servers- 3-6 years

The residual values, useful lives and method of depreciation of Property, plant & equipment is reviewed at the end of each financial year and adjusted prospectively if appropriate.

### (o) Intangible assets

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

- (a) Computer software - 3 to 6 years

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

### (p) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### (q) Earnings per share

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

### (r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (s) Contingent liabilities

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

Contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

### (t) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

### (u) Employee benefits

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

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at

the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

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

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

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

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

Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by fair value of plan assets (being the funded portion).

The Holding Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

### (v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### (w) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### (x) Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### A. Investments and other financial assets

##### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income.

The classification criteria of the Group for debt and equity instruments is provided as under:

##### (a) Debt instruments

Depending upon the business model of the Group, debt instruments can be classified under following categories:

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- Debt instruments measured at amortised cost
- Debt instruments measured at fair value through other comprehensive income
- Debt instruments measured at fair value through profit or loss

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

### (b) Equity instruments

The equity instruments can be classified as:

- Equity instruments measured at fair value through profit or loss ('FVTPL')
- Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

Equity instruments and derivatives are normally measured at FVTPL. However, on initial recognition, an entity may make an irrevocable election (on an instrument-by-instrument basis) to present in OCI the subsequent changes in the fair value of an investment in an equity instrument within the scope of Ind AS -109.

### (ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### **Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the

asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Fair value through other comprehensive income:**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### **Investment in equity shares**

The Group subsequently measures all equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

The Group has equity investments in three entities which are not held for trading. The Group has elected the FVTOCI irrevocable option for both of these investments (see note 3). Fair value is determined in the manner described in note 42.

### (iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected credit loss are measured through a loss allowance at an amount equal to the following:

- (a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other income.

### (iv) Derecognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## B. Financial Liabilities

### (i) Classification

The Group classifies its financial liabilities in the following measurement categories:

- Financial liabilities measured at fair value through profit or loss
- Financial liabilities measured at amortized cost

### (ii) Measurement

The measurement of financial liabilities depends on their classification, as described below:

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognised at fair value.

Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

### Financial liabilities measured at Amortized Cost :

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in the statement of profit or loss.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the financial liabilities using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

### (iii) De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

## (y) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be

enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## (z) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

## (za) Segment Information

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments.

The Group is engaged in the business of production of ERW steel tubes. As the Group's business activity primarily falls within a single business and geographical segment i.e manufacture of steel tubes, there are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.

### 1(iii) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements - This amendment require companies to disclose their material accounting policies information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect to have any significant impact in its financial statements due to this amendment.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The Company does not expect to have any significant impact in its financial statements due to this amendment.

Ind AS 12 – Income Taxes - The amendment has narrowed the scope of the recognition exemption so that it no longer

applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect to have any significant impact in its financial statements due to this amendment.

Other amendments - Other amendments include amendments in Ind AS 102, Share-based Payments, Ind AS 103, Business Combination, Ind AS 109, Financial Instruments, Ind AS 115, Revenue from Contract with Customers, are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact in its financial statements due to these amendments.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 2(a) : Property, Plant and Equipment

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of :</b>		
Freehold land	177.56	159.36
Building	509.19	329.90
Plant and machinery	1,631.87	1,081.68
Office equipments	3.87	3.97
Vehicles	17.01	19.83
Furniture and fixtures	6.89	7.00
Computers	2.86	2.40
	<b>2,349.25</b>	<b>1,604.14</b>

(₹ in crore)

	Freehold Land	Building	Plant and machinery	Office equipments	Vehicles	Furniture and fixtures	Computers	Total
<b>Cost/Deemed cost</b>								
<b>As at April 1, 2021</b>	<b>129.07</b>	<b>362.14</b>	<b>1,302.08</b>	<b>6.69</b>	<b>22.97</b>	<b>10.54</b>	<b>4.17</b>	<b>1,837.66</b>
Additions during the year	30.29	23.11	157.28	2.25	5.06	2.43	1.23	221.65
Sales / transfer during the year	-	-	(19.00)	-	(1.54)	-	-	(20.54)
<b>Balance at March 31, 2022</b>	<b>159.36</b>	<b>385.25</b>	<b>1,440.36</b>	<b>8.94</b>	<b>26.49</b>	<b>12.97</b>	<b>5.40</b>	<b>2,038.77</b>
Asset classified as held for sale	(5.24)	(16.08)	-	-	-	-	-	(21.32)
Additions during the year	23.44	211.56	688.31	1.44	1.26	1.21	1.59	928.81
Sales during the year	-	(0.84)	(37.87)	(0.05)	(0.27)	(0.12)	(0.16)	(39.31)
<b>Balance at March 31, 2023</b>	<b>177.56</b>	<b>579.89</b>	<b>2,090.80</b>	<b>10.33</b>	<b>27.48</b>	<b>14.06</b>	<b>6.83</b>	<b>2,906.95</b>
<b>Accumulated depreciation</b>								
<b>As at April 1, 2021</b>	<b>-</b>	<b>41.84</b>	<b>278.88</b>	<b>3.75</b>	<b>4.84</b>	<b>4.69</b>	<b>2.25</b>	<b>336.25</b>
Elimination on disposal of assets	-	-	(6.36)	-	(1.32)	-	-	(7.68)
Depreciation expense	-	13.51	86.16	1.22	3.14	1.28	0.75	106.06
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>55.35</b>	<b>358.68</b>	<b>4.97</b>	<b>6.66</b>	<b>5.97</b>	<b>3.00</b>	<b>434.63</b>
Asset classified as held for sale	-	(2.05)	-	-	-	-	-	(2.05)
Elimination on disposal	-	(0.12)	(9.86)	(0.01)	(0.25)	(0.11)	(0.15)	(10.50)
Depreciation expense	-	17.52	110.11	1.50	4.06	1.31	1.12	135.62
<b>Balance at March 31, 2023</b>	<b>-</b>	<b>70.70</b>	<b>458.93</b>	<b>6.46</b>	<b>10.47</b>	<b>7.17</b>	<b>3.97</b>	<b>557.70</b>
<b>Net carrying value</b>								
<b>Balance at March 31, 2022</b>	<b>159.36</b>	<b>329.90</b>	<b>1,081.68</b>	<b>3.97</b>	<b>19.83</b>	<b>7.00</b>	<b>2.40</b>	<b>1,604.14</b>
<b>Balance at March 31, 2023</b>	<b>177.56</b>	<b>509.19</b>	<b>1,631.87</b>	<b>3.87</b>	<b>17.01</b>	<b>6.89</b>	<b>2.86</b>	<b>2,349.25</b>

#### Notes :-

- (1) Property, plant and equipment as detailed above have been pledged as security for loans taken as at March 31, 2023. See note 17 & 22 for loans taken against which these assets are pledged.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 2 : Below are the title deed of Immovable Property not held in the name of the Company

#### In the books of APL Apollo Tubes Limited

(i) Particulars	As at March 31, 2023	As at March 31, 2022
Relevant line items in the balance sheet	Property, plant and equipment	Property, plant and equipment
Description of item property	Building	Building
Gross carrying value (₹ in crore)	1.47	1.47
Title deeds held in the name of	Llyod Line Pipes Limited	Llyod Line Pipes Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee	No	No
Property held since which date	23-Nov-08	23-Nov-08
Reason for not being held in the name of the Company	Pending transfer in name of the Company post merger	Pending transfer in name of the Company post merger
(ii) Particulars	As at March 31, 2023	As at March 31, 2022
Relevant line item in the balance sheet	Property, plant and equipment	Property, plant and equipment
Description of item property	Land at Dujana plant	Land at Dujana plant
Gross carrying amount (Amount in crore)	9.06	9.06
Title deeds held in the name of	Potential Investments and Finance Limited	Potential Investments and Finance Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Property held since which date	26-Dec-15	26-Dec-15
Reason for not being held in the name of the Company	Pending transfer in name of the Company post merger and name change	Pending transfer in name of the Company post merger and name change
<b>Note :</b> Potential Investments and Finance Limited is the erstwhile name of Apollo Tricoat Tubes Limited which has been merged with the Company (See note 46).		
(iii) Particulars	As at March 31, 2023	As at March 31, 2022
Relevant line item in the balance sheet	Property, plant and equipment	Property, plant and equipment
Description of item property	Land & building at Attibebe plant	Land & building at Attibebe plant
Gross carrying amount (Amount in crore)	21.56	20.13
Title deeds held in the name of	Shri Lakshmi Metal Udyog Limited	Shri Lakshmi Metal Udyog Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	No
Property held since which date	06-May-09	06-May-09
Reason for not being held in the name of the Company	Pending transfer in name of the Company post merger (see note 46)	Pending transfer in name of the Company post merger (see note 46)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (iv) Capitalisation of expenditure

APL Apollo Building Products Private Limited, wholly owned subsidiary of the Holding Company has capitalised the following expenses to the cost of property, plant and equipment/capital work in progress :

(₹ in crore)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Expenses</b>		
Cost of materials consumed (net of revenue)	6.10	-
Employee benefits expense	8.05	7.22
Finance cost	19.28	5.55
Other expenses		
Freight outward	5.51	0.10
Power and fuel	8.09	1.54
Consumption of stores and spare parts	1.24	1.80
Travelling and conveyance	1.06	0.02
Legal and professional charges	1.85	3.14
Repair & maintenance on Plant and machinery	0.27	0.03
Security services	0.52	0.36
Miscellaneous expenses	2.24	2.15
<b>Total amount capitalised</b>	<b>54.21</b>	<b>21.91</b>
Amount capitalised in property, plant and equipment	54.21	1.40
Amount capitalised in capital work in progress	-	20.51
<b>Total amount capitalised</b>	<b>54.21</b>	<b>21.91</b>

### 2(b) Capital work in progress

(₹ in crore)

Particulars	Building	Plant and machinery	Total
<b>As at April 1, 2021</b>	<b>30.59</b>	<b>77.08</b>	<b>107.67</b>
Add : Additions during the year	149.42	426.98	576.40
Less : Transfer to property, plant and equipment (see note 2(a))	(23.11)	(157.28)	(180.39)
<b>Closing balance as at March 31, 2022</b>	<b>156.90</b>	<b>346.78</b>	<b>503.68</b>
Add : Additions during the year	221.48	548.69	770.17
Less : Transfer to property, plant and equipment (see note 2(a))	(211.56)	(688.31)	(899.87)
<b>Closing balance as at March 31, 2023</b>	<b>166.82</b>	<b>207.16</b>	<b>373.98</b>

### Ageing of Capital work in progress is as below :

(₹ in crore)

Amount in CWIP for a period of	Projects in progress	Projects temporarily suspended	Amount as at March 31, 2023
Less than 1 year	361.38	-	361.38
1-2 years	6.00	-	6.00
2-3 years	0.18	6.34	6.52
More than 3 years	0.08	-	0.08
<b>Total</b>	<b>367.64</b>	<b>6.34</b>	<b>373.98</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(₹ in crore)

Amount in CWIP for a period of	Projects in progress	Projects temporarily suspended	Amount as at March 31, 2022
Less than 1 year	466.79	-	466.79
1-2 years	30.55	6.34	36.89
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total</b>	<b>497.34</b>	<b>6.34</b>	<b>503.68</b>

### 2(c) Right of use assets (ROU) and lease liabilities

(₹ in crore)

Particulars	Category of ROU Asset			Total
	Land	Building	Vehicle	
<b>As at April 1, 2021</b>	94.76	0.09	0.09	94.94
Additions	-	1.61	-	1.61
Amortisation	(1.38)	(0.56)	(0.01)	(1.95)
<b>Balance as at March 31, 2022</b>	<b>93.38</b>	<b>1.14</b>	<b>0.08</b>	<b>94.60</b>
Additions	(0.29)	-	-	(0.29)
Amortisation	(1.29)	(0.55)	-	(1.84)
<b>Balance as at March 31, 2023</b>	<b>91.80</b>	<b>0.59</b>	<b>0.08</b>	<b>92.47</b>

- (i) ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The lease term is 44-90 years for land, 3 years for building and 3 years for vehicles. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of consolidated Profit and Loss.
- (ii) ROU assets have been pledged as security for loans taken as at March 31, 2023. See note 17 & 22 for loans taken against which these assets are pledged.
- (iii) ROU asset includes leasehold land located at Murbad, Maharashtra having gross carrying value of ₹1.44 crore (March 31, 2022 : ₹1.44 crore) (net carrying value of ₹1.05 crore as at March 31, 2023, March 31, 2022 : ₹1.06 crore), the title deeds of whose is in the name of Lloyd Line Pipe Limited (LLPL). LLPL was merged with the Company in earlier year under section 230 and section 232 of the Companies Act, 2013 in terms of approval of Hon'ble National Company Law Tribunal, Principal bench, New Delhi and the land is pending transfer in the name of the Company post merger. The Company is holding the property since September 26, 1994.
- (iv) ROU asset includes leasehold land located at Malur, Karnataka having gross carrying value of ₹13.82 crore (March 31, 2022 : ₹13.82 crore) (net carrying value of ₹13.10 crore as at March 31, 2023, March 31, 2022 : ₹13.24 crore), the title deeds of whose is in the name of Best Steel Logistics Limited. Best Steel Logistics Limited is the erstwhile name of Apollo Tricoat Tubes Limited which has been merged with the Company (See note 46).
- (v) The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022 : (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liability	0.09	0.64
Non-current lease liability	-	0.01
<b>Total</b>	<b>0.09</b>	<b>0.65</b>

- (vi) The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 : (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning</b>	0.65	0.14
Additions	-	1.09
Finance cost accrued during the year	0.03	0.03
Payment of lease liabilities	(0.59)	(0.61)
<b>Balance at the end</b>	<b>0.09</b>	<b>0.65</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(vii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis : (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.10	0.58
One to five years		0.10
More than five years	-	-
<b>Total</b>	<b>0.10</b>	<b>0.68</b>

(viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ix) Rental expense recorded for short-term leases is ₹4.81 crore for the year ended March 31, 2023 (March 31, 2022 : ₹4.44 crore).

