



APL/SECT/DLH/SE: 2021-22



6<sup>th</sup> January 2022

Electronic Filing

National Stock Exchange of India Limited  
"Exchange Plaza" Bandra-Kurla Complex,  
Bandra (E),  
Mumbai-400051

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

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

**Subject: Notice of Meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of APL Apollo Tubes Limited ("Company" or "APL Apollo") convened pursuant to the directions of the National Company Law Tribunal – New Delhi Bench IV ("Hon'ble NCLT") in the matter of scheme of amalgamation and arrangement ("Scheme") between Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi"), Apollo Tricoat Tubes Limited ("Apollo Tricoat") and APL Apollo and their respective shareholders and creditors.**

1. In compliance to the order of the Hon'ble NCLT dated November 30, 2021 (date of pronouncement) passed in Company Scheme Application No. CA(CAA)/107/ND/2021, meetings of **Equity Shareholders, Secured Creditors and Unsecured Creditors**, of the Company are to be convened on **February 08, 2022** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to consider and if thought fit, to approve the Scheme under Section 232 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") as under.

| Meeting of          | Time of meetings |
|---------------------|------------------|
| Equity Shareholders | 02:00 P.M. IST   |
| Secured Creditors   | 10:30 A.M IST    |
| Unsecured Creditors | 11:30 A.M. IST   |

The Meetings are being conducted through VC/ OAVM, in compliance with the operating procedures issued from time to time, referred to in *Circular No.14/2020 dated 8 April 2020, Circular No. 17/2020 dated 13 April 2020, Circular No. 22/2020 dated 15 June 2020, Circular No. 33/2020 dated 28 September 2020, Circular No. 39/2020 dated 31 December 2020, Circular No. 10/2021 dated 23 June 2021 and General Circular No. 20/2021 dated December 8, 2021* issued by Ministry of Corporate Affairs ("**MCA Circulars**") and *circular no. SEBT/HO/CFD/CMD1/CTR/P/2020/79 dated May 12, 2020* issued by the Securities and Exchange Board of India ("**SEBI Circular**") and pursuant to the order of the Hon'ble NCLT.

2. The Company is providing to its equity shareholders facility to exercise their right to vote on the resolution proposed to be passed (i) remotely **using an electronic voting which shall commence on Friday, February 04**

APL Apollo Tubes Limited (CIN-L74899 DL 1986PLG022443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi 110092, India Tel:+91-11-2237 3437 | Fax:+91-2237 3537

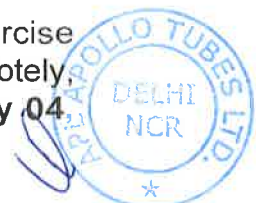
Corp. Office : 36, Kaushambhi, Near Anand Vihar Terminal, Delhi (NCR) - 201010, India Tel:+91-120 4041 400/401/402 | Fax: +91-120 4041 444

Corp. Office : Tapasya Corporate Heights, 4th Floor, Tower A, Sector 126, Noida, Uttar Pradesh 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205 India Unit - 2 : 332-338, Alur Village, Perandapali, Hosur, Tamilnadu-635109 India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, thane-421401, India Unit - 4, : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh -493661, India

E-mail : info@aplapollo.com Web: www.aplapollo.com



**2022 at 10:00 AM IST and ends on Monday, February 07, 2022 at 05:00 PM IST ("remote e-voting"); and (ii) during the Meeting ("e-voting during the Meeting").**

An equity shareholder, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e., Tuesday, February 1, 2022 only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the notice and attend the meeting of the equity shareholders. The voting rights of Equity Shareholders shall be in proportion to their share in the paid-up share capital as on February 01, 2022.

3. The Company is providing to its Unsecured Creditors and/or Secured Creditors facility to exercise their right to vote on the resolution proposed to be passed, during the Meeting ("**e-voting during the Meeting**")

A Secured Creditor and/ or Unsecured Creditor, as the case maybe, whose name appears in the list of Secured Creditor and/ or Unsecured Creditor of the Company, as the case maybe, as on the cut-off date, i.e., Wednesday, June 30, 2021 only shall be entitled to attend the meetings of Secured Creditor and/ or Unsecured Creditor and exercise his/her/its voting rights during the meetings, as the case maybe, on the resolution proposed in the notice,. Voting rights of a Secured Creditor and/ or Unsecured Creditor shall be in proportion to the amount due by the Company as on the cut-off date, i.e. Wednesday, June 30, 2021.

4. The detailed instructions for joining the Meeting through VC/ OAVM, manner of casting vote through e-voting are provided in the respective enclosed Notices.
5. Please find enclosed copy of the notice each dated December 27, 2021 convening the Meetings of **Equity Shareholders, Secured Creditors and Unsecured Creditors**, along with the Explanatory Statement and other Annexures for your information and records. The respective Notices are being sent through permitted mode to all the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company.
6. The above announcement is also being made available on the website of the Company [www.aplapollo.com](http://www.aplapollo.com)

This disclosure is being made in compliance with Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).

We request you to take the above information on record.

Yours faithfully  
For APL Apollo Tubes Limited

  
Deepak C S  
Company Secretary  
M. No.: FCS-5060



Encl: a/a

**APL APOLLO TUBES LIMITED**

**Corporate Identity Number: L74899DL1986PLC023443**

**Registered Office: 37, Hargobind Enclave, Vikas Marg, Delhi – 110092**

**Telephone: 91-11-22373437. Fax: 91-11-22373537.**

**Website: [www.aplapollo.com](http://www.aplapollo.com); Email: [investors@aplapollo.com](mailto:investors@aplapollo.com)**

**Notice of Meeting of Equity Shareholders of APL Apollo Tubes Limited scheduled to be held through Video Conferencing / Other Audio Visual Means (“VC”/ “OAVM”) under the supervision of the Hon’ble National Company Law Tribunal**

|               |                                                                                                                               |
|---------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Day</b>    | Tuesday                                                                                                                       |
| <b>Date</b>   | February 08, 2022                                                                                                             |
| <b>Time</b>   | 2:00 P.M. IST                                                                                                                 |
| <b>Venue*</b> | Since the meeting is proposed to be held through Video Conferencing, physical venue of the meeting is not relevant/applicable |

*\* Please note that there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of COVID-19 pandemic.*

**Remote E-voting schedule:**

|                                        |                                             |
|----------------------------------------|---------------------------------------------|
| <b>Commencement of Remote E-voting</b> | Friday, February 04, 2022 at 10:00 A.M. IST |
| <b>End of Remote E-voting</b>          | Monday, February 07, 2022 at 5:00 P.M. IST  |

| <b>S. no.</b> | <b>Contents</b>                                                                                                                                                                                                                                                                                                                      | <b>Page No.</b> |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1.            | Notice of the Meeting of Equity Shareholders of APL Apollo Tubes Limited (“ <b>the Company</b> ” or “ <b>the Amalgamated Company</b> ”) along with Instructions for attending the meeting through VC/ OAVM and Remote E-voting                                                                                                       | 4-20            |
| 2.            | Explanatory Statement under sections 230 and 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any                                                                                                                                     | 21-44           |
| 3.            | <b>Annexure-I</b> - Scheme of Amalgamation and Arrangement between Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited and their respective shareholders and creditors (“ <b>Scheme</b> ”)                                                                                                   | 45-80           |
| 4.            | <b>Annexure-II</b> – Copy of order of the Hon’ble National Company Law Tribunal in pursuance of which the meeting is to be convened                                                                                                                                                                                                  | 81-90           |
| 5.            | <b>Annexure-III</b> - Valuation Report issued by SSPA & Co., Chartered Accountants dated February 27, 2021.                                                                                                                                                                                                                          | 91-101          |
| 6.            | <b>Annexure-IV</b> - Fairness Opinion issued by Fortress Capital Management Services Private Limited dated February 27, 2021.                                                                                                                                                                                                        | 102-108         |
| 7.            | <b>Annexure-V</b> - Complaints Report dated July 07, 2021 submitted to BSE Limited by Amalgamating Company 2 and Amalgamated Company and Complaints Report dated July 22, 2021 submitted to National Stock Exchange of India Limited by Amalgamated Company.                                                                         | 109-114         |
| 8.            | <b>Annexure-VI</b> – Observation Letter/No Objection Letter dated August 02, 2021 obtained from BSE Limited and National Stock Exchange of India Limited.                                                                                                                                                                            | 115-120         |
| 9.            | <b>Annexure-VII</b> – Report adopted by the respective Board of Directors Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited under Section 232(2)(c) of the Companies Act, 2013 as per the provisions of Section 232(2)(c) of the Companies Act, 2013.                                      | 121-132         |
| 10.           | <b>Annexure-VIII</b> - Copy of audited financial statements of Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as at March 31, 2021                                                                                                                                                      | 133-271         |
| 11.           | <b>Annexure-IX</b> - Copy of financial statements of Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited (provisional) as at September 30, 2021 subjected to limited review by the Statutory Auditors and management certified financial statements (provisional) of Shri Lakshmi Metal Udyog Limited as on September 30, 2021 | 272-288         |



|     |                                                                                                                                                                                                                                                                                               |         |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 12. | <b>Annexure-X</b> -Information in the format prescribed for abridged prospectus pertaining to the unlisted entity i.e., Shri Lakshmi Metal Udyog Limited involved in the Scheme as provided in Part E of Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 | 289-296 |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

Sd/-

Ms. Deepa Krishan,

**Former Member (Technical) NCLT**

**Chairperson of the meeting of Equity Shareholders of**

**APL Apollo Tubes Limited**

Date: 27<sup>th</sup> day of December, 2021

Place: Delhi

**Form No. CAA 2**

**(Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies  
(Compromises, Arrangements & Amalgamations) Rules, 2016)**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
NEW DELHI BENCH**

**COMPANY APPLICATION NO. CA(CAA)-107/(ND)/2021**

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the matter of Scheme of Amalgamation and Arrangement between

Shri Lakshmi Metal Udyog Limited (hereinafter  
referred to as “Shri Lakshmi”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: U85110DL1994PLC224835

(Amalgamating Company 1 / Applicant  
Company 1)

**And**

Apollo Tricoat Tubes Limited (hereinafter referred to as  
“Apollo Tricoat”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74900DL1983PLC014972

(Amalgamating Company 2 / Applicant  
Company 2)

**And**

APL Apollo Tubes Limited (hereinafter referred to as  
“APL Apollo”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74899DL1986PLC023443

(Amalgamated Company /

Applicant Company 3)

**And**

Their Respective Shareholders and Creditors

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS  
OF APL APOLLO TUBES LIMITED**

To,

The Equity Shareholders of APL Apollo Tubes Limited

Notice is hereby given that the Hon’ble National Company Law Tribunal, New Delhi (“NCLT”) vide its Order dated November 30, 2021 (date of pronouncement), inter alia, has directed for convening of a meeting of Equity Shareholders of APL Apollo Tubes Limited through VC / OAVM with the facility of Remote E-voting in compliance with the General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 22/2020 dated June 15, 2020 read with General Circular No. 33/2020 dated September 28, 2020 read with General Circular No. 39/2020 dated December 31, 2020 read with General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs, Government of India (collectively referred to as “MCA Circulars”), for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation and Arrangement between Shri Lakshmi, Apollo Tricoat and APL Apollo and their respective shareholders and creditors. In the said meeting the following business will be transacted:

In pursuance of the said NCLT Order and as directed therein, further notice is hereby given that a meeting of equity shareholders of the Amalgamated Company will be held on Tuesday, February

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08, 2022 at 2:00 P.M IST by way of VC / OAVM (“**Meeting**”) following the operating procedures (with requisite modifications as may be required) referred to in MCA Circulars and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI Circulars”). At the Meeting, the following resolution will be considered and if thought fit, be passed under section 230 to 232 and other applicable provisions of the Companies Act, 2013 by requisite majority:

“**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and related circulars and notifications thereto as applicable under the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the relevant provisions of any other applicable laws and the clauses of the Memorandum and Articles of Association of APL Apollo Tubes Limited and subject to the approval by the requisite majority of the creditors of APL Apollo Tubes Limited, and subsequent approval of the NCLT and subject to such other consents, approvals, permissions and sanctions being obtained from appropriate authorities to the extent applicable or necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the equity shareholders be and is hereby accorded to the Scheme.

**RESOLVED FURTHER THAT** Restructuring Committee as constituted by the Board of the Amalgamated Company, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT and/or any other authority(ies) while sanctioning the Scheme or by any authority(ies) under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect

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to the Scheme, as the Restructuring Committee may deem fit and proper without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**Take Further Notice** that in pursuance of the said order, a meeting of the equity shareholders of APL Apollo Tubes Limited is scheduled to be held through VC / OAVM on Tuesday, February 08, 2022, at 2:00 P.M. IST, when you are requested to attend.

**TAKE FURTHER NOTICE** that in compliance with the NCLT Order and the provisions of (a) Section 230(4) read with Section 108 of the Companies Act, 2013 and the rules made thereunder; (b) Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (c) Secretarial Standards – 2 issued by the Institute of Company Secretaries of India, the Amalgamated Company has provided the facility of voting by remote e-voting (“**Remote e-voting**”) as well as electronic voting system (“**e-voting**”) during the Meeting, so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Amalgamated Company to the Scheme shall be carried out through (i) remote e-voting and (ii) e-voting during the Meeting to be held on Tuesday, February 08, 2022.

**TAKE FURTHER NOTICE** that Central Depository Services (India) Limited (“**CDSL**”) shall be providing the facility of remote e-voting and e-voting during the Meeting, and participation in the Meeting through VC/ OAVM.

**TAKE FURTHER NOTICE** that in terms of the said NCLT Order, in addition to e-voting during the Meeting through VC/ OAVM, the persons entitled to attend and vote at the Meeting shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes through Remote e-voting during the period commencing on Friday, February 04, 2022 at 10:00 A.M. IST on and ending on Monday, February 07, 2022 at 05:00 P.M. IST (both days inclusive), arranged by CDSL. The voting rights of shareholders shall be in proportion to their share in the paid-up share capital of the Amalgamated Company as on February 01, 2022, being the cut-off date (“**Cut-off Date**”). The equity shareholders opting to cast their votes by Remote e-voting or e-voting during the Meeting are requested to read the instructions in the Notes below carefully.

It is clarified that votes may be cast by the equity shareholders by remote e-voting in terms of this Notice and casting of votes by remote e-voting does not disentitle them or their authorized representatives from attending the Meeting. However, the members or their authorized representatives who have cast their votes by remote e-voting will not be eligible to cast their votes by e-voting during the Meeting.

**TAKE FURTHER NOTICE** that since the physical attendance of members has been dispensed with in pursuance to NCLT Order, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Companies Act, 2013 will not be available for the Meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013 authorized representatives of the members may be appointed for the purpose of voting through remote e-voting, for participation in the meeting through VC/ OAVM facility and e-voting during the Meeting provided an authority letter/ power of attorney by the Board of Directors or a certified copy of the resolution passed by its Board of Directors or other governing body authorizing such representative to attend and vote at the Meeting through VC/ OAVM on its behalf along with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote is emailed to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com) before the commencement of the Meeting.

A copy of the Scheme, the Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Company viz. [www.aplapollo.com](http://www.aplapollo.com) and will also be available on the website of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

Copies of this Notice which include Scheme and Explanatory Statement under Section 230, 232 and 102 of the Companies Act, 2013 can be obtained free of charge from the Registered Office of the Amalgamated Company and/or from the office of the Advocate at Agarwal Law Associates, 34, FF, Babar Lane, Bengali Market, New Delhi-110001.

NCLT has appointed Ms. Deepa Krishan to act as the Chairperson of the said Meeting including any adjournment(s) thereof.



The Scheme of Amalgamation and Arrangement, if approved at the Meeting, will be subject to the subsequent approval of the NCLT and any other approvals as may be required.

The voting results of the meeting shall be announced by the Chairperson not later than 48 (forty eight) hours of the conclusion of the Meeting upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company [www.aplapollo.com](http://www.aplapollo.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com), being the agency appointed by the Company to provide the voting facility to the shareholders, as aforesaid, as well as on the notice board of the Amalgamated Company at its Registered Office and Corporate Office besides being notified to NSE and BSE, the stock exchanges, where shares of the Amalgamated Company are listed.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the equity shareholders only if the Scheme is approved by majority of persons representing three-fourth in value of the members, of the Amalgamated Company, voting in person through VC/OAVM or by remote e-voting.

Sd/-

Ms. Deepa Krishan

**Former Member (Technical), NCLT**

**The Chairperson appointed for the Meeting**

**Dated: 27<sup>th</sup> day of December, 2021**

**Place: Delhi**

## Notes:

1. In view of the ongoing COVID-19 pandemic, social distancing norms to be followed and pursuant to MCA Circulars and SEBI Circulars, and in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the NCLT Order, this Meeting is being held by VC/ OAVM without physical presence of the shareholders at a common venue, as per applicable procedures mentioned in the MCA Circulars, for the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation and Arrangement under the provisions of sections 230 to 232 of the Companies Act, 2013 and rules made thereunder.
2. Explanatory Statement under sections 230, 232 and 102 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 to the Notice, is annexed hereto.
3. Central Depository Services (India) Limited (CDSL) is appointed to provide the facility for convening the meeting through VC and to provide remote e-voting and e-voting facility during the meeting; to handle and supervise the entire process of holding the meeting through VC and e-voting during the meeting in a secured manner.
4. Shareholders are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company 3 / list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) /Central Depository Services (India) Limited (“CDSL”) (collectively referred to as “Depositories”) in respect of such joint holding will be entitled to vote.
5. Members will be able to attend the Meeting on Tuesday, February 08, 2022 through VC/ OAVM or view the live webcast by logging on to the e-voting website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials.
6. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders as on February 01, 2022. Persons who are not equity shareholders of the Amalgamated Company as on the cut-off date (“**Cut-off Date**”) i.e. February 01, 2022, should treat this notice for information purposes only. Any person who becomes a shareholder of the Amalgamated Company after dispatch of this Notice and whose names appear in the records of the Amalgamated Company as on the cut-off date for e-voting may cast his vote by following the instructions of remote e-voting and e-voting during the Meeting provided in this Notice.