### 2(d) : Goodwill

(₹ in crore)

	As at March 31, 2023
<b>As at April 1, 2021</b>	<b>137.50</b>
Add : additions during the year	-
Less : impairment during the year	-
<b>Closing balance as at March 31, 2022</b>	<b>137.50</b>
Add : additions during the year	-
Less : impairment during the year	-
<b>Closing balance as at March 31, 2023</b>	<b>137.50</b>

#### Note :

Goodwill represents the difference between purchase consideration and the fair value of net assets acquired in past.

### 2(e) Intangible Assets

(₹ in crore)

	Computer Softwares
<b>Cost / deemed cost</b>	
<b>As at April 1, 2021</b>	<b>6.32</b>
Additions	0.24
Disposal	-
<b>Balance at March 31, 2022</b>	<b>6.56</b>
Additions	0.63
Disposal	-
<b>Balance at March 31, 2023</b>	<b>7.19</b>
<b>Amortisation</b>	
<b>As at April 1, 2021</b>	<b>4.48</b>
Amortisation expense	0.96
Elimination on disposal	-
<b>Balance at March 31, 2022</b>	<b>5.44</b>
Amortisation expense	0.52
<b>Balance at March 31, 2023</b>	<b>5.96</b>
<b>Net carrying value</b>	
<b>Balance at March 31, 2022</b>	<b>1.12</b>
<b>Balance at March 31, 2023</b>	<b>1.23</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 2(f) : Asset classified as held for sale

(₹ in crore)

	Land
<b>As at April 1, 2021</b>	-
Change during the year	-
<b>Balance at March 31, 2022</b>	-
Addition during the year (net) (see note below)	19.27
<b>Balance at March 31, 2023</b>	<b>19.27</b>

#### Note :

The Holding Company intends to sell guest house and freehold land & building at Attebele, which it no longer plans to utilise in next 12 months. Assets classified as held for sale consist of land and building whose aggregate fair value is ₹15.00 crore and ₹9.00 crore for guest house and freehold land & building at Attebele respectively. The valuation was performed by Government of India approved valuer. The fair value measurement categorised as a level 3 fair value based on the inputs of the valuation technique used. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. No impairment loss has been recognised in reclassification of the land and building as asset held for sale as the Directors of the Company, based on valuation report, expects that the fair value less cost to sell to be higher than the carrying amount.

The title deeds of Freehold land & building located at Attebele, Karnataka included above having gross carrying value of ₹8.62 crore (March 31, 2022 : ₹8.62 crore) (net carrying value of ₹7.93 crore as at March 31, 2023, March 31, 2022 : ₹8.04 crore) are in the name of Best Steel Logistics Limited (erstwhile name of Apollo Tricoat Tubes Limited). Apollo Tricoat Tubes Limited has been merged with the Company in the current year under section 230 and section 232 of the Companies Act, 2013 in terms of approval of Hon'ble National Company Law Tribunal, Principal bench, New Delhi and the land is pending transfer in the name of the Company post merger. The Company is holding the property since October 14, 2016. As at March 31, 2022, freehold land & building located at Attebele, Karnataka was classified in Property, plant & equipment.

### 3 Investment (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>3(a) Investments in equity instruments carried at fair value through the other comprehensive income - (unquoted, fully paid) :</b>		
(i) 931,400 (March 31, 2022: 931,400) equity shares of ₹10 each fully paid up in Clover Energy Private Limited (see note (i) below)	0.93	0.93
(ii) 350,000 (March 31, 2022 : 350,000) equity shares of ₹10 each fully paid up in AMP SOLAR Urja Private Limited (see note (ii) below)	0.35	0.35
(iii) 2,900,000 (March 31, 2022: 2,900,000) equity shares of ₹10 each fully paid up in Radiance Ka Sunrise Two Private Limited (see note (iii) below)	2.90	2.90
(iv) 100,000 (March 31, 2022: Nil) equity shares of ₹10 each fully paid up in APL Apollo Foundation (see note (iv) below)	0.10	-
<b>Sub Total</b>	<b>4.28</b>	<b>4.18</b>

#### Notes :

- (i) The Group (including its subsidiary companies) holds 3.35 % (March 31, 2022 : 4.93 %) equity shares of Clover Energy Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (ii) The Group (including its subsidiary companies) holds 10.87 % (March 31, 2022 : 10.87 %) equity shares of AMP SOLAR Urja Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (iii) The Group (including its subsidiary companies) holds 26.00 % (March 31, 2022 : 26.00 %) equity shares of Radiance Ka Sunrise Two Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (iv) The Group has during the year invested ₹0.10 crore in APL Apollo Foundation ('Foundation'), a Company registered under section 8 of the Companies Act, 2013. The Company was incorporated on April 19, 2022 and the purpose of the Foundation is to undertake CSR activities. As at March 31, 2023, the Group holds 66.67% (March 31, 2022 : Nil) equity shares of the Foundation.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 3(b) Investments in equity instruments carried at fair value through the other comprehensive income - (quoted, fully paid) (see note below): (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) 1,000,000 equity shares of ₹10 each fully paid in Shankara Building Products Limited (March 31, 2022 : 1,000,000)	61.30	78.71
(ii) 14,00,000 equity share warrants issued at ₹750.00 each of Shankara Building Products Limited (paid up amount of ₹187.50 per share warrant) (March 31, 2022 : Nil)	26.25	-
<b>Sub Total</b>	<b>87.55</b>	<b>78.71</b>

#### Notes :

During the previous year ended March 31, 2022, APL Apollo Mart Limited ('Apollo Mart'), a wholly owned subsidiary of APL Apollo Tubes Limited made a minority equity investment in equity shares of Shankara Building Products Limited ('Shankara') through purchase of 1,000,000 equity shares at ₹755.00 each amounting to ₹75.66 crore from promoters through secondary market. The proposed investment has been made to ensure group's growth strategy and consistency in sales.

Further the board of directors of Shankara Building Products Limited in previous year approved issuance of 1,400,000 convertible warrants at a price of ₹750.00 per warrant to Apollo Mart, subject to approval of the members of Shankara and other requisite approvals, if any. During the year ended March 31, 2023, Shankara made a preferential allotment of 1,400,000 convertible warrants amounting to ₹105.00 crore on May 7, 2022 to Apollo Mart. The total shareholding of Apollo Mart in Shankara as at March 31, 2023 on a fully diluted basis is 9.90% (As at March 31, 2022 : 9.90%).

### 3(c) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid): (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth (1,099,925 units at NAV of ₹9.64 per unit) (March 31, 2022 : 99,895 units at NAV of ₹12.42 per unit)	1.06	0.21
<b>Sub Total</b>	<b>1.06</b>	<b>0.21</b>

### 3(d) Investments in compulsory convertible debentures carried at cost - (unquoted, fully paid): (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) 31,500 (March 31, 2022: 31,500) compulsory convertible debentures of ₹1,000 each fully paid up in AMPSOLAR Urja Private Limited	3.15	3.15
<b>Sub Total</b>	<b>3.15</b>	<b>3.15</b>
<b>Total</b>	<b>96.04</b>	<b>86.25</b>
<b>Aggregate carrying value / book value of unquoted investment</b>	<b>7.43</b>	<b>7.33</b>
<b>Aggregate carrying value / book value of quoted investment</b>	<b>88.61</b>	<b>78.92</b>
<b>Book value of quoted investment</b>	<b>88.61</b>	<b>78.92</b>
<b>Market value of quoted investment</b>	<b>88.61</b>	<b>78.92</b>

## 4 Loans (Non-current)

### (Unsecured, considered good) (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Loans & advances to employees (see note below)	0.28	0.42
<b>Total</b>	<b>0.28</b>	<b>0.42</b>

#### Note :

There are no outstanding debts due from directors or other officers of the Company.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 5 Other financial assets (Non-current)

(Unsecured)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claim receivable	0.54	0.32
Less : Provision created for doubtful claims receivable	0.27	0.27
	<b>0.27</b>	<b>0.05</b>
(b) Security deposit (considered good)	32.11	28.81
(c) In margin money with maturity more than 12 months	1.83	1.12
<b>Total</b>	<b>34.21</b>	<b>29.98</b>

### 6 Non-current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance income tax (net of provision of tax of ₹165.76 crore, March 31, 2022 : ₹259.51 crore)	6.55	55.11
<b>Total</b>	<b>6.55</b>	<b>55.11</b>

### 7 Other non-current assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital advances (see note (i) below)	195.24	104.94
(b) Prepaid expenses	2.37	4.63
(c) Value added tax (VAT) credit receivable	1.92	0.19
(d) Income tax deposit refundable	0.92	0.92
(e) Security deposit	0.01	-
(f) Payment under protest (see note (ii) below)		
(i) Excise duty	0.24	0.28
(ii) Value added tax	0.39	1.19
(iii) Income tax	1.26	0.46
<b>Total</b>	<b>202.35</b>	<b>112.61</b>

#### Note :

- The Group subsequent to year end has received back ₹15.00 crore of capital advance paid towards purchase of land.
- The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially effect on its consolidated financial statements.

### 8 Inventories

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw material (including stock-in-transit)	346.92	313.89
(b) Work in progress (including stock-in-transit)	375.55	172.47
(c) Stock in trade	4.67	5.46
(d) Finished goods (including stock-in-transit)	670.50	313.28
(e) Stores and spares (including stock-in-transit)	45.98	28.78
(f) Rejection and scrap (including stock-in-transit)	36.25	13.34
<b>Total</b>	<b>1,479.87</b>	<b>847.22</b>

- Cost of inventory (including stores & spares) recognised as expense during the year amounted to ₹14,132.84 crore (March 31, 2022 : ₹11,312.58 crore).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (ii) Details of stock-in-transit

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
Raw material	2.20	0.92
Work in progress	5.22	2.19
Finished goods	65.78	31.33
Stores and spares	0.35	-
Rejection and Scrap	0.08	6.52
(iii) Provision for slow moving inventory of stores & spares.	4.34	3.02

(iv) The mode of valuation of inventories has been stated in note 1(ii)(m) of significant accounting policies.

(v) Inventories have been pledged as security towards group's borrowings from banks.

### 9 Investment (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid)		
(i) Investment in mutual fund of Invesco Mutual Fund - regular plan growth (March 31, 2023 : Nil units) (March 31, 2022 : 1,950,330.407 units at NAV of ₹25.6354 per unit)	-	5.00
<b>Total</b>	<b>-</b>	<b>5.00</b>
<b>Aggregate carrying value of quoted investment</b>	<b>-</b>	<b>5.00</b>
<b>Book value of quoted investment</b>	<b>-</b>	<b>5.00</b>
<b>Market value of quoted investment</b>	<b>-</b>	<b>5.00</b>

### 10 Trade receivables (Current)

#### (Unsecured)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Considered good		
(i) Related parties	0.04	-
(ii) Other than related parties	137.40	341.70
<b>Sub total</b>	<b>137.44</b>	<b>341.70</b>
(b) Considered doubtful (other than related parties)	2.25	5.88
Less: Allowance for trade receivables (expected credit loss allowance)	(2.25)	(5.88)
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>137.44</b>	<b>341.70</b>

(i) The average credit period on sale of goods is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. Customers who represent more than 10% of the total balance of trade receivables are as follows :

(₹ in crore)

Particulars	As at March 31, 2023
Customer A	19.46
Customer B	19.25
	<b>38.71</b>
% of total trade receivables	28.16

(₹ in crore)

Particulars	As at March 31, 2022
Customer A	42.25
	<b>42.25</b>
% of total trade receivables	12.36



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- (ii) In determining the allowance for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

### (1) Movements in expected credit loss is as below :

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	5.88	6.40
Provison (written back) / Charge in statement of profit and loss	0.94	(0.27)
Utilised during the year	(4.57)	(0.25)
<b>Balance at the end of the year</b>	<b>2.25</b>	<b>5.88</b>

### (2) Ageing of trade receivables and credit risk arising there from is as below :

(₹ in crore)

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment						Total
	Not yet due	Less than six months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	125.76	10.59	1.09	-	-	-	137.44
Undisputed trade receivables - credit impaired	0.26	0.45	1.20	-	-	0.34	2.25
	<b>126.02</b>	<b>11.04</b>	<b>2.29</b>	<b>-</b>	<b>-</b>	<b>0.34</b>	<b>139.69</b>
Less : Allowance for credit losses							2.25
<b>Net trade receivables</b>							<b>137.44</b>

(₹ in crore)

Particulars	As at March 31, 2022						
	Outstanding for following periods from due date of payment						Total
	Not yet due	Less than six months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	288.13	52.40	1.11	0.06	-	-	341.70
Undisputed trade receivables - credit impaired	0.62	0.37	0.08	0.10	1.56	3.15	5.88
	<b>288.75</b>	<b>52.77</b>	<b>1.19</b>	<b>0.16</b>	<b>1.56</b>	<b>3.15</b>	<b>347.58</b>
Less : Allowance for credit losses							5.88
<b>Net trade receivables</b>							<b>341.70</b>

### (3) Ageing wise % of expected credit loss

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Not yet due	0.00 % to 0.21%	0.00 % to 0.21%
Less than six months	0.22 % to 4.11%	0.22 % to 0.71%
6 months- 1 year	4.12 % to 52.28%	0.72 % to 6.63%
1-2 years	52.29 % to 100.00%	6.64 % to 30.08%
2-3 years	100.00%	100.00%
More than 3 years	100.00%	100.00%

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(4) Trade receivables have been pledged as security towards group's borrowings from banks.