7. In terms of the directions contained in the Order, “the quorum of the meeting shall be 15,000 Equity Shareholders of the Amalgamated Company). In case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by half an hour (i.e., 30 minutes) and thereafter, the persons present shall be deemed to constitute the quorum, however, the requirement of Section 230(6) of the Act shall be complied with regard to the agreement to the scheme by majority of persons representing 75% in value.
  8. In compliance with the NCLT Order, the attendance of the Members participating through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  9. The voting period for remote e-voting shall commence on and from Friday, February 04, 2022 at 10:00 A.M. IST and shall end on Monday, February 07, 2022 at 5:00 P.M. IST (Inclusive of both the days).
  10. In terms of the MCA Circulars since the physical attendance of Equity Shareholders has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Equity Shareholders under Section 105 of the Act will not be available. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the institutional/ corporate Equity Shareholders may be appointed for the purpose of voting through e-voting, for participation in the meeting through VC Facility.
  11. Institutional/ Corporate Equity Shareholders (i.e. other than individuals/HUF, NRI, etc) of Amalgamated Company are entitled to appoint an authorized representative for the purpose of participating and / or voting during the Meeting held through VC. Further, such Institutional/ Corporate Equity Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned certified copy (.pdf file) of the relevant resolution/ authority letter / power of attorney together with attested specimen signature of the duly authorized representatives who are authorized to vote, to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) from their registered email address with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com) , no later than 48 hours before the scheduled time of the Meeting.
  12. The authorized representative of the Equity Shareholders (in case such Equity Shareholders is a corporate member) should additionally e-mail copy of their valid and legible identity proof (.pdf file) issued by a statutory authority (i.e. PAN Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) from their
-

registered email address with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com) , no later than 48 hours before the scheduled time of the Meeting.

13. Ms. Shruti Rawat, PCS has been appointed by the NCLT, as the Scrutinizer to scrutinize the votes cast through voting by remote e-voting and e-voting during the Meeting.
  14. The Scrutinizer's decision on the validity of e-voting (both remote e-voting and e-voting during the meeting) will be final. The Scrutinizer appointed for Voting Process will submit her report to the NCLT appointed Chairperson of the meeting or a person authorized by him upon completion of scrutiny, in a fair and transparent manner, of voting not later than forty eight hours from the conclusion of the voting. The Chairperson or a person authorized by her shall announce the results of e-voting and the results shall be placed on the website of Company and at the Registered Office of the Company. The Resolution, if approved by the requisite majority, shall be deemed to have been passed on February 08, 2022.
  15. The Notice convening the meeting, the date of dispatch of the Notice and the Explanatory Statement, amongst others, will be published through advertisement in Delhi editions of "Business Standard" both English and Hindi edition.
  16. The relevant documents referred in the Notice and the Explanatory Statement are open for inspection by the shareholders electronically up to the conclusion of the Meeting and physically at the Registered Office of the Amalgamated Company on all working days, except Saturdays and Sundays, between 11:00 A.M. IST and 1:00 P.M. IST upto the date of the Meeting. Those shareholders who wish to inspect such documents electronically may write an e-mail to [investors@aplapollo.com](mailto:investors@aplapollo.com) mentioning their name, mobile number, PAN, folio number/ DP ID.
  17. Members who would like to express their views at the Meeting may register themselves as a speaker by sending their request, mentioning their name, demat account number/folio number, email id, mobile number, at [investors@aplapollo.com](mailto:investors@aplapollo.com) by February 5, 2022. The shareholders who do not wish to speak during the Meeting but have queries may send their queries, mentioning their name, demat account number/folio number, email id, mobile number, to [investors@aplapollo.com](mailto:investors@aplapollo.com). These queries will be replied to by the Company suitably by email.
  18. Those shareholders who have registered themselves as speakers will only be allowed to express their views/ask questions during the meeting for a maximum time of 3 (three) minutes each, once the floor is open for shareholder queries. The Company reserves the right
-

to restrict the number of speakers and number of questions depending on the availability of time for the Meeting.

19. Pursuant to Section 101 of the Companies Act, 2013 read with the Rules made thereunder, (including any statutory modification(s), clarification(s), exemption(s) or re-enactment(s) thereof for the time being in force), the Notice is being sent by electronic mode to those shareholders whose e-mail address are registered with the Company or the Depositories or the Amalgamated Company's Registrar and Transfer Agent. However, in case a shareholder wishes to receive a physical copy of the Notice, he/she is requested to send an e-mail from their registered email ID to [investors@aplapollo.com](mailto:investors@aplapollo.com) or [comsec@aplapollo.com](mailto:comsec@aplapollo.com) or a letter addressed to Mr. Deepak C S, Compliance Officer of the Amalgamated Company, at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 or to Amalgamated Company's Registrar and Transfer Agent at Abhipra capital Limited, Abhipra Complex, A387, Dilkhush Industrial Area, GT Karnal Road, Azadpur, Delhi - 110033 duly quoting his/her DP ID and Client ID or the Folio number, as the case may be. For shareholders whose e-mail address is registered but who have requested for physical copy of the Notice or whose e-mail address is not registered, the physical copy of the Notice is being sent by permitted mode.
20. In compliance with the NCLT Order, the Notice is being sent to all the Members whose names appear in the Register of Members/Beneficial Owners as per the details furnished by the Depositories as on December 24, 2021, i.e. cut-off date for dispatch of Notice. This Notice of the Meeting is also displayed / posted on the website of the Amalgamated Company at [www.aplapollo.com](http://www.aplapollo.com), Stock Exchanges' website (www.bseindia.com and www.nseindia.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
21. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Amalgamated Company held by them as on February 01, 2022, being the cut-off date ("**Cut-off Date**").
22. The Instructions to attend and vote electronically are as under:-
  - a. The voting period begins on Friday, February 04, 2022 at 10:00 A.M. IST and ends on Monday, February 07, 2022 at 5:00 P.M. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, February 01, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those members who will be present in the Meeting through VC/ OAVM facility and have not cast their vote on the Resolutions through

remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the Meeting.

- b. Shareholders who have already voted prior to the meeting date would not be entitled to cast their vote again.
- c. Members can login at CDSL e-voting platform any number of times till they have voted on the resolution. Once the vote on resolution is cast by a Member, whether partially or otherwise, Member shall not be allowed to change it subsequently or cast the vote again.
- d. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| <b>Type of shareholders</b>                                        | <b>Login Method</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders Holding securities in Demat mode with CDSL | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach eVoting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there</p> |



|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                           | <p>is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>                                                                                                                                                              |
| <p>Individual Shareholders Holding securities in demat mode with NSDL</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the eServices website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> |

|                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                               | <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>                                                                                                                                                                                                                                                                    |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type                                                         | Helpdesk details                                                                                                                                                                                    |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- |

|                                                                           |                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                           | 23058738 and 22-23058542-43.                                                                                                                                                                                       |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

e. Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form:

- i) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on “Shareholders” module
- iii) Now enter your User ID
  1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi) If you are a first-time user follow the steps given below:

|            |                                                                                                                                                                                                                                                                                                                                                                               |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | For Physical shareholders and other than individual shareholders holding shares in Demat.                                                                                                                                                                                                                                                                                     |
| <b>PAN</b> | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>➤ Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |

|                               |                                                                                                                                                        |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dividend Bank Details</b>  | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. |
| <b>OR Date of Birth (DOB)</b> | ➤ If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.   |

- f. After entering these details appropriately, click on “SUBMIT” tab.
- g. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i. Click on the EVSN of the Company for which you choose to vote.
- j. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details
- l. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- m. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- n. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- o. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- p. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@aplapollo.com](mailto:investors@aplapollo.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at [investors@aplapollo.com](mailto:investors@aplapollo.com) and/or RTA email at [rta@abhipra.com](mailto:rta@abhipra.com).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022- 23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai.

**Enclosures: as above**



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
NEW DELHI BENCH**

**COMPANY APPLICATION NO. CA(CAA)-107/(ND)/2021**

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the Matter of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013  
read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016

And

In the matter of Scheme of Amalgamation and Arrangement between

Shri Lakshmi Metal Udyog Limited (hereinafter  
referred to as “Shri Lakshmi”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: U85110DL1994PLC224835

(Amalgamating Company 1 / Applicant  
Company 1)

**And**

Apollo Tricoat Tubes Limited (hereinafter referred to as  
“Apollo Tricoat”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74900DL1983PLC014972

(Amalgamating Company 2 / Applicant  
Company 2)

**And**

APL Apollo Tubes Limited (hereinafter referred to as  
“APL Apollo”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74899DL1986PLC023443

(Amalgamated Company /

Applicant Company 3)

**And**

Their Respective Shareholders and Creditors

**EXPLANATORY STATEMENT UNDER SECTION 230 to 232 AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF APL APOLLO TUBES LIMITED**

Pursuant to the NCLT Order dated November 30, 2021 in Company Scheme Application No. CA(CAA) -107/(ND)/ 2021 passed by the Hon’ble National Company Law Tribunal, New Delhi Bench (“NCLT”), a meeting of the equity shareholders of APL Apollo Tubes Limited, is being convened by way of VC/ OAVM on Tuesday, February 08, 2022 at 2:00 P.M. (“**Meeting**”), for the purpose of considering and if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Amalgamation and Arrangement between Shri Lakshmi, Apollo Tricoat and APL Apollo and their respective members and creditors (“**Scheme**”) for amalgamation of Shri Lakshmi and Apollo Tricoat with APL Apollo. The aforesaid Scheme of Amalgamation and Arrangement is enclosed as **Annexure I**.

The meeting of secured creditors and unsecured creditors of the Amalgamated Company is being held on Tuesday, February 08, 2022 at 10:30 A.M. IST and 11:30 A.M. respectively for approval of Scheme as per NCLT Order dated November 30, 2021.