### Note :

There are no outstanding debts due from directors or other officers of the Company.

### 11 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	0.16	0.36
(b) Balances with banks - in current accounts	8.14	12.72
(c) Balances with banks - in cash credit accounts (see note 22)	114.40	-
(d) In fixed deposits with maturity of less than 3 months at inception	-	150.65
<b>Total</b>	<b>122.69</b>	<b>163.73</b>

### 12 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) In earmarked accounts		
(i) unpaid dividend account	0.56	0.46
(ii) Escrow account (see note 47 (b))	2.34	1.58
(iii) In fixed deposits with maturity of more than 3 months and less than 12 months at inception - with banks	100.64	205.65
(iv) In margin money with maturity more than 3 months & less than 12 months at inception - with banks (see note below)	126.24	-
(v) In margin money with maturity more than 3 months & less than 12 months at inception - with financial institutions	-	5.00
<b>Total</b>	<b>229.78</b>	<b>212.69</b>

### Note :

Fixed deposits have been pledged as security for working capital facilities taken as at March 31, 2023. See note 22 for working capital facilities taken against which these assets are pledged.

### 13 Loans (Current)

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Loans to employees	1.34	1.29
<b>Total</b>	<b>1.34</b>	<b>1.29</b>

### 14 Other financial assets (Current)

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Government grants		
(i) Export incentives	1.04	-
(b) Interest accrued but not due on fixed deposits	18.65	2.19
(c) Security deposit	-	0.01
(d) Export incentives receivable	-	5.95
(e) Claim receivables	0.08	0.55
(f) Derivative assets (net)	0.99	2.30
(g) In fixed deposits with bank original maturity more than 12 months	277.00	-
<b>Total</b>	<b>297.76</b>	<b>11.00</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 15 Other current assets

(Unsecured, considered good unless otherwise stated)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance to suppliers	66.60	173.69
Less : Provision for doubtful advances	0.56	0.56
	66.04	173.13
(b) Balances with government authorities		
(i) Goods and services tax (GST) credit receivable	198.36	62.09
(ii) Advance goods and service tax credit on import of goods	0.69	0.30
(c) GST Refund Receivable	-	6.54
(d) Claim receivables	1.93	-
(e) Prepaid expenses	2.38	1.86
(f) Value added tax (VAT) credit receivable (net of provision of ₹0.13 crore) (March 31, 2022 : ₹0.13 crore)	0.22	0.27
(g) Advance to Employees	-	0.18
<b>Total</b>	<b>269.62</b>	<b>244.37</b>

#### Note :

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially effect on its consolidated financial statements.

### 16 Equity

#### 16(a) Equity share capital

(₹ in crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised capital</b>				
Equity shares of ₹2 each (March 31, 2022 : ₹2 each) (see note (vii) below)	375,000,000	75.00	375,000,000	75.00
Add : Increase in Authorised Share capital pursuant to Scheme of Amalgamation by 110,000,000 equity shares of ₹2 each) (See note 46)	110,000,000	22.00	-	-
	<b>485,000,000</b>	<b>97.00</b>	<b>375,000,000</b>	<b>75.00</b>
<b>Issued capital</b>				
Equity shares of ₹2 each (March 31, 2022 : ₹2 each) (see note (vii) below)	277,330,814	55.47	250,280,500	50.06
	<b>277,330,814</b>	<b>55.47</b>	<b>250,280,500</b>	<b>50.06</b>
<b>Subscribed and fully paid up capital</b>				
Equity shares of ₹2 each (March 31, 2022 : ₹2 each) (see note (vii) below)	277,330,814	55.47	250,280,500	50.06
	<b>277,330,814</b>	<b>55.47</b>	<b>250,280,500</b>	<b>50.06</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (i) Reconciliation of the number of shares and amount outstanding as at March 31, 2023 and March 31, 2022 : (₹ in crore)

Particulars	Number of shares		Amount	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Equity share capital</b>				
<b>Outstanding at the beginning of the year</b>	250,280,500	124,896,000	50.06	24.98
Add: Issue of shares under Company's employee stock option plan (see note 39(d))	190,314	488,500	0.04	0.10
Add: Increase in the number of shares on account of bonus issue (see note (vii) below)	-	124,896,000	-	24.98
Add : Issue of shares to minority shareholders of Tricoat under merger scheme (see note 46)	26,860,000	-	5.37	-
<b>Outstanding at the end of the year</b>	<b>277,330,814</b>	<b>250,280,500</b>	<b>55.47</b>	<b>50.06</b>

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

The Company has one class of equity shares having a par value of Rupees 2 each (March 31, 2022 : Rupees 2 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights (see note (vii) below)</b>				
APL Infrastructure Private Limited	78,000,000	28.13%	78,000,000	31.17%
Kitara PIIN 1001	18,633,768	6.72%	18,905,648	7.55%
SmallCap World Fund INC	15,782,000	5.69%	15,314,090	6.12%

### (iv) Shares held by promoters at the end of the year\* (₹ in crore)

Name of promoter	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
APL Infrastructure Private Limited	78,000,000	28.13%	78,000,000	31.17%
Sanjay Gupta	350,000	0.13%	350,000	0.14%
Veera Gupta	5,420,000	1.95%	5,420,000	2.17%
Rahul Gupta	1,501,000	0.54%	1,501,000	0.60%
Rohan Gupta	1,125,000	0.41%	1,125,000	0.45%
<b>Total</b>	<b>86,396,000</b>	<b>31.16%</b>	<b>86,396,000</b>	<b>34.53%</b>

### (v) Change in shares held by promoters during the current year and previous year (₹ in crore)

Name of promoter	Increase/(decrease) in sharholding (Year ended March 31, 2023)	Increase/(decrease) in sharholding (Year ended March 31, 2022)
APL Infrastructure Private Limited	(3.04)%	(1.26)%
Sanjay Gupta	(0.01)%	0.00%
Veera Gupta	(0.21)%	(0.16)%
Rahul Gupta	(0.06)%	(0.60)%
Rohan Gupta	(0.04)%	(0.45)%

\*Promoter means promoter as defined in the Companies Act, 2013.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (vi) Share options granted under the Company's employee share options plans

As at March 31, 2022, executives and senior employees held options over 193,750 equity shares of ₹2 each of the Company (March 31, 2022 : 387,500 equity shares of ₹2 each) (see note (vii) below). Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 39.

### (vii) The Board of Directors in its meeting held on August 6, 2021 recommended (subject to approval by shareholders) bonus issue of 1 (one) equity share of ₹2 each for every 1 (one) equity shares of ₹2 each held by shareholders of the Company as on the record date.

Pursuant to the approval of the shareholders through postal ballot (including remote e-voting), the Company allotted 124,896,000 bonus equity shares of ₹2 each as fully paid-up bonus equity shares, in the proportion of 1 (One) equity share of ₹2 each for every 1 (One) existing equity shares of ₹2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently, the Company capitalised a sum of ₹24.98 crore from 'other equity'(securities premium) to 'equity share capital'.

### 16(b) Other equity (excluding non-controlling interest)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	403.69	400.98
General reserve	39.97	39.97
Capital Reserve	8.01	8.01
Share capital to issue to minority shareholders of Apollo Tricoat (see note 46)	-	5.37
Retained earnings	2,509.37	1,955.34
Share option outstanding account	1.82	1.58
Items of other comprehensive income	(12.72)	2.70
<b>Total</b>	<b>2,950.14</b>	<b>2,413.95</b>
<b>(1) Securities premium</b>		
Balance at the beginning of the year	400.98	415.13
Add: issue of shares under Company's employee stock option plan	2.71	10.83
Add: issue of bonus shares out of securities premium (see note 16(a)(viii))	-	(24.98)
<b>Balance at the end of the year</b>	<b>403.69</b>	<b>400.98</b>
<b>(2) General reserve</b>		
Balance at the beginning of the year	39.97	39.97
<b>Balance at the end of the year</b>	<b>39.97</b>	<b>39.97</b>
<b>(3) Capital reserve</b>		
Balance at the beginning of the year	8.01	13.38
Add : Share capital to issue to minority shareholders of Tricoat (see note 46)	-	(5.37)
<b>Balance at the end of the year</b>	<b>8.01</b>	<b>8.01</b>
<b>(4) Share capital pending allotment</b>		
Balance at the beginning of the year	5.37	-
Add : Share capital to issue to minority shareholders of Tricoat (see note 46)	-	5.37
Less : Share capital issued during the year to minority shareholders of Tricoat (see note 46)	(5.37)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>5.37</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 16(b) Other equity (excluding non-controlling interest) (contd.)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(5) Retained earnings</b>		
Balance at the beginning of the year	1,955.34	1,197.41
Add : Net profits attributable to owners of the Company	641.63	619.63
Less : Adjustment of Non-Controlling interest pursuant to merger (see note 46)	-	138.30
Dividend paid during the year	(87.60)	-
<b>Balance at the end of the year</b>	<b>2,509.37</b>	<b>1,955.34</b>
<b>(6) Share option outstanding account</b>		
Balance at the beginning of the year	1.58	3.79
Add : Addition during the year	0.25	1.69
Less : Transfer to securities premium reserve	(0.01)	(3.90)
<b>Balance at the end of the year</b>	<b>1.82</b>	<b>1.58</b>
<b>(7) Items of other comprehensive income</b>		
Balance at the beginning of the year	2.70	-
Add: Equity instruments through other comprehensive income	(15.42)	2.70
<b>Balance at the end of the year</b>	<b>(12.72)</b>	<b>2.70</b>

#### Nature and purpose of Reserves :-

- (i) **Securities premium** : Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 ("the Companies Act").
- (ii) **General reserve** : The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. General reserves represents the free profits of the Company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time Company distribute dividend. General reserve is not an item of OCI, items included in the general reserve will not be reclassified to profit or loss.
- (iii) **Capital reserve** : The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve. The reserve is not available for distribution.
- (iv) **Retained earnings** : It represents unallocated/un-distributed profits of the Group. The amount that can be distributed as dividend by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus amount reported above are not distributable in entirety.
- (v) **Share option outstanding account** : The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share option outstanding account is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme. (see note 39)
- (vi) **Items of other comprehensive income** : It represents profits / (loss) of the Group which will not be reclassified to statement of profit or loss.

### 17 Borrowings (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Term Loan:</b>		
- From banks		
(i) Secured (see note (i) below)	390.32	346.92
- From banks		
(i) Vehicle loan Secured (see note (ii) below)	-	0.02
<b>(b) Interest free loan</b>		
- From others		
Loan : Unsecured loan (see note (iii) below)	17.81	0.23
<b>Total</b>	<b>408.13</b>	<b>347.17</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
<b>(i) Term loan from banks are secured as follows:</b>				
<b>In case of Holding Company :</b>				
Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balaganahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balaganahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.	8.34	11.11	19.45	11.11
The loan outstanding is repayable in 7 quarterly instalments payable from April 2023 and ending in October 2024. Applicable rate of interest is 8.78 % (March 31, 2022 : 5.58%).				
Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balaganahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balaganahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.	16.67	22.22	38.89	22.22
The loan outstanding is repayable in 7 quarterly instalments payable from April 2023 and ending in October 2024. Applicable rate of interest is 8.78 % (March 31, 2022 : 5.58%).				