This statement explaining the terms of the Scheme is being furnished, inter alia, as required under section 230(3) of the Companies Act, 2013 along with the Notice dated December 27, 2021 of the Meeting.

1. The draft Scheme was placed before the Audit Committee, Committee of Independent Directors, and Board of Directors of the Amalgamated Company at their respective meetings held on February 27, 2021. In accordance with the provisions of Securities and Exchange Board of India (“SEBI”) Circular bearing no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (including amendments thereof), the Audit Committee and Committee of Independent Directors of the Applicant Company vide a resolution passed on February 27, 2021 recommended the Scheme to the Board of Directors of the Amalgamated Company. The Board of Directors of the Amalgamated Company at its meeting held on February 27, 2021, approved the Scheme, interalia, based on such recommendation of the Audit Committee and Committee of Independent Directors.
2. List of the companies/parties involved in the Scheme of Amalgamation and Arrangement:
  - A. Shri Lakshmi Metal Udyog Limited
  - B. Apollo Tricoat Tubes Limited
  - C. APL Apollo Tubes Limited
3. Details of the companies/parties to the Scheme:
  - A. Shri Lakshmi Metal Udyog Limited**
    - a. Shri Lakshmi Metal Udyog Limited (“**Shri Lakshmi**” or “**Amalgamating Company 1**”) was incorporated on the 25th day of April 1994 under the provisions of the Companies Act, 1956 as a private limited company which was later on converted into public limited company on 13<sup>th</sup> day of January 1995. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamating Company 1 is engaged in the business of production of ERW steel tubes and GP coils.
    - b. The main objects of the Amalgamating Company 1 are set out in the Memorandum of Association which are as under:
      - i. *“To carry on the business as manufacturers, exporters, importers, commission Agent, buying and selling agents, representatives of manufacturer, sellers and dealers in all kinds and varieties of Iron and Steel, Scraps, Steel converters, Steel tubes, plastic tubes, rollers, ferrous and non ferrous metal founders, fabricators,*

*Sheet metal grinders, P S Tanks, Tubular poles, steel structures, stamping and pressing of sheet metal.”*

- c. The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 1 as on September 30, 2021 was as set out below:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 70,00,000 Equity Shares of Rs.10/- each             | 7,00,00,000            |
| <b>Total</b>                                        | <b>7,00,00,000</b>     |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 58,95,000 Equity Shares of Rs.10/- each             | 5,89,50,000            |
| <b>Total</b>                                        | <b>5,89,50,000</b>     |

There is no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 1 subsequent to September 30, 2021.

- d. The details of the present promoter(s) and directors of the Amalgamating Company 1 along with their addresses are as follows:

**i. Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                                    |
|---------------|----------------------|---------------------------------------------------|
| 1             | APL Apollo Tubes Ltd | 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 |

**ii. Directors**

| <b>S. No.</b> | <b>Name</b>  | <b>Address</b>                    | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|--------------|-----------------------------------|----------------|----------------------------|
| 1             | Sanjay Gupta | G-8, Maharani Bagh, Delhi-110065  | 00233188       | 28/04/2008                 |
| 2             | Vinay Gupta  | H-5, Maharani Bagh, Delhi-110065  | 00005149       | 29/09/2009                 |
| 3             | Neeru Abrol  | K-3 Lajpat Nagar –III, New Delhi- | 01279485       | 08/11/2019                 |

| S. No. | Name        | Address                                                      | DIN No.  | Date of Appointment |
|--------|-------------|--------------------------------------------------------------|----------|---------------------|
|        |             | 110024                                                       |          |                     |
| 4      | Romi Sehgal | E-103, The Residency, Ardee City, Sector 5, Gurgaon, Haryana | 03320454 | 24/05/2018          |

- e. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamating Company 1 as on June 30, 2021 is INR 2,34,89,129/- and INR 2,53,76,89,657/-

#### **B. Apollo Tricoat Tubes Limited**

- a. Apollo Tricoat Tubes Limited (“**Apollo Tricoat**” or “**Amalgamating Company 2**”) was incorporated on the 12<sup>th</sup> day of January 1983 under the provisions of the Companies Act, 1956 as a public limited company. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamating Company 2 is primarily engaged in business of production of steel designer roofing, fencing, steel door-frames, designer hand railing etc.
- b. The equity shares of Amalgamating Company 2 are listed on BSE Limited (“**BSE**”).
- c. The main objects of the Amalgamating Company 2 are set out in the Memorandum of Association which are as under:
- i. *“To manufacture the TriCoat Tubes in three variants SureCoat, DureCoat and SuperCoat with the advanced Galvant Technology and to carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing, factoring, otherwise dealing in iron & steel and ferrous and non-ferrous metals of all qualities, grades, types and kinds, as iron mongers, iron masters, steel makers and steel converters and/or all products made of Iron and Steel, Iron-ore and other alloys including zinc or/ and colour quoted steel, coils, sheets, pipes and tubes and other materials in any variants, using advanced technology, machinery or equipments required for manufacture of such item.*
  - ii. *To carry on the business as manufacturers of Iron, steel or other metal pipes, seamless pipes, sheets, rods and other products of iron, steel or other metals now known or that may hereafter be invented as also to carry on the business of*

*ironmasters, iron founders, metal workers, steel makers and steel converters and to purchase or otherwise acquire, set up, erect, maintain, reconstruct and adapt any offices, workshops, plant, machinery and other things found necessary or convenient for the purpose of the Company.*

- iii. *To provide the technical and management consultancy services, both in India and abroad, for design, application, development, production, fabrication, operation, promotion, marketing and use of products out of stainless steel, aluminum sheets, ceramic, wood, leather, glass, acrylic, plastic, wax and other metal / alloys sheet required and/or used in the house hold / official goods, architectural, construction automobiles, railway transport and other allied sectors.*”
- d. The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 2 as on September 30, 2021 was as set out below:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 7,50,00,000 Equity Shares of Rs.2/- each            | 15,00,00,000           |
| <b>Total</b>                                        | <b>15,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 6,08,00,000 Equity Shares of Rs.2/- each            | 12,16,00,000           |
| <b>Total</b>                                        | <b>12,16,00,000</b>    |

There is no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 2 subsequent to September 30, 2021.

- e. The details of the present promoter(s) and directors of the Amalgamating Company 2 along with their addresses are as follows:
- i. **Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>                      | <b>Address</b>                                    |
|---------------|----------------------------------|---------------------------------------------------|
| 1             | Shri Lakshmi Metal Udyog Limited | 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 |



|   |             |                                  |
|---|-------------|----------------------------------|
| 2 | Rahul Gupta | G-8, Maharani Bagh, Delhi-110065 |
|---|-------------|----------------------------------|

ii. **Directors**

| S. No. | Name                 | Address                                                   | DIN No.  | Date of Appointment |
|--------|----------------------|-----------------------------------------------------------|----------|---------------------|
| 1      | Vinay Gupta          | H-5, Maharani Bagh, Delhi-110065                          | 00005149 | 23/10/2020          |
| 2      | Bharat Bhushan Sahny | B-22, Dayanand Colony, Lajpat Nagar- 4, New Delhi-110024  | 00014334 | 28/02/2014          |
| 3      | Neeru Abrol          | K-3, Lajpat Nagar-3, Delhi-110024                         | 01279485 | 20/01/2020          |
| 4      | Romi Sehgal          | E-103, The Residency, Adree City, Sector 52 Gurgaon122003 | 03320454 | 01/02/2020          |
| 5      | Anilkumar Bansal     | S-34, Greater Kailash-II, Delhi-110048                    | 06752578 | 11/06/2018          |
| 6      | Rahul Gupta          | G-8, Maharani Bagh, Delhi-110065                          | 07151792 | 04/05/2018          |

- f. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamating Company 2 as on June 30, 2021 is INR 59,04,73,624/- and INR 1,45,59,46,728/-

**C. APL Apollo Tubes Limited**

- a. APL Apollo Tubes Limited (“**APL Apollo**” or “**Amalgamated Company**”) was incorporated on the 24th day of February 1986 under the provisions of the Companies Act, 1956 as a private limited company which was later on converted into public limited company on 19<sup>th</sup> day of October 1993. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamated Company is primarily engaged in the business of production of ERW steel tubes.
- b. The equity shares of Amalgamated Company are listed on BSE and National Stock Exchange of India Limited (“**NSE**”).
- c. The main objects of the Amalgamated Company are set out in the Memorandum of Association which are as under:

- i. *“To manufacture, fabricate, forging, produce export, import, buy sell, let on hire, exchange, alter, improve, prepare for market and deal in all kinds of steel tubes and pipes.*
  - ii. *To carry on the business of iron masters, steel, makers, steel converters, melters, iron and steel founders and iron manufacturers.*
  - iii. *To carry on the business of manufacture, exporter, importers, buying, selling and dealers in all raw materials used in the manufacture, of all type of steel tube and pipes.*
  - iv. *To acquire and utilize machinery plant and equipment for the manufacture of iron and steel products.”*
- d. The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company as on September 30, 2021 was as set out below:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 37,50,00,000 Equity Shares of Rs.2/- each           | 75,00,00,000           |
| <b>Total</b>                                        | <b>75,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 24,97,92,000 Equity Shares of Rs.2/- each           | 49,95,84,000           |
| <b>Total</b>                                        | <b>49,95,84,000</b>    |

There is no change in the authorised share capital subsequent to September 30, 2021. However, the issued, subscribed and paid-up share capital of the Amalgamated Company has increased to Rs. 50,02,11,000 pursuant to issue of 3,13,500 equity shares of Rs, 2 each to eligible employees under ESOP scheme on November 17, 2021.