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
<p>Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Banglore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Banglore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.</p> <p>The loan outstanding is repayable in 3 quarterly instalments payable from June 2023 and ending in December 2023. Applicable rate of interest is 4.15%. Closing balance of loan as on March 31, 2023 is USD 1,972,716 (March 31, 2022 : USD 4,603,002) equivalent to Rupees 16.23 crore (March 31, 2022 : Rupees 34.88 crore).</p>	-	16.23	14.06	20.82
<p>Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Banglore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Banglore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.</p> <p>The loan outstanding is repayable in 5 equal half yearly installments payable from May 2023 and ending in May 2025. Applicable rate of interest is 8.78% p.a. (March 31, 2022: 5.58% p.a.)</p>	4.97	3.30	8.29	3.17

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
<p>Term Loan facilities are secured by first pari passu charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balaganahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term Loan facilities of APL Apollo Tubes Limited from banks are further secured by first pari passu charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balaganahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.</p> <p>The loan outstanding is repayable in 11 equal half yearly installments payable from June 2023 and ending in December 2025. Applicable Rate of Interest is 8.78% p.a. (March 31, 2022: 5.59% p.a.)</p>	17.50	10.00	27.50	10.00
<p><b>In case of APL Apollo Building Products Limited</b></p> <p>Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 20 quarterly installments payable from June 2023 and ending in March 2028. Applicable Rate of Interest is 7.97% p.a. (March 31, 2022 : 5.40% p.a.)</p>	20.00	5.00	25.00	-
<p>Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 16 quarterly installments payable from April 2023 and ending in January 2027. Applicable Rate of Interest is 8.35% p.a. (March 31, 2022 : 5.39% p.a.)</p>	18.75	6.25	25.00	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 16 quarterly installments payable from April 2023 and ending in January 2027. Applicable Rate of Interest is 8.35% p.a. (March 31, 2022 : 5.39% p.a.)	18.75	6.25	25.00	-
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 16 quarterly installments payable from June 2023 and ending in March 2027. Applicable Rate of Interest is 7.85% p.a. (March 31, 2022 : 5.35% p.a.)	37.50	12.50	50.00	-
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 20 quarterly installments payable from June 2023 and ending in March 2028. Applicable Rate of Interest is 7.97% p.a. (March 31, 2022 : 5.40% p.a.)	90.99	22.75	113.73	-
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 20 quarterly installments payable from June 2023 and ending in March 2028. Applicable Rate of Interest is 7.97% p.a. (March 31, 2022 : 5.40% p.a.)	24.00	6.00	-	-
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 20 quarterly installments payable from June 2023 and ending in March 2028. Applicable Rate of Interest is 7.97% p.a. (March 31, 2022 : 5.40% p.a.)	3.88	0.97	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 20 quarterly installments payable from June 2023 and ending in March 2028. Applicable Rate of Interest is 7.97% p.a. (March 31, 2022 : 5.40% p.a.)	13.96	3.49	-	-
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 20 quarterly installments payable from June 2023 and ending in March 2028. Applicable Rate of Interest is 7.97% p.a. (March 31, 2022 : 5.40% p.a.)	40.00	10.00	-	-
Term loan facilities are secured by first pari passu charge through equitable mortgage of the Company land, building and land held in APL Apollo Tubes Limited, situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Term Loan facilities are further secured by way of first pari passu charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Credit facilities are further secured by corporate guarantee of APL Apollo Tubes Limited. The loan outstanding is repayable in 16 quarterly installments payable from April 2023 and ending in January 2027. Applicable Rate of Interest is 8.35% p.a. (March 31, 2022 : 5.39% p.a.)	75.00	25.00	-	-
<b>(ii) Vehicle loan from bank</b> Vehicle Loan is secured by way of hypothecation of respective vehicle and repayable in 36 monthly installments payable from February 2021. As on March 31, 2023 there were 10 installments outstanding. Applicable rate of interest is 7.75% p.a (March 31, 2022 : 7.75% p.a.)	-	0.02	0.02	0.02
<b>(iii) Interest free loan from government</b> <b>In case of APL Apollo Tubes Limited :</b> The Company has received interest free loan of Rupees 17.21 crore & Rupees 9.24 crore from government repayable in Financial year 2028-2029. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is estimated at Rupees 15.94 crore (As at March 31, 2022 : Nil). The difference of Rupees 10.51 crore (As at March 31, 2022 : Rupees Nil) between the gross proceeds and the fair value of the loan is recognised as deferred income.	17.14	-	-	-
<b>In case of Apollo Metalex Private Limited :</b> The Company has received interest free loan of Rupees 0.33 crore & Rupees 0.65 crore from government company repayable in Financial year 2026-2027 and Financial year 2028-29 respectively. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is estimated at Rupees 0.40 crore (As at March 31, 2022 : Rupees 0.20 crore). The difference of Rupees 0.58 crore (As at March 31, 2022 : Rupees 0.13 crore) between the gross proceeds and the fair value of the loan is recognised as deferred income.	0.68	-	0.23	-
<b>Total</b>	<b>408.13</b>	<b>161.09</b>	<b>347.17</b>	<b>67.34</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 18 Other financial liabilities (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred payment (see note below)	0.50	0.85
<b>Total</b>	<b>0.50</b>	<b>0.85</b>

#### Note :

The Company has a deferred liability related to sales tax of ₹1.05 crore of year ending March, 2016 payable in the year ending March, 2026. Using prevailing market interest rates for an equivalent loan of 10.00% in the year of grant, the fair value of loan is estimated at ₹0.71 crore as on March 31, 2022 (March 31, 2022 : ₹0.85 crore). The difference of ₹0.14 crore (March 31, 2022 : ₹0.20 crore) between the gross proceeds and the fair value of the loan is recognised as deferred income. (See note 21 & 25).

### 19 Provisions (Non-current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for compensated absences	7.54	6.40
(b) Provision for gratuity (see note 38)	14.24	10.53
<b>Total</b>	<b>21.78</b>	<b>16.93</b>

### 20 Deferred Tax Liabilities (net)

#### (a) Component of deferred tax assets and liabilities are :-

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Deferred Tax Liabilities on account of</b>		
- Property, plant and equipments and other intangible assets	128.76	120.19
- Investment	(1.39)	0.60
- Right of use assets	1.62	1.62
- Arising on business combination	2.92	2.92
- Others	(0.96)	0.78
<b>Total deferred tax liabilities (A)</b>	<b>130.95</b>	<b>126.11</b>
<b>(ii) Deferred Tax Assets on account of</b>		
- Allowance for expected credit loss	0.60	1.52
- Provision for employee benefit expenses	6.83	5.53
- Carried forward losses	6.03	-
- Others	0.35	0.35
<b>Total deferred tax assets (B)</b>	<b>13.81</b>	<b>7.40</b>
<b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b>	<b>117.14</b>	<b>118.71</b>

#### (b) Movement in deferred tax liabilities/asset

(₹ in crore)

Movement in deferred tax liabilities / asset	As at April 1, 2021	(Profit) / Loss Recognised in profit or loss	(Profit) / Loss Recognised in other comprehensive income	As at March 31, 2022
<b>Deferred Tax Liabilities (A)</b>				
Property, plant and equipments and other intangible assets	111.65	8.54	-	120.19
Right of use assets	1.77	(0.15)	-	1.62
Investment	-	-	0.60	0.60
Arising on business combination	3.15	(0.23)	-	2.92
Others	1.22	(0.44)	-	0.78
<b>Total</b>	<b>117.79</b>	<b>7.72</b>	<b>0.60</b>	<b>126.11</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (b) Movement in deferred tax liabilities/asset

(₹ in crore)

Movement in deferred tax liabilities / asset	As at April 1, 2021	(Profit) / Loss Recognised in profit or loss	(Profit) / Loss Recognised in other comprehensive income	As at March 31, 2022
<b>Deferred Tax Assets (B)</b>				
Provision for employee benefit expenses	4.98	0.77	(0.22)	5.53
Allowance for expected credit loss	1.65	(0.13)	-	1.52
Others	-	0.35	-	0.35
<b>Total</b>	<b>6.63</b>	<b>0.99</b>	<b>(0.22)</b>	<b>7.40</b>
<b>Deferred tax liabilities (Net - A-B)</b>	<b>111.16</b>	<b>6.73</b>	<b>0.82</b>	<b>118.71</b>

(₹ in crore)

Movement in deferred tax liabilities/asset	As at April 1, 2022	Other adjustment	(Profit)/Loss Recognised in profit or loss	(Profit)/Loss Recognised in other comprehensive income	As at March 31, 2023
<b>Deferred Tax Liabilities (A)</b>					
Property, plant and equipments and other intangible assets	120.19	(2.59)	11.16	-	128.76
Right of use assets	1.62	-	-	-	1.62
Investment	0.60	-	-	(1.99)	(1.39)
Arising on business combination	2.92	-	-	-	2.92
Others	0.78	-	(1.74)	-	(0.96)
<b>Total</b>	<b>126.11</b>	<b>(2.59)</b>	<b>9.42</b>	<b>(1.99)</b>	<b>130.95</b>
<b>Deferred Tax Assets (B)</b>					
Provision for employee benefit expenses	5.53	-	1.21	0.09	6.83
Allowance for expected credit loss	1.52	-	(0.92)	-	0.60
Carried forward income tax losses	-	-	6.03	-	6.03
Others	0.35	-	-	-	0.35
<b>Total</b>	<b>7.40</b>	<b>-</b>	<b>6.32</b>	<b>0.09</b>	<b>13.81</b>
<b>Deferred tax liabilities (Net - A-B)</b>	<b>118.71</b>	<b>(2.59)</b>	<b>3.10</b>	<b>(2.08)</b>	<b>117.14</b>

### 21 Other Non-current liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deferred income - government grant for		
- Deferred liability related to purchase of property, plant and equipment (see note (i) below)	109.82	75.17
- Deferred liability related to Interest free loan (see note (ii) below)	8.34	0.09
- Deferred liability related to sales tax (see note (iii) below)	0.06	0.14
<b>Total</b>	<b>118.22</b>	<b>75.40</b>

#### Note :

- Deferred income arises in respect of import of property, plant and equipment without payment of custom duty under Export Promotion Capital Goods Scheme. The income is recognised in Profit or loss on a straight line basis over the useful life of the related assets. (see note 37(b)(2)).
- In APL Apollo Tubes Limited**  
The Holding Company during the year has received interest free loan aggregating to ₹26.45 crore from government repayable in financial year 2028-2029. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is ₹15.94 crore (As at March 31, 2022 : Nil). The difference of ₹10.51 crore (As at March 31, 2022 : ₹ Nil) between the gross proceeds and the fair value of the loan is recognised as deferred income.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### **In Apollo Metalex Private Limited**

The Company has received interest free loan of ₹0.33 crore & ₹0.65 crore from government company repayable in Financial year 2026-2027 and Financial year 2028-29 respectively. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is estimated at Rupees 0.40 crore (As at March 31, 2022 : ₹0.20 crore). The difference of ₹0.58 crore (As at March 31, 2022 : ₹0.13 crore) between the gross proceeds and the fair value of the loan is recognised as deferred income.

- (iii) The Company has deferred liability related to sales tax of ₹1.05 crore of year ending March, 2016 payable in March, 2026. Using prevailing market interest rates for an equivalent loan of 10.00% in the year of grant, the fair value of loan is estimated at ₹0.71 crore as on March 31, 2023 (March 31, 2022 : ₹0.85 crore). The difference of ₹0.14 crore (March 31, 2022 : ₹0.20 crore) between the gross proceeds and the fair value of the loan is recognised as deferred income.

### 22 Borrowings (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Loan repayable on demand</b>		
- From banks (Secured)		
(i) Working capital facilities (see note (i) below)	303.70	166.06
(b) Current Maturity of non current borrowings (see note 17)	161.09	67.34
<b>Total</b>	<b>464.79</b>	<b>233.40</b>

#### Nature of security :

##### (i) In case of holding Company

Working capital facilities of APL Apollo Tubes Limited from banks are secured by first pari passu charge on entire present and future current assets and second charge on present and future movable fixed assets of the company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur, and M-1, Additional Murbad Industrial Area - V, Kudawali Murbad, Distt. Thane, Maharashtra and Residential Complex situated at Murbad, Distt. Thane, Maharashtra and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka.

Working capital facilities are further secured by second charge through equitable mortgage of the company land and building situated at Plot No. A-19/A-20, Sikandarabad Industrial Area, Distt. Bulandshahar, Uttar Pradesh and Plot No. 332 to 338, Alur Village, Perandapalli, Hosur, Tamilnadu and Khasra No. 215, 223/1, 225/7-8, 225/9-10, 227/4, 231/2, 217/1-2 Part, 231/6 Part at village Bendri, Tehsil Raipur, Dist. – Raipur and 443,444,538,539 Wadiaram village Chegunta (Mandal) Medak district Telangana 502255 and KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.

##### In case of Apollo Metalex Private Limited

Working Capital facilities are secured by first pari passu charge on entire present and future current assets and second charge on entire present and future movable and immovable fixed assets of the company situated at A-2, Industrial Area, Sikandarabad, UP and A-25, Industrial Area, Sikandarabad. For Yes Bank facility is secured by first pari passu charge on entire present and future current assets and second charge on entire present and future movable fixed assets of the company. Credit facilities are further secured by personal guarantees of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited.

##### In case of APL Apollo Building Products Private Limited

Working Capital facilities are secured by first pari passu charge on entire present and future current assets of the company and second charge on entire present and future movable fixed assets of the company situated at Ringni and Kesda, Simga, Baloda bazar, Chhattisgarh. Working capital facilities are further secured by second charge on immovable fixed assets through equitable mortgage of the land and building of the company. Working Capital facilities are further secured by Corporate guarantee of APL Apollo Tubes Limited.