- e. The details of the present promoter(s) and directors of the Amalgamated Company along with their addresses are as follows:

**i. Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>                        | <b>Address</b>                                                                  |
|---------------|------------------------------------|---------------------------------------------------------------------------------|
| 1             | Sanjay Gupta                       | G-8, Maharani Bagh, Delhi-110065                                                |
| 2             | Veera Gupta                        | C-380, Yojna Vihar, Delhi, 110092, Delhi                                        |
| 3             | Rahul Gupta                        | G-8, Maharani Bagh, Delhi-110065                                                |
| 4             | Rohan Gupta                        | G-8, Maharani Bagh, Delhi-110065                                                |
| 5             | APL Infrastructure Private Limited | 36, Kaushambi, Near Anand Vihar Terminal behind Wave Cinema Ghaziabad UP 201010 |

**ii. Directors**

| <b>S. No.</b> | <b>Name</b>         | <b>Address</b>                                                       | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|---------------------|----------------------------------------------------------------------|----------------|----------------------------|
| 1             | Sanjay Gupta        | G-8, Maharani Bagh, Delhi-110065                                     | 00233188       | 02/09/2003                 |
| 2             | Vinay Gupta         | H-5, Maharani Bagh, Delhi-110065                                     | 00005149       | 16/05/2008                 |
| 3             | Virendra Singh Jain | B-12, 'Saket', 2nd Floor Gyan Bharti School Lane, South Delhi-110017 | 00253196       | 28/01/2017                 |
| 4             | Neeru Abrol         | K-3 Lajpat Nagar –III, New Delhi-110024                              | 01279485       | 24/03/2015                 |
| 5             | Abhilash Lal        | H. No. C-192, DLF Ph-2, Belvedere Park Towers, Gurgaon-122002        | 03203177       | 12/02/2014                 |
| 6             | Romi Sehgal         | E-103, The Residency, Ardee City, Sector 5, Gurgaon, Haryana         | 03320454       | 13/08/2016                 |
| 7             | Anilkumar Bansal    | S-34, Greater Kailash, New Delhi – 110048                            | 06752578       | 04/08/2014                 |
| 8             | Ashok Kumar Gupta   | C-380, Yojna Vihar, Delhi, 110092, Delhi                             | 01722395       | 19/10/2011                 |
| 9             | Ameet Kumar Gupta   | 78-A/1, Friends Colony (East), New Delhi-110065                      | 00002838       | 06/08/2021                 |
| 10            | Rahul Gupta         | G-8, Maharani Bagh, Delhi-110065                                     | 07151792       | 06/08/2021                 |

- f. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamated Company as on June 30, 2021 is INR 2,50,66,99,767/- and INR 10,80,75,19,857/-

#### **4. Relationship subsisting between the companies who are parties to the Scheme**

The Amalgamating Company 1 is wholly-owned subsidiary of the Amalgamated Company. The Amalgamating Company 2 is subsidiary of Amalgamating Company 1 and step down subsidiary of Amalgamated Company.

#### **5. Details of the Board meeting at which the Scheme was approved by the Board of Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company respectively, including the names of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution**

- A. All directors of the Amalgamating Company 1, namely, Mr. Sanjay Gupta, Mr. Vinay Gupta, Mrs. Neeru Abrol and Mr. Romi Sehgal had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme.
- B. All directors of the Amalgamating Company 2 except Shri Vinay Gupta had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme. The directors who attended the meeting are: Mr. Bharat Bhushan Sahny, Ms. Neeru Abrol, Mr. Romi Sehgal, Mr. Anilkumar Bansal and Mr. Rahul Gupta.
- C. All directors of the Amalgamated Company except Shri Vinay Gupta had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme. The directors who attended the meeting are: Mr. Sanjay Gupta, Mr. Virendra Singh Jain, Ms. Neeru Abrol, Mr. Abhilash Lal, Mr. Romi Sehgal, Mr. Anilkumar Bansal and Mr. Ashok Kumar Gupta.

#### **6. Salient features / details / extract of the Scheme**

**The salient features / details / extract of the Scheme are, interalia, as under:**

- i. The proposed Scheme is among Shri Lakshmi (Amalgamating Company 1), Apollo Tricoat (Amalgamating Company 2) and APL Apollo (Amalgamated Company) and their respective members and pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

- ii. The Appointed Date for the purpose of Scheme to be April 01, 2021 or such other date as may be fixed by the Hon'ble Tribunal of Judicature at Delhi or any other Competent authority, as may be applicable.
- iii. The Effective Date means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by the all the companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date"
- iv. The Scheme provides that upon the coming into effect of this Scheme and with effect from Appointed Date, the Amalgamating Company 1 and Amalgamated Company 2 shall, pursuant to the provisions of Sections 230 to 232 of the Act and sanction of this Scheme by NCLT and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Amalgamated Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of the Amalgamating Company 1 and Amalgamating Company 2 along with all the rights, title, interest or obligations of the Amalgamating Company and Amalgamating Company 2 therein become that of the Amalgamated Company.
- v. **Consideration:**

Since the Amalgamating Company 1 is the wholly owned subsidiary of the Amalgamated Company, upon the Scheme becoming effective, all the equity shares held by the Amalgamated Company and its nominees in the Amalgamating Company 1 shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon the Scheme being effective.

Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal

representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-

*“one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) of the Amalgamated Company to be issued and allotted to the Eligible Members of the Amalgamating Company 2 against one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in the Amalgamating Company 2.”*

Upon the Scheme being effective, and in consideration to the Amalgamating Company 1, being shareholder of the Amalgamating Company 2, in terms of the Scheme, 3,39,40,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.

vi. **Accounting treatment:**

**In the books of Amalgamated Company**

Upon the Scheme becoming effective the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 1 and Amalgamating Company 2 in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with ICAI ITFG Clarification.

**In the books of Amalgamating Company 1 and Amalgamating Company 2**

As the Amalgamating Company 1 and Amalgamating Company 2 shall stand dissolved without being wound up upon the Scheme becoming effective as mentioned in clause 23 of the Scheme and all the assets and liabilities shall be transferred to Amalgamated Company, hence there is no accounting treatment prescribed under this Scheme in the books of the Amalgamating Company 1 and Amalgamating Company 2.

vii. **Purpose and Rationale for the Scheme of Amalgamation and Arrangement**

- a. Combined business under “APL Apollo” brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- b. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;
- c. Amalgamating Company 1 and Amalgamating Company 2 operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
- d. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- e. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- f. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

viii. Scheme coming into effect, the Amalgamating Company 1 and Amalgamating Company 2 shall, without any further act or deed, stand dissolved without winding up.

ix. As an integral part of the Scheme, the face value of 1 (One) equity share of the Amalgamating Company 1 amounting to INR 10/- (Indian Rupees Ten Only) shall be sub-divided into face value of INR 2/- (Indian Rupees Two only) comprising 5 equity shares of the Amalgamating Company 1; accordingly, authorised share capital of the Amalgamating Company 1 shall be restructured as under:

*“The authorised share capital of the Amalgamating Company 1 is INR 7,00,00,000/- (Indian Rupees Seven crore only) divided into 3,50,00,000 (Three Crore Fifty Lacs) equity shares of INR 2 each (Indian Rupees Two only).”*

**x. Valuation report**

Since the Amalgamating Company 1 is wholly-owned subsidiary of the Amalgamated Company, no shares are required to be issued as part of the Scheme. Accordingly, there is no requirement of a Valuation Report with respect to shares of Amalgamating Company 1.

Valuation report for the purpose of valuing equity shares of the Amalgamated Company and Amalgamating Company 2 has been obtained from SSPA & Co., Chartered Accountants (Registered Valuer) dated February 27, 2021.

**xi. Effect of the Scheme**

**A. Directors, Key Managerial Personnel and their Relatives**

The Directors and Key Managerial Personnel (“KMP”) of the Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and their respective relatives do not have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding in the Amalgamated Company, if any, or to the extent the said Directors and KMP(s) are the partners, directors, members and/or beneficiaries of the companies, firms, association of persons, bodies corporate and/or trust, as the case may be, that hold shares in the Amalgamated Company. There will be no adverse effect of the Scheme on the Directors and KMP of the Amalgamated Company.

Details of the Directors and KMP(s) of the Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and their respective equity shareholding as on September 30, 2021 in the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 are as follows:



**a. Amalgamated Company**

| S. No. | Name                | Shareholding as on September 30, 2021 |                        |                     |
|--------|---------------------|---------------------------------------|------------------------|---------------------|
|        |                     | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1      | Sanjay Gupta        | 1*                                    | NIL                    | 3,50,000            |
| 2      | Vinay Gupta         | 1*                                    | NIL                    | NIL                 |
| 3      | Virendra Singh Jain | NIL                                   | 500                    | 520                 |
| 4      | Neeru Abrol         | NIL                                   | NIL                    | NIL                 |
| 5      | Abhilash Lal        | NIL                                   | NIL                    | NIL                 |
| 6      | Romi Sehgal         | NIL                                   | 7,938                  | 1,15,427            |
| 7      | Anilkumar Bansal    | NIL                                   | 1,600                  | 10,000              |
| 8      | Ashok Kumar Gupta   | NIL                                   | NIL                    | NIL                 |
| 9      | Ameet Kumar Gupta   | NIL                                   | NIL                    | NIL                 |
| 10     | Rahul Gupta         | NIL                                   | NIL                    | 30,02,000           |

**b. Amalgamating Company 1**

| S.No. | Name         | Shareholding as on September 30, 2021 |                        |                     |
|-------|--------------|---------------------------------------|------------------------|---------------------|
|       |              | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1     | Sanjay Gupta | 1*                                    | NIL                    | 3,50,000            |
| 2     | Vinay Gupta  | 1*                                    | NIL                    | NIL                 |
| 3     | Neeru Abrol  | NIL                                   | NIL                    | NIL                 |
| 4     | Romi Sehgal  | NIL                                   | 7,938                  | NIL                 |

**c. Amalgamating Company 2**

| S. No. | Name        | Shareholding as on September 30, 2021 |                        |                     |
|--------|-------------|---------------------------------------|------------------------|---------------------|
|        |             | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1      | Vinay Gupta | 1*                                    | NIL                    | NIL                 |

| S. No. | Name                 | Shareholding as on September 30, 2021 |                        |                     |
|--------|----------------------|---------------------------------------|------------------------|---------------------|
|        |                      | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 2      | Bharat Bhushan Sahny | NIL                                   | NIL                    | NIL                 |
| 3      | Neeru Abrol          | NIL                                   | NIL                    | NIL                 |
| 4      | Romi Sehgal          | NIL                                   | 7,938                  | 1,15,427            |
| 5      | Anilkumar Bansal     | NIL                                   | 1,600                  | 10,000              |
| 6      | Rahul Gupta          | NIL                                   | NIL                    | 30,02,000           |

\* Share held in Amalgamating Company 1 in representative capacity

#### **B. Promoter and Non-Promoter Members**

C. The shareholding of promoter and promoter group shall be reduced from 36.84% to 33.26% approximately post issuance of shares as mentioned in the Scheme. Accordingly, public shareholding shall be increased from 63.16% to 66.74% approximately post issuance of shares. **Creditors**

The rights and interests of creditors (secured and unsecured) of the Amalgamated Company are not likely to be prejudicially affected as the Amalgamated Company is a company with high Net Worth and sound financial background. Further, no compromise is offered to any of the creditors of the Amalgamated Company nor their rights are sought to be modified in any manner and the Amalgamated Company undertakes to meet with all such liabilities in the regular course of business.

#### **D. Employees**

The rights and interest of the Employees of the Amalgamated Company will not be prejudicially affected by the Scheme. The employees of the Amalgamating Company 1 and Amalgamating Company 2 shall become the employees of the Amalgamated Company upon the Scheme becoming effective.

#### **E. Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee**

None of the Amalgamating Company 1, Amalgamating Company 2 and the Amalgamated Company has any depositors, debenture holders, deposit trustee or

debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme.

**Report of the Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company**

Further a report of the Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company, explaining effect of the Scheme on each class of shareholders, KMP, promoters and non-promoter shareholders, forms part of this Notice and is annexed herewith as **Annexure VII**.

- xii. No investigation proceedings have been instituted or are pending in relation to the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company under the Companies Act, 2013 or erstwhile Companies Act, 1956.
- xiii. **Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending:**

The Amalgamated Company may be required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme such as the concerned Registrar of Companies, Regional Director and will obtain the same at the relevant time.

- xiv. **Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the detailed pre scheme and post scheme (expected) capital structure and shareholding pattern of Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 are given herein below:**

**A. Capital Structure**

- a. Pre-scheme & Post-scheme capital structure of Amalgamated Company as on September 30, 2021:**

**Pre-scheme:**

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 37,50,00,000 Equity Shares of Rs.2/- each           | 75,00,00,000           |
| <b>Total</b>                                        | <b>75,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 24,97,92,000 Equity Shares of Rs.2/- each           | 49,95,84,000           |
| <b>Total</b>                                        | <b>49,95,84,000</b>    |

**Post-scheme:**

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 48,50,00,000 Equity Shares of Rs.2/- each           | 97,00,00,000           |
| <b>Total</b>                                        | <b>97,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 27,66,52,000 Equity Shares of Rs.2/- each           | 55,33,04,000           |
| <b>Total</b>                                        | <b>55,33,04,000</b>    |

**b. Pre-scheme & Post-scheme shareholding pattern of Amalgamated Company as on September 30, 2021:**

| <b>Category of shareholder</b>                               | <b>No. of shares held</b> |                    | <b>Total shareholding as a % of total no. of shares</b> |                    |
|--------------------------------------------------------------|---------------------------|--------------------|---------------------------------------------------------|--------------------|
|                                                              | <b>Pre-Scheme</b>         | <b>Post-Scheme</b> | <b>Pre-Scheme</b>                                       | <b>Post-Scheme</b> |
| <b>Promoter and Promoter Group</b>                           | 9,20,23,870               | 9,20,23,870        | 36.84%                                                  | 33.26%             |
| <b>Total shareholding of Promoter and Promoter Group (A)</b> | <b>9,20,23,870</b>        | <b>9,20,23,870</b> | <b>36.84%</b>                                           | <b>33.26%</b>      |

|                                      |                     |                     |                |                |
|--------------------------------------|---------------------|---------------------|----------------|----------------|
| <b>Public Shareholding</b>           | 15,77,68,130        | 18,46,28,130        | 63.16%         | 66.74%         |
| <b>Total Public Shareholding (B)</b> | <b>15,77,68,130</b> | <b>18,46,28,130</b> | <b>63.16%</b>  | <b>66.74%</b>  |
| <b>Total (A)+(B)</b>                 | <b>24,97,92,000</b> | <b>27,66,52,000</b> | <b>100.00%</b> | <b>100.00%</b> |

c. **Pre-scheme & Post-scheme capital structure of Amalgamating Company 1 as on September 30, 2021:**

**Pre-scheme:**

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 70,00,000 Equity Shares of INR 10/- each            | 7,00,00,000            |
| <b>Total</b>                                        | <b>7,00,00,000</b>     |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 58,95,000 Equity Shares of INR 10/- each            | 5,89,50,000            |
| <b>Total</b>                                        | <b>5,89,50,000</b>     |

d. **Pre-scheme & Post-scheme shareholding pattern of Amalgamating Company 1 as on September 30, 2021:**

**Pre-Scheme:**

| <b>Category Code</b> | <b>Category of Shareholders</b>               | <b>Pre Scheme Shareholding Pattern</b> |                                         |
|----------------------|-----------------------------------------------|----------------------------------------|-----------------------------------------|
|                      |                                               | <b>Total No. of Shares</b>             | <b>As a percentage of total Capital</b> |
| <b>(A)</b>           | <b>Promoter and Promoter Group</b>            | <b>5,895,000</b>                       | <b>100.00%</b>                          |
|                      | <i>APL Apollo Tubes Limited</i>               | <i>5,895,000</i>                       | <i>100.00%</i>                          |
| <b>(B)</b>           | <b>Public Shareholders</b>                    | -                                      | <b>0.00%</b>                            |
| <b>(C)</b>           | <b>Non-Promoter Non - Public Shareholders</b> | -                                      | <b>0.00%</b>                            |
|                      | <b>TOTAL (A) + (B) + (C)</b>                  | <b>5,895,000</b>                       | <b>100.00%</b>                          |

**Post-scheme** capital structure and shareholding pattern of the Amalgamating Company 1 is not applicable, as the Amalgamating Company 1 shall be dissolved upon the Scheme becoming effective.

**e. Pre-scheme & Post-scheme capital structure of Amalgamating Company 2 as on September 30, 2021:**

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 7,50,00,000 Equity Shares of Rs.2/- each            | 15,00,00,000           |
| <b>Total</b>                                        | <b>15,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 6,08,00,000 Equity Shares of Rs.2/- each            | 12,16,00,000           |
| <b>Total</b>                                        | <b>12,16,00,000</b>    |

**f. Pre-scheme & Post-scheme shareholding pattern of Amalgamating Company 2 as on September 30, 2021:**

**Pre-scheme:**

| <b>Category of shareholder</b>                               | <b>No. of shares held</b> | <b>Total shareholding as a % of total no. of shares</b> |
|--------------------------------------------------------------|---------------------------|---------------------------------------------------------|
| <b>Promoter and Promoter Group</b>                           | 3,39,40,000               | 55.82%                                                  |
| <b>Total shareholding of Promoter and Promoter Group (A)</b> | <b>3,39,40,000</b>        | <b>55.82%</b>                                           |
| <b>Public Shareholding</b>                                   | 2,68,60,000               | 44.18%                                                  |
| <b>Total Public Shareholding (B)</b>                         | <b>2,68,60,000</b>        | <b>44.18%</b>                                           |
| <b>Total (A)+(B)</b>                                         | <b>60,800,000</b>         | <b>100.00%</b>                                          |

**Post-scheme** capital structure and shareholding pattern of the Amalgamating Company 2 is not applicable, as the Amalgamating Company 2 shall be dissolved upon the Scheme becoming effective.