- (ii) Working capital facilities from banks are further secured by margin money given in the form of fixed deposits with banks.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 23 Trade payables (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) (see note 47(a))	15.23	8.22
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,581.77	1,051.23
<b>Total</b>	<b>1,597.00</b>	<b>1,059.45</b>

#### Outstanding for following periods from date of transaction :

(₹ in crore)

Particulars	As at March 31, 2023					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	15.21	-	0.02	-	15.23
Total outstanding dues of creditors other than MSME	386.86	1,193.82	-	0.16	0.93	1,581.77
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	<b>386.86</b>	<b>1,209.03</b>	<b>-</b>	<b>0.18</b>	<b>0.93</b>	<b>1,597.00</b>

#### Outstanding for following periods from date of transaction :

(₹ in crore)

Particulars	As at March 31, 2022					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	8.22	-	-	-	8.22
Total outstanding dues of creditors other than MSME	107.71	942.13	0.45	0.01	0.93	1,051.23
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	<b>107.71</b>	<b>950.35</b>	<b>0.45</b>	<b>0.01</b>	<b>0.93</b>	<b>1,059.45</b>

### 24 Other financial liabilities (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Security deposit	0.92	0.98
(b) Payable on purchase of property, plant and equipment	22.56	10.14
(c) Retention money payable	7.98	4.75
(d) Unclaimed dividends	0.56	0.47
(e) Deferred payment	0.21	-
(f) Interest accrued but not due on borrowings	3.76	1.28
<b>Total</b>	<b>35.99</b>	<b>17.62</b>

### 25 Other current liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory remittances	27.66	20.38
(b) Advance from customers	22.06	28.12
(c) Advance received against sale of property, plant & equipment	3.00	-
(d) Deferred income (see note 21)		
- Deferred liability related to purchase of property, plant and equipment	7.08	4.75
- Deferred liability related to sales tax	0.07	0.07
- Deferred liability related to Interest free loan	1.29	-
<b>Total</b>	<b>61.16</b>	<b>53.32</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 26 Provisions (Current)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for compensated absences	0.56	0.58
(b) Provision for gratuity (see note 38)	0.94	0.88
<b>Total</b>	<b>1.50</b>	<b>1.46</b>

### 27 Current tax liabilities (net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for tax (net of advance tax ₹513.12 crore) (March 31, 2022 : ₹185.05 crore)	19.72	63.44
<b>Total</b>	<b>19.72</b>	<b>63.44</b>

#### Note :

The holding company has filed income tax return for the financial year 2021-22 after giving effect of merger order (refer note 46) and accordingly there is no requirement to file separate income tax return for SLMUL and Tricoat.

### 28 Revenue from operations

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products (see note (i) below)	15,674.35	12,625.17
(b) Other operating income (see note (ii) below)	491.60	438.15
<b>Total</b>	<b>16,165.95</b>	<b>13,063.32</b>

#### Notes :

#### (i) Reconciliation of revenue recognised with contract price :

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract price	16,311.97	12,927.63
Adjustments for:		
Discount & incentives	(637.62)	(302.46)
<b>Revenue from operations</b>	<b>15,674.35</b>	<b>12,625.17</b>

#### (ii) Other operating income comprises

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of scrap	489.68	431.25
Export incentives	1.91	6.62
Job work	-	0.10
<b>Total</b>	<b>491.59</b>	<b>437.97</b>

### 29 Other income

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income on fixed deposit	21.07	12.93
(b) Interest income on others	1.30	2.80
(c) Gain on foreign currency transactions (net)	11.28	14.04
(d) Provision written back for expected credit loss	-	0.27
(e) Profit on derivatives measured at fair value through profit & loss account	-	0.28
(f) Miscellaneous income (see note below)	13.53	10.18
<b>Total</b>	<b>47.18</b>	<b>40.50</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### Note :

Miscellaneous income includes (a) unwinding of deferred income of ₹4.21 crore (March 31, 2022 : ₹4.56 crore), (b) subvention interest income on export packing credit facilities of ₹2.91 crore (March 31, 2022 : ₹2.15 crore), (c) unwinding of interest income on grant of ₹1.20 crore (March 31, 2022 : ₹ Nil and and (d) other miscellaneous income of ₹5.40 crore (March 31, 2022 : ₹3.47 crore).

### 30 Cost of materials consumed

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories of raw material as at the beginning of the year	312.53	163.48
Add: Purchases during the year	14,347.69	11,060.00
Less: Inventories of raw material as at the end of the year	346.92	313.89
<b>Total</b>	<b>14,313.30</b>	<b>10,909.59</b>

### 31 Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Inventories at the end of the year:</b>		
(a) Finished goods	670.50	313.28
(b) Stock in trade	4.67	5.46
(c) Work in progress	375.55	172.47
(d) Rejection and scrap	36.25	13.34
	<b>1,086.97</b>	<b>504.55</b>
<b>Inventories at the beginning of the year:</b>		
(a) Finished goods	313.28	371.80
(b) Stock in trade	5.46	4.17
(c) Work in progress	172.47	172.62
(d) Rejection and scrap	13.34	19.00
	<b>504.55</b>	<b>567.59</b>
<b>Total</b>	<b>(582.42)</b>	<b>63.04</b>

### 32 Employee benefits expense

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries and wages	189.80	139.75
(b) Contribution to provident fund (see note 38)	7.95	5.63
(c) Gratuity expense (see note 38)	3.70	3.06
(d) Share-based payments to employees (see note 39)	0.26	1.69
(e) Staff welfare expenses	4.48	2.91
<b>Total</b>	<b>206.19</b>	<b>153.04</b>

During the year, the Group recognised ₹9.35 crore (March 31, 2022 ₹12.52 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:-

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Short term employee benefits	9.00	11.77
(ii) Post employment benefits (Gratuity expense)	0.22	0.40
(iii) Other long term employee benefits (Leave encashment expense)	0.13	0.35
	<b>9.35</b>	<b>12.52</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 33 Finance costs

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Interest expense :</b>		
(i) working capital facilities	31.37	27.25
(ii) term loan	29.31	11.32
(iii) vehicle loan	-	0.01
(iv) on account of leases	0.03	0.03
(v) delayed payment of income tax	0.07	-
	<b>60.78</b>	<b>38.61</b>
<b>(b) Other borrowing cost</b>	6.31	5.86
<b>Total</b>	<b>67.09</b>	<b>44.47</b>

### 34 Depreciation and amortisation expense

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Depreciation on property, plant and equipment (see note 2(a))	135.62	106.06
(b) Amortisation on right of use assets (see note 2(c))	1.84	1.95
(c) Amortisation on intangible assets (see note 2(e))	0.52	0.96
(d) Depreciation on capital work in progress	0.35	-
<b>Total</b>	<b>138.33</b>	<b>108.97</b>

### 35 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Freight outward	474.15	396.14
(b) Power and fuel	217.37	155.80
(c) Consumption of stores and spare parts	115.07	89.47
(d) Derivatives measured at fair value through profit & loss	1.02	-
(e) Advertisement and sales promotion	28.83	34.79
(f) Rent expense	4.81	4.44
(g) Travelling and conveyance	12.47	7.07
(h) Legal and professional charges (see note (i) below)	10.91	8.36
(i) Job work charges	-	0.05
(j) Repair and maintenance:		
(i) Building	0.94	1.04
(ii) Plant and machinery	10.29	9.46
(iii) Others	2.79	2.64
(k) Rates and taxes	2.73	4.65
(l) Security services	3.68	3.20
(m) Allowance for expected credit loss	0.94	-
(n) Allowance for doubtful claims receivable	-	0.27
(o) Bad debts written off	-	0.25
(p) Loss on sale of property, plant and equipment (net)	0.94	0.37
(q) Corporate social responsibility (see note 47(b))	11.09	7.23
(r) Insurance	2.74	1.79
(s) Provision for slow moving inventory of stores and spares	1.32	1.44
(t) Miscellaneous expenses	18.33	13.44
<b>Total</b>	<b>920.43</b>	<b>741.90</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### Note :-

(i) Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows :

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) To statutory auditors</b>		
For audit (including quarterly limited reviews)	1.70	1.50
For other services	0.01	0.01
Reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>1.72</b>	<b>1.52</b>
<b>(b) To cost auditors for cost audit</b>	0.01	0.04
<b>Total</b>	<b>0.01</b>	<b>0.04</b>

### 36 Earnings per Equity share

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share. (₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share (a)	641.86	618.98
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (b)	277,202,548	249,918,500
Adjustments for calculation of diluted earnings per share (Employee stock option) (Number)	193,750	387,500
Adjustments for shares to be issued to shareholders of Apollo Tricoat pursuant to Merger (see note 46)	-	26,860,000
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (c)	277,396,298	277,166,000
Nominal value of equity shares	2	2
(a) Basic earnings per share in ₹ (a/b)	23.15	24.77
(b) Diluted earnings per share in ₹ (a/c)	23.14	22.33

In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended March 31, 2022 has been arrived at after giving effect to the above sub-division. Also see note 16(a)(vii).

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

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Contingent liabilities (for pending litigations)</b>		
(1) Disputed claims/levies in respect of sales tax:		
- Reversal of input tax credit	3.21	6.71
- Classification of goods	-	0.36
- Provisional Assessment	1.09	2.40
	<b>4.30</b>	<b>9.47</b>
(2) Disputed claims/levies in respect of excise duty:		
- Availability of input credit	10.28	10.28
- Excise demand on excess / shortages	5.91	6.72
	<b>16.19</b>	<b>17.00</b>
(3) Disputed claims/levies in respect of service tax:	0.94	0.94
(4) Disputed claims/levies in respect of income tax	5.72	2.28
<b>Total</b>	<b>27.16</b>	<b>29.69</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- (i) Based upon the legal opinion obtained by the management, there are various interpretation issues and thus management is in the process of evaluating the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Group if any, can not be ascertained.
- (ii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially effect on its consolidated financial statements.

### (b) Commitments

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

(i) Property, plant and equipments	201.34	266.18
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- (2) The Group has obtained EPCG (Export Promotion Capital Goods Scheme) licenses for importing the capital goods without payment of basic custom duty against submission of bonds.

The export obligation is to be fulfilled within a period of 6 years from the date of issuance of license. Under this scheme the Group has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Group is required to export of FOB value of ₹370.78 crore (March 31, 2022 ₹313.65 crore) against which the Group has saved a duty of ₹61.84 crore (March 31, 2022 ₹52.28 crore).

- (3) The Holding Company has given corporate guarantees amounting to ₹183.00 crore and ₹1010.00 crore on behalf of its subsidiaries i.e. Apollo Metalex Private Limited and APL Apollo Building Products Private Limited respectively for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2023 of Apollo Metalex Private Limited is ₹30.00 crore (March 31, 2022 ₹3.65 crore) and APL Apollo Building Products Private Limited is ₹443.66 crore (March 31, 2022 ₹238.74 crore).

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

- (c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

## 38 Employee benefit obligations

### (a) Defined contribution plans

The Group makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹7.95 crore (Year ended March 31, 2022 ₹5.63 crore) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

### (b) Defined benefit plans

#### a) Gratuity

The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of ₹0.20 crore (Previous Year ₹0.20 crore). Vesting occurs upon completion of 5 years of service.

During the year, the Company has made contribution of ₹ Nil (March 31, 2022 : ₹2.50 crore) to APL Apollo Tubes Limited Employees Group Gratuity Trust which has made further contribution to Kotak Mahindra Life Insurance Co. Ltd.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.94	14.24	15.18
<b>Total employee benefit obligations</b>	<b>0.94</b>	<b>14.24</b>	<b>15.18</b>

(₹ in crore)

Particulars	As at March 31, 2022		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.88	10.53	11.41
<b>Total employee benefit obligations</b>	<b>0.88</b>	<b>10.53</b>	<b>11.41</b>

### (i) Movement of defined benefit obligation :

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in crore)

Particulars	Gratuity
<b>Opening balance as at April 1, 2021</b>	<b>13.16</b>
Current service cost	2.22
Interest expense/(income)	0.94
<b>Expected return on plan assets</b>	<b>(0.10)</b>
<b>Total amount recognised in profit or loss</b>	<b>3.06</b>
<i>Remeasurements</i>	
effect of change in financial assumptions	(0.56)
effect of change in demographic assumptions	(0.02)
effect of experience adjustments	(0.32)
changes in asset ceiling	0.03
<b>Total amount recognised in other comprehensive income</b>	<b>(0.87)</b>
Employer contributions: Benefit payments	(0.31)
<b>Balance as at March 31, 2022</b>	<b>15.04</b>
<b>Balance as at March 31, 2022</b>	<b>15.04</b>
Current service cost	2.87
Interest expense/(income)	1.10
Expected return on plan assets	(0.27)
<b>Total amount recognised in profit or loss</b>	<b>3.70</b>
Add/(less): Transfer to subsidiary (note below)	-
<i>Remeasurements</i>	
effect of change in financial assumptions	0.09
effect of change in demographic assumptions	-
effect of experience adjustments	(0.01)
changes in asset ceiling	0.24
<b>Total amount recognised in other comprehensive income</b>	<b>0.32</b>
Employer contributions: Benefit payments	(0.76)
<b>Balance as at March 31, 2023</b>	<b>18.30</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

<b>(ii) Movement of Plan Assets</b>		(₹ in crore)	
<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>	
<b>Opening balance</b>	<b>3.63</b>	<b>1.39</b>	
Contribution by the employer	-	2.50	
Expected return on plan assets	0.27	0.10	
Actuarial gains / loss	(0.24)	(0.03)	
Benefits paid	(0.54)	(0.33)	
<b>Closing balance</b>	<b>3.12</b>	<b>3.63</b>	
<b>(iii) Net asset / (liability) recognised in the Balance Sheet</b>		(₹ in crore)	
<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>	
Present value of defined benefit obligation	18.30	15.04	
Less : fair value of plan assets	3.12	3.63	
<b>Funded status- surplus/ (deficit)</b>	<b>(15.18)</b>	<b>(11.41)</b>	
Unrecognised past service costs	-	-	
<b>Net liability recognised in the Balance Sheet</b>	<b>(15.18)</b>	<b>(11.41)</b>	
<b>(iv) Category of assets</b>			
Funds managed by Insurer	100.00%	100.00%	
<b>(v) Post-Employment benefits</b>			
The significant actuarial assumptions were as follows:		(₹ in crore)	
<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>	
Discount rate	7.36%	7.53%	
Salary growth rate	8.00%	8.00%	
Expected return on assets	7.53%	7.09%	
Mortality	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14	
Attrition rate			
18 to 30 years	3.00%	3.00%	
30 to 45 years	2.00%	2.00%	
Above 45 years	1.00%	1.00%	