7. The copy of Scheme of Amalgamation and Arrangement has been filed with the Registrar of Companies, Delhi.
8. No winding up proceedings or proceedings under the Insolvency and Bankruptcy Code are pending against the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company as on date.
9. The certificate is issued by the Statutory Auditor of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company to the effect that the accounting treatment, proposed in the Scheme is in conformity with the applicable Accounting Standards/Indian Accounting Standards prescribed under the Companies Act, 2013 read with relevant rules thereto. The auditor's certificate stated above is available for inspection.
10. National Stock Exchange of India Limited vide its observation letter issued to Amalgamated Company dated August 02, 2021 had provided, *inter alia*, below comments on the Scheme:-

*“The Company shall ensure that following information pertaining to the promoters of APL Apollo Tubes Limited is brought to the notice of shareholders and Hon’ble NCLT:*

*i. SEBI had vide orders dated June 23, 2020, restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of two years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.”*

It may be noted that the operation of the said SEBI orders have since been stayed by the Hon’ble Securities Appellate Tribunal vide orders dated July 14, 2020 on the respective appeals filed by the above promoters.

11. The following documents will be open for inspection by the shareholders electronically up to the date of the ensuing Meeting and during the Meeting hours and physically at the Registered Office of Amalgamated Company situated at 37, Hargobind Enclave, Vikas Marg,

Delhi – 110092 on all working days except Saturdays and Sundays between 11:00 A.M. IST and 1:00 P.M. IST up to the date of the ensuing Meeting:

**(I) Annexures to this Notice:**

- a. **Annexure-I** - Scheme of Amalgamation and Arrangement between Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited and their respective shareholders and creditors
- b. **Annexure-II** – Copy of order of the Hon'ble National Company Law Tribunal in pursuance of which the meeting is being convened
- c. **Annexure-III** - Valuation Report issued by SSPA & Co., Chartered Accountants dated February 27, 2021
- d. **Annexure-IV** - Fairness Opinion issued by Fortress Capital Management Services Private Limited dated February 27, 2021
- e. **Annexure-V** - Complaints Report dated July 07, 2021 submitted to BSE Limited by Amalgamating Company 2 and Amalgamated Company and Complaints Report dated July 22, 2021 submitted to National Stock Exchange of India Limited by Amalgamated Company.
- f. **Annexure-VI** – Observation Letters both dated August 02, 2021 obtained from BSE Limited and National Stock Exchange of India Limited
- g. **Annexure-VII** – Report adopted by the Board of Directors Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as per the provisions of Section 232(2)(c) of the Companies Act, 2013
- h. **Annexure-VIII** - Copy of audited financial statements of Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as at March 31, 2021
- i. **Annexure-IX** - Copy of limited reviewed financial statements of Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited (provisional) as on September 30, 2021 and management certified financial statements (provisional) of Shri Lakshmi Metal Udyog Limited as on September 30, 2021



- j. **Annexure-X** - Information in the format prescribed for abridged prospectus pertaining to the unlisted entity i.e., Shri Lakshmi Metal Udyog Limited involved in the Scheme as provided in Part E of Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

**(II) Other documents:**

- a. Copy of the Statutory Auditors' certificate of Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company to the effect that the accounting treatment in the Scheme of Amalgamation and Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013
- b. Copies of the Memorandum of Association, Articles of Association and Certificate of Incorporation of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company
- c. Copy of Audit Committee Report dated February 27, 2021 of Amalgamated Company recommending Scheme of the Amalgamated Company
- d. Copy of Audit Committee Report dated February 27, 2021 of Amalgamating Company 2 recommending Scheme of the Amalgamating Company
- e. Copy of Committee of Independent Directors Report dated February 27, 2021 of Amalgamated Company recommending Scheme of the Amalgamated Company
- f. Copy of Committee of Independent Directors Report dated February 27, 2021 of Amalgamating Company 2 recommending Scheme of the Amalgamating Company
- g. Copies of the resolutions passed by the respective Board of Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company on February 27, 2021 approving the Scheme

h. A copy of the Scheme of Amalgamation and Arrangement and Explanatory Statement may also be obtained from the Registered Office of the Amalgamated Company and / or at the office of the Agarwal Law Associates, 34, FF, Babar Lane, Bengali Market, New Delhi-110001.

**Sd/-**

**Ms. Deepa Krishan**

**Former Member (Technical), NCLT**

**The Chairperson for the Meeting**

**Date : 27<sup>th</sup> day of December, 2021**

**Place : Delhi**

**Registered Office:**

37, Hargobind Enclave,

Vikas Marg, Delhi – 110092

India

**SCHEME OF AMALGAMATION AND ARRANGEMENT**

**OF**

**SHRI LAKSHMI METAL UDYOG LIMITED  
(AMALGAMATING COMPANY 1)**

**AND**

**APOLLO TRICOAT TUBES LIMITED  
(AMALGAMATING COMPANY 2)**

**WITH**

**APL APOLLO TUBES LIMITED  
(AMALGAMATED COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE  
COMPANIES ACT, 2013**

## PREAMBLE

### 1. DESCRIPTION OF THE AMALGAMATING COMPANIES AND THE AMALGAMATED COMPANY

- 1.1. Shri Lakshmi Metal Udyog Limited (**hereinafter referred to as “Shri Lakshmi” or “Amalgamating Company 1”**) was incorporated on the 25<sup>th</sup> day of April 1994 as a company limited by shares. The Corporate Identification Number of Amalgamating Company 1 is U85110DL1994PLC224835.

The Registered Office of Amalgamating Company 1 is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having permanent account number (‘PAN’) as AAHCS9174M. Email id of its authorized representative is comsec@aplapollo.com.

Amalgamating Company 1 is primarily engaged in the business of production of ERW steel tubes and GP coils.

- 1.2. Apollo Tricoat Tubes Limited (**hereinafter referred to as “Apollo Tricoat” or “Amalgamating Company 2”**) was incorporated on the 12<sup>th</sup> day of January 1983 as a company limited by shares. The Corporate Identification Number of Amalgamating Company 2 is L74900DL1983PLC014972. The equity shares of Amalgamating Company 2 are listed on BSE Limited.

The Registered Office of Amalgamating Company 2 is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having PAN as AAFCP5174L. Email id of its authorized representative is surbhiarora@apollotricoat.com.

Amalgamating Company 2 is primarily engaged in business of production of steel designer roofing, fencing, steel door-frames, designer hand railing etc.

- 1.3. APL Apollo Tubes Limited (**hereinafter referred to as “APL Apollo” or “Amalgamated Company”**), was incorporated on the 24<sup>th</sup> day of February 1986 as a company limited by shares. The Corporate Identification Number of Amalgamated Company is L74899DL1986PLC023443. The equity shares of APL Apollo are listed on National Stock Exchange of India Limited (hereinafter called ‘NSE’) and BSE Limited (hereinafter called ‘BSE’)

The Registered Office of Amalgamated Company is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having PAN as AAACB0906D. Email id of its authorized representative is comsec@aplapollo.com.

Amalgamated Company is primarily engaged in in the business of production of ERW steel tubes.

## **2. DESCRIPTION OF THE SCHEME**

2.1 This Scheme (as defined hereunder) provides, inter alia, for:

(i) the amalgamation of Amalgamating Companies (as defined hereunder) into Amalgamated Company, by way of merger by absorption and dissolution of Amalgamating Companies without winding up and cancellation of shares in Amalgamating Companies and consequent issuance of Amalgamated Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to Eligible Members (as defined hereunder), in respect of each share of the Amalgamating Company 2 held by them in accordance with this Scheme ("Amalgamation"); and

(ii) various other matters incidental, consequential or otherwise integrally connected therewith, including increase in the share capital of Amalgamating Companies

pursuant to Sections 230 to 232 and other relevant provisions of The Act (as defined hereunder) in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder).

2.2 Amalgamation of Amalgamating Companies into Amalgamated Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the IT Act such that, inter alia:

- (i) all the properties of Amalgamating Companies, immediately before Amalgamation, shall become the properties of Amalgamated Company, by virtue of Amalgamation;
- (ii) all the liabilities of Amalgamating Companies, immediately before Amalgamation, shall become the liabilities of Amalgamated Company, by virtue of Amalgamation; and

- (iii) shareholders holding at least three fourths in value of the shares in Amalgamating Companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, Amalgamated Company or its subsidiary), will become shareholders of Amalgamated Company by virtue of Amalgamation.

### **3. PURPOSE AND RATIONALE FOR THE SCHEME OF AMALGAMATION AND ARRANGEMENT**

This scheme of amalgamation and arrangement (“**Scheme**” or “**the Scheme**” or “**this Scheme**”) provides for amalgamation of Amalgamating Company 1 and Amalgamating Company 2 (**Collectively referred to as “Amalgamating Companies”**) into and with Amalgamated Company in the manner set out in the Scheme, in accordance with sections 230 to 232 and other applicable provisions of The Act (as defined hereunder) and the rules or regulations framed thereunder.

Amalgamating Company 1 is a wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is a subsidiary of Amalgamating Company 1. The Scheme seeks to undertake the amalgamation of Amalgamating Company 1 and Amalgamating Company 2 with Amalgamated Company.

The proposed amalgamation of Amalgamating Companies with Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- (a) Combined business under “APL Apollo” brand resulting in wider product offerings and geographical footprint thereby leading to a stronger market presence which is best suitable for long term growth market;
- (b) Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of Amalgamated Company;
- (c) Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
- (d) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;

- (e) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of Amalgamated Company; and
- (f) Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

The Scheme would, thus, have beneficial results for Amalgamating Companies and Amalgamated Company, their shareholders, and all concerned and will not be prejudicial to the interests of any concerned shareholders or general public at large.