### Notes :

- (1) The discount rate is based on the prevailing market yield of Indian Government Securities as at Balance Sheet date for the estimated term of obligation.
  - (2) The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (vi) The Group expects to make a contribution of ₹13.83 crore (March 31, 2022: ₹8.84 crore) to the defined benefit plans during the next financial year.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (vii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

	(₹ in crore)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Gratuity</b>		
Discount rate (increase by 1%)	(2.20)	(1.81)
Salary growth rate (increase by 1%)	2.62	2.15

	(₹ in crore)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Gratuity</b>		
Discount rate (decrease by 1%)	2.66	2.18
Salary growth rate (decrease by 1%)	(2.21)	(1.82)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

### (viii) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

**Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

### (ix) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 16.90 to 19.57 years. (March 31, 2022 : 16.32 to 19.23 years) The expected maturity analysis of undiscounted gratuity is as follows:

	(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Less than a year	0.96	0.90
Between 1 - 2 years	0.67	0.46
Between 2 - 3 years	1.15	0.87
Between 3 - 4 years	0.89	1.20
Between 4 - 5 years	1.60	0.86
Beyond 5 years	12.83	10.41
<b>Total</b>	<b>18.10</b>	<b>14.70</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 39 Share Based Payments

#### (a) Employee Share Option Plan :

- (i) The ESOS scheme titled "Employee Stock Option Scheme 2015" (ESOS 2015) was approved by the shareholders through postal ballot on July 27, 2015 and December 22, 2015. 7,50,000 options are covered under the Scheme for 750,000 Equity shares (before giving effect of share split and bonus issue).
- (ii) During the financial year 2015-16, the Nomination and Remuneration Committee in its meeting held on July 28, 2015 has granted 724,000 options respectively under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price determined at ₹452.60 per share.
- (iii) During the financial year 2016-17, the Nomination and Remuneration Committee in its meeting held on January 28, 2017 has granted 46,000 options under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price determined at ₹1,028.80 per share.
- (iv) During the financial year 2017-18, the the Nomination and Remuneration Committee in its meeting held on September 9, 2017 and February 5, 2018 has granted 96,000 and 70,000 options respectively, under the ESOS to eligible employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 4 years. The exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price determined at ₹1,633.05 and ₹2,124.10 respectively per share.
- (v) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 has granted 95,000 options under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price determined at ₹1,438.55 per share.
- (vi) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 also recommended reduction in exercise price of options granted on September 9, 2017 and February 5, 2018 to reflect the fall in Company's share prices. The same was approved by shareholders of the Company on January 27, 2020 through postal ballot. The revised exercise price of each option was the market price of the shares on the stock exchange with the highest trading volume, one day before the date of reduction in exercise price. The revised exercise price determined at ₹1,438.55 per share.

#### (b) The following share based payment arrangements were in existence during the current and prior years:

Number of options granted (before giving effect of share split and bonus issue)	Grant Date	Expiry Date	Exercise Price (see note below) (Amount in ₹)	Fair Value at grant date (Amount in ₹)
724,000	July 28, 2015	January 26, 2020	452.60	168.88
46,000	January 28, 2017	July 29, 2021	1,028.80	354.56
96,000	September 9, 2017	October 3, 2022	1,438.55	602.36
70,000	February 5, 2018	August 6, 2022	1,438.55	751.34
95,000	November 9, 2019	May 9, 2024	1,438.55	466.08

- i) The earlier exercise price of the Options granted on September 9, 2017 and February 5, 2018 were ₹1,633.05 and ₹2,124.10 respectively. The exercise price of these options was reduced in earlier year (see note (a)(vi) above).



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (c) Fair value of option granted/ modified

- (i) No options were granted during the year ended March 31, 2023 and March 31, 2022.
- (ii) During the previous year ended March 31, 2020, the incremental fair value of the options granted on September 9, 2017 and February 5, 2018 due to modification were determined at ₹131.46 and ₹372.36 respectively which has been recognised as expense over the period from the modification date to the end of vesting period. The expense of original option grant continues to be recognised as if the terms had not been modified.

The incremental fair value of the options was determined using the Black Scholes Model with the following model inputs :

	Original Grant on September 9, 2017	Original Grant on February 5, 2018
Modification date share price (before giving effect of share split)	1,438.55	1,438.55
Revised exercise price (before giving effect of share split)	1,438.55	1,438.55
Expected volatility	33.49%-34.96%	33.28%-33.96%
Option remaining life	1.31-2.12	1.51-2.53
Dividend yield	0.80%	0.80%
Risk-free interest rate	5.45%-5.70%	5.70%-6.23%

(₹ in crore)

### (d) Movement in share option during the year (see note (f) below)

The following reconciles the share options outstanding at the beginning and end of the year :

	Year ended March 31, 2023		Year ended March 31, 2022	
	Number of options	Weighted Average Exercise Price (Amount in ₹)	Number of options	Weighted Average Exercise Price (Amount in ₹)
Balance at the beginning of the year	387,500 <sup>#</sup>	143.86	876,000 <sup>#</sup>	143.86
Granted during the year	-	-	-	-
Vested during the year	190,314	143.86	467,500	143.86
Lapsed during the year	3,436	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	190,314	143.86	488,500	143.86
Expired during the year	-	-	-	-
Options outstanding at the end of the year	193,750 <sup>#</sup>	143.86	387,500 <sup>#</sup>	143.86
Options available for grant	112,616	-	109,180	-

<sup>#</sup>As at March 31, 2023 & March 31, 2022, There are Nil options which were vested but not exercised.

### (e) Share option exercised (see note (f) below) :

(₹ in crore)

Share option exercised during the Period ended March 31, 2023	Number exercised/allotted	Exercise/ Allotment date	Share Price at exercise/ allotment date Rupees
Granted on November 9, 2019	190,314	December 3, 2022	1,185.50

(₹ in crore)

Share option exercised during the Period ended March 31, 2022	Number exercised/allotted	Exercise/ Allotment date	Share Price at exercise/ allotment date Rupees
Granted on September 09, 2017 & November 9, 2019	313,500	November 17, 2021	907.90
Granted on February 05, 2018	175,000	March 10, 2022	873.46

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(f) Disclosures for March 31, 2023 and March 31, 2022 have been made after giving effect to the bonus issue. See note 16(a)(vii) also.

### (g) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions, i.e., employee share option plan during the year recognised in profit or loss as part of employee benefit expense is ₹0.26 crore (March 31, 2022 ₹1.69 crore).

### 40 Related party transaction :

#### (a) Details of related parties :

(i) Key Management Personnel (KMP) (with whom transactions have taken place during the year)

#### Name of related parties

Mr. Sanjay Gupta (Chairman and Managing Director)  
 Mr. Vinay Gupta (Brother of Mr. Sanjay Gupta and Managing Director of Apollo Metalex Private Limited & APL Apollo Building Products Private Limited)  
 Mr. Romi Sehgal (Director)  
 Mr. Deepak Goyal (Chief Financial Officer)  
 Mr. Deepak C S (Company Secretary)  
 Mr. Rahul Gupta (Son of Mr. Sanjay Gupta, Director of APL Apollo Tubes Limited and Joint Managing Director of APL Apollo Building Products Private Limited)  
 Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta)  
 Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)  
 Mr. Rohan Gupta (Son of Mr. Sanjay Gupta)  
 APL Infrastructure Private Limited  
 Apollo Pipes Limited  
 APL Apollo Foundation (Foundation incorporated on April 19, 2022)

(ii) Relative of KMP (with whom transactions have taken place during the year)

(iii) Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year)

#### (b) Transactions during the year

Particulars		Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total (₹ in crore)
<b>Sale of goods (net of discounts)</b>					
Apollo Pipes Limited	C.Y.	-	-	1.10	1.10
	P.Y.	-	-	1.22	1.22
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>1.10</b>	<b>1.10</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>1.22</b>	<b>1.22</b>
<b>Sale of scrap (other operating revenue)</b>					
Apollo Pipes Limited	C.Y.	-	-	0.04	0.04
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>0.04</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sale of licenses</b>					
Apollo Pipes Limited	C.Y.	-	-	4.33	4.33
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>4.33</b>	<b>4.33</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Purchase of stores and consumables</b>					
Apollo Pipes Limited	C.Y.	-	-	0.97	0.97
	P.Y.	-	-	0.78	0.78
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>0.97</b>	<b>0.97</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>0.78</b>	<b>0.78</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars		Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total (₹ in crore)
<b>Purchase of property, plant and equipment</b>					
Apollo Pipes Limited	C.Y.	-	-	0.01	0.01
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>0.01</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Purchase of stock-in-trade (net of discounts)</b>					
Apollo Pipes Limited	C.Y.	-	-	-	-
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Purchase of raw material (net of discounts)</b>					
Apollo Pipes Limited	C.Y.	-	-	1.10	1.10
	P.Y.	-	-	2.61	2.61
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>1.10</b>	<b>1.10</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>2.61</b>	<b>2.61</b>
<b>Rent paid</b>					
APL Infrastructure Private Limited	C.Y.	-	-	0.06	0.06
	P.Y.	-	-	0.06	0.06
Apollo Pipes Limited	C.Y.	-	-	0.42	0.42
	P.Y.	-	-	0.34	0.34
Mrs. Neera Gupta	C.Y.	-	0.02	-	0.02
	P.Y.	-	0.02	-	0.02
Mrs. Saroj Rani Gupta	C.Y.	-	-	-	-
	P.Y.	-	-	-	-
Mrs. Vandana Gupta	C.Y.	-	0.02	-	0.02
	P.Y.	-	0.02	-	0.02
	<b>C.Y.</b>	<b>-</b>	<b>0.05</b>	<b>0.48</b>	<b>0.52</b>
	<b>P.Y.</b>	<b>-</b>	<b>0.04</b>	<b>0.40</b>	<b>0.44</b>
<b>Payment of dividend during the year</b>					
Mr. Sanjay Gupta	C.Y.	0.12	-	-	0.12
	P.Y.	-	-	-	-
Mr. Rohan Gupta	C.Y.	-	0.39	-	0.39
	P.Y.	-	-	-	-
Mr. Rahul Gupta	C.Y.	0.53	-	-	0.53
	P.Y.	-	-	-	-
Mrs. Veera Gupta	C.Y.	-	1.90	-	1.90
	P.Y.	-	-	-	-
Mr. Deepak Goyal	C.Y.	0.04	-	-	0.04
	P.Y.	-	-	-	-
Mr. Romi Sehgal	C.Y.	0.05	-	-	0.05
	P.Y.	-	-	-	-
APL Infrastructure Private Limited	C.Y.	-	-	27.30	27.30
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>0.75</b>	<b>2.29</b>	<b>27.30</b>	<b>30.34</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars		Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total (₹ in crore)
<b>Salary</b>					
Mr. Sanjay Gupta	C.Y.	3.70	-	-	3.70
	P.Y.	3.50	-	-	3.50
Mr. Vinay Gupta	C.Y.	3.00	-	-	3.00
	P.Y.	1.80	-	-	1.80
Mr. Romi Sehgal	C.Y.	0.76	-	-	0.76
	P.Y.	1.33	-	-	1.33
Mr. Deepak Goyal	C.Y.	1.05	-	-	1.05
	P.Y.	4.06	-	-	4.06
Mr. Deepak C S	C.Y.	0.29	-	-	0.29
	P.Y.	0.30	-	-	0.30
Mr. Rohan Gupta	C.Y.	-	0.09	-	0.09
	P.Y.	-	0.05	-	0.05
Mr. Rahul Gupta	C.Y.	0.55	-	-	0.55
	P.Y.	1.20	-	-	1.20
	<b>C.Y.</b>	<b>9.35</b>	<b>0.09</b>	<b>-</b>	<b>9.44</b>
	<b>P.Y.</b>	<b>12.19</b>	<b>0.05</b>	<b>-</b>	<b>12.24</b>
<b>Director sitting fees paid during the year</b>					
Mr. Vinay Gupta	C.Y.	0.05	-	-	0.05
	P.Y.	-	-	-	-
Mr. Rahul Gupta	C.Y.	0.02	-	-	0.02
	P.Y.	-	-	-	-
Mr. Ashok Kumar Gupta	C.Y.	0.06	-	-	0.06
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.13</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payment for corporate social responsibility expense</b>					
APL Apollo Foundation	C.Y.	-	-	0.10	0.10
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.10</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment in equity share capital</b>					
APL Apollo Foundation	C.Y.	-	-	0.10	0.10
	P.Y.	-	-	-	-
	<b>C.Y.</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.10</b>
	<b>P.Y.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(c) Balances outstanding at the end of the year</b>					
<b>Security deposits given</b>					
Mrs. Neera Gupta	C.Y.	-	3.00	-	3.00
	P.Y.	-	3.00	-	3.00
Mrs. Vandana Gupta	C.Y.	-	3.00	-	3.00
	P.Y.	-	3.00	-	3.00

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars		Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total (₹ in crore)
APL Infrastructure Private Limited	C.Y.	-	-	5.00	5.00
	P.Y.	-	-	5.00	5.00
	<b>C.Y.</b>	-	<b>6.00</b>	<b>5.00</b>	<b>11.00</b>
	<b>P.Y.</b>	-	<b>6.00</b>	<b>5.00</b>	<b>11.00</b>
<b>Trade receivables</b>					
Apollo Pipes Limited	C.Y.	-	-	0.04	0.04
	P.Y.	-	-	-	-
	<b>C.Y.</b>	-	-	<b>0.04</b>	<b>0.04</b>
	<b>P.Y.</b>	-	-	-	-
<b>Claim receivables</b>					
APL Apollo Foundation	C.Y.	-	-	0.18	0.18
	P.Y.	-	-	-	-
	<b>C.Y.</b>	-	-	<b>0.18</b>	<b>0.18</b>
	<b>P.Y.</b>	-	-	-	-
<b>Trade payables</b>					
APL Infrastructure Private Limited	C.Y.	-	-	-	-
	P.Y.	-	-	0.02	0.02
Apollo Pipes Limited	C.Y.	-	-	0.04	0.04
	P.Y.	-	-	0.31	0.31
Mr. Sanjay Gupta	C.Y.	0.18	-	-	0.18
	P.Y.	0.54	-	-	0.54
Mr. Vinay Gupta	C.Y.	-	-	-	-
	P.Y.	0.10	-	-	0.10
Mr. Deepak Goyal (net of advances recoverable)	C.Y.	0.04	-	-	0.04
	P.Y.	0.06	-	-	0.06
Mr. Deepak C S (net of advances recoverable)	C.Y.	0.02	-	-	0.02
	P.Y.	0.02	-	-	0.02
Mr. Rohan Gupta	C.Y.	-	0.01	-	0.01
	P.Y.	-	0.01	-	0.01
Mr. Rahul Gupta	C.Y.	-	-	-	-
	P.Y.	0.20	-	-	0.20
	<b>C.Y.</b>	<b>0.24</b>	<b>0.01</b>	<b>0.04</b>	<b>0.29</b>
	<b>P.Y.</b>	<b>0.92</b>	<b>0.01</b>	<b>0.33</b>	<b>1.26</b>

### Notes :

- (1) C.Y. represents amount as at and for the year ended March 31, 2023 and P.Y. represents amount as at and for the year ended March 31, 2022.
- (2) Amount of expense of gratuity and compensated absences is taken on actuarial basis.
- (3) The term loan and other credit facilities of the Group are also secured by personal guarantee of directors of the Company, Mr. Sanjay Gupta and Mr. Vinay Gupta.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 41 Income tax expense

The reconciliation of estimated income tax to income tax expense is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Profit before tax as per consolidated statement of profit and loss</b>	<b>863.31</b>	<b>832.32</b>
Income tax expenses calculated as per tax rates of Income tax act of 25.168% (March 31, 2022 : 25.168%)	217.28	209.48
(i) Items not deductible	4.17	3.86
<b>Tax expense as reported</b>	<b>221.45</b>	<b>213.34</b>

### 42 Fair value measurements

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022.

(₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets - Non Current</b>						
Investments						
- in equity instruments	1.06	91.83	3.15	0.21	82.89	3.15
Security deposit	-	-	32.11	-	-	28.81
Loans to employees	-	-	0.28	-	-	0.42
In margin money with maturity more than 12 months	-	-	1.83	-	-	1.12
Claim receivable (net of provision)	-	-	0.27	-	-	0.05
<b>Financial assets - Current</b>						
Loans to employees	-	-	1.34	-	-	1.29
Claim receivable	-	-	0.08	-	-	0.55
Security deposit	-	-	-	-	-	0.01
Investment	-	-	-	5.00	-	-
Trade receivables	-	-	137.44	-	-	341.70
Cash and cash equivalents	-	-	122.69	-	-	163.73
Bank balances other than cash and cash equivalents	-	-	229.78	-	-	212.69
In fixed deposits with bank original maturity more than 12 months	-	-	277.00	-	-	-
Export incentives	-	-	1.04	-	-	5.95
Derivative assets	0.99	-	-	2.30	-	-
Interest accrued but not due	-	-	18.65	-	-	2.19
<b>Total financial assets</b>	<b>2.05</b>	<b>91.83</b>	<b>825.66</b>	<b>7.51</b>	<b>82.89</b>	<b>761.66</b>
<b>Financial liabilities - Non current</b>						
Borrowings	-	-	408.13	-	-	347.17
Deferred payment	-	-	0.50	-	-	0.85
Lease liabilities	-	-	-	-	-	0.01
<b>Financial liabilities - current</b>						
Borrowings	-	-	464.79	-	-	233.40
Security Deposits	-	-	0.92	-	-	0.98
Unclaimed dividends	-	-	0.56	-	-	0.47



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Interest accrued but not due on borrowings	-	-	3.76	-	-	1.28
Lease liabilities	-	-	0.09	-	-	0.64
Deferred payment	-	-	0.21	-	-	-
Trade payables	-	-	1,627.54	-	-	1,074.34
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,506.50</b>	<b>-</b>	<b>-</b>	<b>1,659.14</b>

### (a) Financial assets and liabilities measured at fair value - recurring fair value measurements :

(₹ in crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Level 1	Level 2	Level 1	Level 2
<b>Financial assets - Non Current</b>				
- Assets for foreign currency forward contracts	-	0.99	-	2.30
- Investment in mutual funds	1.06	-	0.21	-
- Investment in equity instruments	91.83	-	82.89	-
<b>Financial assets - Current</b>				
- Investment in mutual funds	-	-	5.00	-
<b>Total financial assets</b>	<b>92.89</b>	<b>0.99</b>	<b>88.10</b>	<b>2.30</b>

Fair value of forward contracts determined by reference to quote from financial institution.

### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

### (c) Assets and liabilities which are measured at amortised cost for which fair values are disclosed

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

### (d) Valuation inputs and relationships to fair value- assets classified as held for sale (Level 3)

(₹ in crore)

Particulars	Fair Value as at	
	March 31, 2023	March 31, 2022
Assets classified as held for sale (see note 2(f))	24.00	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- (i) The fair value was derived using the market comparable approach based on recent market prices carried out by an independent valuer without any significant adjustments being made to the market observable data.
- (ii) There were no significant inter-relationships between unobservable inputs that materially affect fair values.

### 43 Financial risk management objectives

The Group's activities expose it to market risk including foreign currency risk and interest rate risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

The Group's risk management is carried out by a treasury department under policies approved by the Board of Directors. Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as hedging of foreign currency transactions foreign exchange risk.

#### (a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements can not be normally predicted with reasonable accuracy.

#### (i) Foreign currency risk

The Group's functional currency in Indian Rupees (INR). The Group undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to import of capital goods. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in the increase in the Group's overall debt positions in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivable in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months or as deemed appropriate based on market conditions. In respect of imports and other payables, the Group hedges its payable as and when the exposure arises.

#### Details of derivative instruments and unhedged foreign currency exposure :-

- (1) The position of foreign currency exposure to the Group as at the end of the year are as follows : (₹ in crore)

(a) Option outstanding	Buy/Sell	As at March 31, 2023	As at March 31, 2022
In USD	Buy	1,972,715	4,603,002
Equivalent amount in ₹ in crore		16.22	34.88
In USD	Sell	1,972,715	4,603,002
Equivalent amount in ₹ in crore		16.22	34.88
(₹ in crore)			
(b) Forward contract outstanding	Buy/Sell	As at March 31, 2023	As at March 31, 2022
In USD	Sell	3,000,000	-
Equivalent amount in ₹ in crore	Sell	24.67	-
In USD	Buy	10,850,000	-
Equivalent amount in ₹ in crore	Buy	89.23	-
In EURO	Sell	1,000,000	-
Equivalent amount in ₹ in crore	Sell	8.95	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

(₹ in crore)

Currency	As at March 31, 2023	As at March 31, 2022
<b>Receivables:</b>		
USD	6,791,644	9,667,877
Equivalent amount in ₹ in crore	55.85	73.27
EURO	498,810	322,191
Equivalent amount in ₹ in crore	4.47	2.70
<b>Payables:</b>		
USD	5,995	437,250
Equivalent amount in ₹ in crore	0.05	3.31
EURO	-	-
Equivalent amount in ₹ in crore	-	-
<b>Advance paid to vendors:</b>		
USD	9,367,091	1,783,918
Equivalent amount in ₹ in crore	77.03	13.52
EURO	1,341,481	643,558
Equivalent amount in ₹ in crore	12.01	5.40
<b>Advance Received from Customers:</b>		
USD	266,535	126,733
Equivalent amount in ₹ in crore	2.19	0.96
EURO	30,350	28,951
Equivalent amount in ₹ in crore	0.27	0.24
GBP	9,003	-
Equivalent amount in ₹ in crore	0.09	-

### Sensitivity

If INR is depreciated or appreciated by 2.5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss (after tax) of the Group are given below:

(₹ in crore)

Particulars	Impact on profit after tax	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>EURO sensitivity</b>		
INR/EURO Increases by 2.5% (March 31, 2022 - 2.5%)	(0.08)	(0.05)
INR/EURO Decreases by 2.5% (March 31, 2022 - 2.5%)	0.08	0.05
<b>USD sensitivity</b>		
INR/USD Increases by 2.5% (March 31, 2022 - 2.5%)	(1.04)	(1.31)
INR/USD Decreases by 2.5% (March 31, 2022 - 2.5%)	1.04	1.31

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group has exposure to interest

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

rate risk, arising principally on changes in base lending rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts.

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	856.67	545.69
Fixed rate borrowings	16.25	34.88
<b>Total borrowings</b>	<b>872.92</b>	<b>580.57</b>

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding : (₹ in crore)

Particulars	(₹ in crore)	
	Balance	% of total loans
<b>As at March 31, 2023</b>		
Bank overdrafts, bank loans, Cash Credit	856.67	98%
<b>As at March 31, 2022</b>		
Bank overdrafts, bank loans, Cash Credit	545.69	94%

### Sensitivity

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	(₹ in crore)	
	Impact on profit after tax	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest rates – increase by 50 basis points (50 bps)	(3.21)	(2.04)
Interest rates – decrease by 50 basis points (50 bps)	3.21	2.04

### (b) Credit risk (see note 10)

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Group.

Group's trade receivables are generally categorized into following categories:

1. Export customers
2. Institutional customers
3. Dealers

In case of export sales, in order to mitigate credit risk, generally sales are made on advance payment terms. Where export sales are not made on advance payment terms, the same are secured through letter of credit or bank guarantee, etc.

In case of sale to institutional customers certain credit period is allowed. In order to mitigate credit risk, majority of the sales are secured by letter of credit, bank guarantee, post dated cheques, etc. in case of sale to dealers certain credit period is allowed.

In order to mitigate credit risk, majority of the sales made to dealers are secured by way of post dated cheques (PDC). Further, Group has an ongoing credit evaluation process in respect of customers who are allowed credit period.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

### (c) Liquidity risk

The Group has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(i) **Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows :**

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate borrowings	1,602.79	1,278.94
Nature of facility	Working Capital	Working Capital

(ii) **Maturities of financial liabilities**

The table below analyses the Group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

**Contractual maturities of financial liabilities :-**

(₹ in crore)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
<b>As at March 31, 2023</b>				
Borrowings (interest bearing)	464.79	390.59	17.54	872.92
Interest accrued but not due on borrowings	3.76	-	-	3.76
Trade payables	1,627.54	-	-	1,627.54
Security Deposits	0.92	-	-	0.92
Lease liabilities (interest bearing)	0.09	-	-	0.09
Deferred payment (interest bearing)	-	0.71	-	0.71
Unclaimed dividends	0.56	-	-	0.56
<b>Total non-derivative liabilities</b>	<b>2,097.66</b>	<b>391.30</b>	<b>17.54</b>	<b>2,506.50</b>
<b>As at March 31, 2022</b>				
Borrowings (interest bearing)	233.40	347.17	-	580.57
Interest accrued but not due on borrowings	1.28	-	-	1.28
Trade payables	1,074.34	-	-	1,074.34
Security Deposits	0.98	-	-	0.98
Lease liabilities (interest bearing)	0.64	0.01	-	0.65
Deferred payment (interest bearing)	-	0.85	-	0.85
Unclaimed dividends	0.47	-	-	0.47
<b>Total non-derivative liabilities</b>	<b>1,311.11</b>	<b>348.03</b>	<b>-</b>	<b>1,659.14</b>

### 44 Reconciliation of liabilities arising from financing activities

(₹ in crore)

Particulars	As at March 31, 2022	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2023
Non-current borrowings	347.17	63.12	(2.16)	408.13
Current borrowings	233.40	231.39	-	464.79
<b>Total liabilities from financing activities</b>	<b>580.57</b>	<b>294.51</b>	<b>(2.16)</b>	<b>872.92</b>

(₹ in crore)

Particulars	Opening balance as at April 1, 2021	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2022
Non-current borrowings	183.47	165.79	(2.09)	347.17
Current borrowings	336.86	(103.46)	-	233.40
<b>Total liabilities from financing activities</b>	<b>520.33</b>	<b>62.33</b>	<b>(2.09)</b>	<b>580.57</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 45 Capital management

#### (a) Risk management

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

	(₹ in crore)	
Particulars	As at March 31, 2023	As at March 31, 2022
Non current borrowings	408.13	347.17
Current borrowings	464.79	233.40
Less : Cash and cash equivalents	(122.69)	(163.73)
Less : Bank balances other than cash and cash equivalents	(229.78)	(212.69)
<b>Net debt</b>	<b>520.45</b>	<b>204.15</b>
<b>Total equity</b>	<b>3,005.61</b>	<b>2,464.01</b>
<b>Gearing Ratio</b>	<b>0.06</b>	<b>0.02</b>

Equity includes all capital and reserves of the Group that are managed as capital.

### 46 Merger of Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited with APL Apollo Tubes Limited

The Board of Directors of APL Apollo Tubes Limited ("the Holding Company"), at its meeting held on February 27, 2021, had considered and approved a draft scheme of amalgamation ('scheme') under Sections 230 to 232 of the Companies Act, 2013, of Shri Lakshmi Metal Udyog Limited ('SLMUL' – wholly owned subsidiary company) and Apollo Tricoat Tubes Limited ('Tricoat' – subsidiary company of wholly owned subsidiary) with the Holding Company. The New Delhi bench of the National Company Law Tribunal (NCLT), through its order dated October 14, 2022 has approved the scheme. The certified copy of the NCLT order was filed with Registrar of Companies on October 31, 2022. Consequently, the scheme became operative from October 31, 2022 ('Effective Date') with appointed date from April 1, 2021 as per the approved scheme.

- (i) In terms of the Scheme, the whole of undertaking of Tricoat and SLMUL as a going concern stands transferred to and vested in the Holding Company with effect from the appointed date.
- (ii) Tricoat and SLMUL were engaged in the business of manufacturing of ERW steel tubes.
- (iii) The said amalgamation was accounted under the "Pooling of interest" method as prescribed under Ind AS 103 'Business Combination' for amalgamation of companies under common control.

Under "Pooling of interest" method, the assets and liabilities of the combining entities are reflected at their carrying amount as appearing in the respective financial statements of the subsidiary companies in accordance with Ind AS Technical Facilitation Group (ITGG) clarification bulliten. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Holding Company in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Holding Company.

- the entire business and undertaking of Tricoat and SLMUL including all assets, liabilities and reserves as a going concern were transferred to and vested in the Holding Company pursuant to the Scheme at their respective book value under the respective accounting heads of the Holding Company from the appointed date.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- In case of SLMUL, as it was a wholly owned subsidiary of the Holding Company and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Holding Company in the wholly owned subsidiary were cancelled and no shares were issued to effect the amalgamation.
- In case of Tricoat, the Holding Company held 55.82% equity shares and accordingly, consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Holding Company in Tricoat were cancelled and 26,860,000 shares at face value of Rupees 2.00 each amounting to Rupees 5.37 crore were issued to the minority shareholders of Tricoat to effect the amalgamation. Further, pursuant to merger, non-controlling interest aggregating to Rupees 138.30 crore as on April 1, 2021 as appearing in Consolidated Financial Statements as on April 1, 2021 is transferred to Retained earnings of the Holding Company.
- In terms of the Scheme, the authorised share capital of the Company has increased from ₹75.00 Crore to ₹97.00 Crore.

### 47 Additional Regulatory Information

- (a) The amount due to Micro and small enterprises as defined in "The Micro, Small and Medium Enterprises Development act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below: (₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The principal amount remaining unpaid to supplier as at the end of the year	15.23	8.22
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-
<b>Total</b>	<b>15.23</b>	<b>8.22</b>

### (b) Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which were specified in schedule VII of the Companies Act, 2013: (₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Amount required to be spent as per section 135 of Companies Act, 2013	11.09	7.23
(ii) Amount of expenditure in the books of accounts	11.09	7.23
(iii) Actual expenditure	0.28	5.30
(iv) Provision made for liability	10.81	1.93
(v) Shortfall at the end of the year	-	-
(vi) Total of previous years shortfall	-	-
(vii) Reason for shortfall	See note below	See note below
(viii) Amount of expenditure incurred on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other (i) above	0.28	5.30
(ix) Nature of CSR activities	Education and skill enhancement, healthcare, rural development	Education and skill enhancement, healthcare, rural development
(x) Details of related party transactions (See note 40(b))	0.10	None

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the rules"), the Group has subsequent to balance sheet date deposited ₹10.81 crore (March 31, 2022 : ₹1.93 crore) to a separate bank account.

### Notes :

Based on legal opinion, the Group is of the view that the past unspent CSR obligation till March 31, 2020 not carried forward will be treated as lapsed and accordingly does not require to be spent / transferred to a separate bank account.

### (c) Financial Ratios as per the Schedule III requirements

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
(i) Current Ratio	1.17	1.28
Current Ratio = Current Assets / Current Liabilities		
% change from previous year	(8.22)%	7.66%
(ii) Debt-Equity Ratio	0.08	0.09
Debt-Equity Ratio = Net Debt <sup>(1)</sup> / Shareholder's Equity		
% change from previous year	(10.17)%	(5.91)%
(iii) Debt Service Coverage Ratio	6.49	5.92
Debt Service Coverage Ratio = Earnings available for debt service <sup>(2)</sup> / Debt service <sup>(3)</sup>		
% change from previous year	9.65%	364.64%
Reason for change more than 25%		See note (a) below
(iv) Return on Equity Ratio	23.47%	31.27%
Return on Equity Ratio= Net Profit after tax / Average Shareholder's Equity		
% change from previous year	(24.95)%	17.00%
(v) Inventory turnover ratio	13.89	16.26
Inventory turnover ratio= Sales / Average inventory		
% change from previous year	(14.53)%	47.66%
Reason for change more than 25%		See note (a) below
(vi) Trade receivables turnover ratio	67.48	55.32
Trade receivables turnover ratio= Sales / Average trade receivables		
% change from previous year	21.98%	97.51%
Reason for change more than 25%		See note (a) below
(vii) Trade payables turnover ratio	11.09	12.36
Trade payables turnover ratio= Net purchases / Average trade payables		
% change from previous year	(10.23)%	32.46%
Reason for change more than 25%		See note (a) below
(viii) Net capital turnover ratio	42.82	32.85
Net capital turnover ratio= Sales / Working capital		
% change from previous year	30.35%	(14.69) %
Reason for change more than 25%	See note (d) below	

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(ix) Net Profit Ratio	3.97	4.74
Net Profit Ratio= Profit after tax / Sales		
% change from previous year	(16.20)%	(1.22) %
(x) Return on capital employed	27.65	33.91
Return on capital employed = Earning before interest and taxes(4) / Capital employed(5)		
% change from previous year	(18.46)%	8.97%
(xi) Return on investment	4.86%	3.68%
Return on investment= Income generated from invested funds / average invested funds in treasury investments		
% change from previous year	32.28%	(35.09) %
Reason for change more than 25%	See note (c) below	See note (b) below

### Explanation of formulas used in calculating ratios :

- (1) Net debt includes borrowings (long term and short term) net of cash & cash equivalents and bank balances.
- (2) Earnings available for debt service includes profit after tax, finance costs, depreciation and other non cash expense.
- (3) Debt service includes finance costs paid and principal repayment of borrowings (long term and short term).
- (4) Earning before interest and taxes includes Profit before tax plus depreciation.
- (5) Capital employed includes Tangible net worth (Total assets - total liability - intangible assets), net debt and deferred tax liability.

### Note :

- (a) Revenue growth resulting in increase in profits along with higher efficiency on working capital improvement has resulted improvement in the ratios.
  - (b) Due to decrease in bank deposits and interest rates during the year.
  - (c) Due to increase in bank deposits and interest rates during the year.
  - (d) Due to increase in net sales during the year.
- (d) The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (e) Disclosures under Rule 11(e)(i) of the Company (Audit & Auditors) Rule, 2014 :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Name of investee	APL Apollo Tubes Limited	APL Apollo Tubes Limited
Date	May 6, 2022	March 21, 2022
Amount	26.25 crore	75.66 crore
Nature of fund	Investment	Investment
Name of intermediary Company	APL Apollo Mart Limited	APL Apollo Mart Limited
Relationship	Wholly-owned subsidiary	Wholly-owned subsidiary

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Name of intermediary Company	APL Apollo Mart Limited	APL Apollo Mart Limited
Date	May 6, 2022	March 21, 2022
Amount	26.25 crore	75.66 crore
Nature of fund	Investment	Investment
Ultimate beneficiary	Shankara Building Products Limited	Shankara Building Products Limited
Relationship	-	-

- (f) Disclosures under Rule 11(e)(ii) of the Company (Audit & Auditors) Rule, 2014 :  
No funds have been received by the Group in current and previous year (other than as disclosed under 47(e) above) from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (g) **Details of benami property held**  
No proceeding has been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- (h) **Wilful defaulter**  
The Group has not been declared wilful defaulter by any bank or financial institution or any lender.
- (i) **Undisclosed Income**  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (j) **Details of crypto currency or virtual currency**  
The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (k) **Valuation of PP&E, intangible asset and investment property**  
The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (l) **Registration of charges or satisfaction with Registrar of Companies**  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (m) **Disclosures under Rule 11(f) of the Company (Audit & Auditors) Rule, 2014 - Dividends**  
The final dividend on shares is recorded as a liability on the date of approval by the shareholders. The Company declares and pays dividends in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates. The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Final dividend per share	₹ 5.00	₹ 3.50

During the year ended March 31, 2023, on account of the final dividend for year ended March 31, 2022, the Company has incurred a net cash outflow of ₹87.60 crore. The Board of Directors in their meeting held on May 12, 2023 recommended a final dividend of ₹5.00 per equity share for the year ended March 31, 2023. This payment of dividend is subject to the approval of shareholders in the upcoming Annual General Meeting of the Company and if approved, would result in a net cash outflow of approximately ₹138.67 crore.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 48 Disclosure of additional information as required by Schedule III to the Companies Act, 2013 :

(a) As at March 31, 2023 and for the year ended March 31, 2023

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore
<b>A. Holding Company</b>								
APL Apollo Tubes Limited	65.02%	2,570.95	78.82%	511.92	2.00%	(0.31)	80.72%	511.61
<b>B. Wholly owned subsidiaries</b>								
<b>a) Indian</b>								
(1) Apollo Metalex Private Limited	15.09%	596.80	20.08%	130.39	0.25%	(0.04)	20.57%	130.35
(2) Blue Ocean Private Limited	2.28%	90.06	(0.02)%	(0.13)	0.00%	-	(0.02)%	(0.13)
(3) APL Apollo Building Products Private Limited	15.26%	603.42	1.04%	6.73	(0.77)%	0.12	1.08%	6.85
(4) APL Apollo Mart Limited	2.27%	89.63	(0.05)%	(0.32)	98.52%	(15.41)	(2.48)%	(15.73)
<b>b) Foreign</b>								
(1) APL Apollo Tubes FZE	0.07%	2.83	0.19%	1.20	0.00%	-	0.19%	1.20
(2) A P L Apollo Tubes Company LLC	0.01%	0.27	(0.06)%	(0.39)	0.00%	-	(0.06)%	(0.39)
<b>Total</b>	<b>100.00%</b>	<b>3,953.96</b>	<b>100.00%</b>	<b>649.40</b>	<b>100.00%</b>	<b>(15.64)</b>	<b>100.00%</b>	<b>633.76</b>
Adjustment due to consolidation		(948.35)		(7.54)		(0.01)		(7.55)
<b>Consolidated Net Assets/Profit</b>		<b>3,005.61</b>		<b>641.86</b>		<b>(15.65)</b>		<b>626.21</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### (b) As at March 31, 2022 and for the year ended March 31, 2022

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore
<b>A. Holding Company</b>								
APL Apollo Tubes Limited	71.97%	2,143.47	79.16%	494.23	16.91%	0.56	78.83%	494.79
<b>B. Wholly owned subsidiaries</b>								
<b>a) Indian</b>								
(1) Apollo Metalex Private Limited	15.66%	466.45	21.35%	133.27	2.37%	0.08	21.25%	133.35
(2) Blue Ocean Private Limited	1.11%	32.96	(0.02)%	(0.13)	0.00%	-	(0.02)%	(0.13)
(3) APL Apollo Building Products Private Limited	8.62%	256.56	(0.25)%	(1.57)	0.00%	-	(0.25)%	(1.57)
(4) APL Apollo Mart Limited	2.59%	77.05	(0.23)%	(1.41)	80.72%	2.69	0.20%	1.28
<b>b) Foreign</b>								
(1) APL Apollo Tubes FZE	0.05%	1.48	(0.01)%	(0.05)	0.00%	-	(0.01)%	(0.05)
<b>Total</b>	<b>100.00%</b>	<b>2,977.97</b>	<b>100.00%</b>	<b>624.34</b>	<b>100.00%</b>	<b>3.33</b>	<b>100.00%</b>	<b>627.67</b>
Adjustment due to consolidation		(513.96)		(5.36)		0.02		(5.34)
<b>Consolidated Net Assets/Profit</b>		<b>2,464.01</b>		<b>618.98</b>		<b>3.35</b>		<b>622.33</b>

For and on behalf of the Board of Directors of  
**APL APOLLO TUBES LIMITED**

**SANJAY GUPTA**  
Chairman & Managing Director  
DIN : 00233188

**DEEPAK GOYAL**  
Chief Financial Officer

**VINAY GUPTA**  
Director  
DIN : 00005149

**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

Place : Ghaziabad  
Date : May 12, 2023









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