Under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured of Amalgamating Companies and/or Amalgamated Company. No compromise is offered under this Scheme to any of the creditors of Amalgamating Companies and/or Amalgamated Company. The liability of the creditors of Amalgamating Companies and/or Amalgamated Company, under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by Amalgamated Company in its ordinary course of business.

Accordingly, to achieve the above objectives, the Board of Directors of Amalgamating Companies and Amalgamated Company have considered and proposed to make requisite application(s) and/or petition(s) before the NCLT (as defined hereunder), New Delhi under sections 230 to 232 and other applicable provisions of The Act (as defined hereunder) (as may be in force) for the sanction of this Scheme to amalgamate Amalgamating Companies into and with Amalgamated Company.

#### **4. PARTS OF THE SCHEME OF AMALGAMATION AND ARRANGEMENT**

The Scheme is divided into the following parts:

**Part I**, which deals with the definitions and interpretations of the terms used in the Scheme; the Effective Date of the Scheme; and the Share Capital of Amalgamating Companies and Amalgamated Company;

**Part II**, deals with amalgamation of Amalgamating Companies with APL Apollo in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable;

**Part III**, which deals with the consideration, changes in share capital and matters relating to accounting;

**Part IV**, which deals with the general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



## PART – I

### 5. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following words and expressions shall have the following meaning:

- 5.1 **“Act” or “The Act”** means the Companies Act, 2013, to the extent applicable, including the rules and regulations made thereunder and will include circulars, notifications, guidelines and any statutory modifications, re-enactments and / or amendments thereof for the time being in force;
- 5.2 **“Amalgamating Companies”** means Shri Lakshmi and Apollo Tricoat collectively, which are proposed to be amalgamated into APL Apollo;
- 5.3 **“Amalgamating Company 2 Shares”** means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- 5.4 **“Amalgamated Company”** means APL Apollo;
- 5.5 **“Amalgamated Company Shares”** means fully paid up equity shares of Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- 5.6 **“Applicable Laws”** mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;
- 5.7 **“Appointed Date”** means the 1<sup>st</sup> day of April, 2021 or such other date as may be fixed by the Hon’ble NCLT of judicature at Delhi, or such other competent authority, as may be applicable;
- 5.8 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and

Exchange Board of India, Stock Exchanges, Regional Director, Official Liquidator, Registrar of Companies and National Company Law Tribunal;

- 5.9 **“Board of Directors” or “Board”** means the Board of Directors of Amalgamating Companies or Amalgamated Company, as the case may be and includes any committee thereof or persons authorised by the Board or committee thereof;
- 5.10 **“BSE”** means BSE Limited;
- 5.11 **“Effective Date”** means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by Amalgamated Company and Amalgamating Companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";
- 5.12 **“Eligible Member”** shall mean each person (other than Shri Lakshmi) whose name appears in the register of members of Amalgamating Company 2 and/or whose name appears as the beneficial owner of Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time;
- 5.13 **“IT Act”** shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;
- 5.14 **“IND-AS”** means the accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended
- 5.15 **“Intellectual Property Rights”** means rights of any patent, copyright, trademark or service mark, trade secret, trade dress and packaging material and styles, logos, colour schemes, product registrations owned by or licensed to Amalgamating Companies or any other proprietary rights protection legally available under common law or otherwise.
- 5.16 **“NCLT” or “Tribunal”** means the National Company Law Tribunal, New Delhi or any other Bench of the NCLT having jurisdiction in relation to both Amalgamating Companies and Amalgamated Company;
- 5.17 **“NSE”** means the National Stock Exchange of India Limited;

- 5.18 **“Record date”** shall mean the date fixed by the respective Board of Amalgamating Company 2 and Amalgamated Company for the purpose of determining the shareholders of Amalgamating Company 2 to whom Amalgamated Company Shares shall be allotted under this Scheme;
- 5.19 **“Record Time”** means 6:00 pm (Indian Time) on the Record Date;
- 5.20 **“Scheme of Amalgamation and Arrangement”** or **“Scheme”** means this scheme of amalgamation and arrangement involving the amalgamation of Amalgamating Companies with Amalgamated Company as approved, with or without any amendments/modifications;
- 5.21 **“SEBI”** means Securities and Exchange Board of India;
- 5.22 **“SEBI Circular”** means the circular issued by the SEBI, being Circular Ref. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and any amendments thereof or modifications issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI LODR”**);
- 5.23 **“Share Exchange Ratio”** shall have the meaning ascribed to it in Clause 16.2;
- 5.24 **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited.

#### **EXPRESSIONS NOT DEFINED IN THIS SCHEME**

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

#### **6. DATE OF COMING INTO EFFECT**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall come into legal operation from the Appointed Date, but the same shall become effective on and from the Effective Date.

## 7. DETAILS OF SHARE CAPITAL, DIRECTORS AND PROMOTERS

### 7.1 Shri Lakshmi Metal Udyog Limited ('Shri Lakshmi' or 'Amalgamating Company 1')

7.1.1 The share capital of Amalgamating Company 1 as on December 31, 2020 is as under:

| Particulars                                         | (Amount in INR)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 70,00,000 Equity Shares of INR 10/- each            | 7,00,00,000        |
| <b>Total</b>                                        | <b>7,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |
| 58,95,000 Equity Shares of INR 10/- each            | 5,89,50,000        |
| <b>Total</b>                                        | <b>5,89,50,000</b> |

Subsequent to December 31, 2020 and till the date of the Scheme being approved by the Board of Directors of Amalgamating Company 1, there has been no change in the issued, subscribed or paid up capital of Amalgamating Company 1.

The entire paid up share capital of Amalgamating Company 1 is held by Amalgamated Company and its nominees.

### 7.1.2 List of directors as on date

| S. No. | Name         | Address                                                             | DIN No.  | Date of Appointment |
|--------|--------------|---------------------------------------------------------------------|----------|---------------------|
| 1      | Sanjay Gupta | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                    | 00233188 | 28/04/2008          |
| 2      | Vinay Gupta  | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                    | 00005149 | 29/09/2009          |
| 3      | Neeru Abrol  | K-3 Lajpat Nagar –III, New Delhi-110024                             | 01279485 | 08/11/2019          |
| 4      | Romi Sehgal  | E-103, The Residency, Ardee City, Sector 5, Gurgaon, Haryana-122003 | 03320454 | 24/05/2018          |

### 7.1.3 List of promoters as on date

| S. No. | Name                 | Address                                              |
|--------|----------------------|------------------------------------------------------|
| 1      | APL Apollo Tubes Ltd | 37, Hargobind Enclave, Vikas Marg, Delhi –<br>110092 |

## 7.2 Apollo Tricoat Tubes Limited ('Apollo Tricoat' or 'Amalgamating Company 2')

7.2.1 The share capital of Amalgamating Company 2 as on December 31, 2020 is as under:

| Particulars                                         | (Amount in INR)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 3,25,00,000 Equity Shares of INR 2/- each           | 6,50,00,000        |
| <b>Total</b>                                        | <b>6,50,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |
| 3,04,00,000 Equity Shares of INR 2/- each           | 6,08,00,000        |
| <b>Total</b>                                        | <b>6,08,00,000</b> |

Subsequent to December 31, 2020 and till date of the Scheme being approved by the Board of Directors of Amalgamating Company 2, there has been no change in the issued, subscribed or paid up capital of Amalgamating Company 2.

Amalgamating Company 1 holds 55.82% in paid up share capital of Amalgamating Company 2.

### 7.2.2 List of directors as on date

| S. No. | Name        | Address                                             | DIN No.  | Date of Appointment |
|--------|-------------|-----------------------------------------------------|----------|---------------------|
| 1      | Rahul Gupta | G-8, Maharani Bagh, Phase I,<br>Delhi-110065        | 07151792 | 04/05/2018          |
| 2      | Vinay Gupta | 106, Hargobind Enclave, Vikas<br>Marg, Delhi 110092 | 00005149 | 23/10/2020          |

| S. No. | Name                 | Address                                                                  | DIN No.  | Date of Appointment |
|--------|----------------------|--------------------------------------------------------------------------|----------|---------------------|
| 3      | Bharat Bhushan Sahny | B-22, Dayanand Colony,<br>Lajpat Nagar- 4, New Delhi-<br>110024          | 00014334 | 28/02/2014          |
| 4      | Neeru Abrol          | K-3, Lajpat Nagar-3, Delhi-<br>110024                                    | 01279485 | 20/01/2020          |
| 5      | Romi Sehgal          | E-103, The Residency, Adree<br>City, Sector 52 Gurgaon,<br>Haryana122003 | 03320454 | 01/02/2020          |
| 6      | Anilkumar Bansal     | S-34, Greater Kailash-II,<br>Delhi-110048                                | 06752578 | 11/06/2018          |

### 7.2.3 List of promoters as on date

| S. No. | Name                             | Address                                              |
|--------|----------------------------------|------------------------------------------------------|
| 1      | Shri Lakshmi Metal Udyog Limited | 37, Hargobind Enclave, Vikas Marg, Delhi –<br>110092 |
| 2      | Rahul Gupta                      | G-8, Maharani Bagh, Phase I, Delhi-110065            |

### 7.3 APL Apollo Tubes Ltd (‘APL Apollo’ or ‘Amalgamated Company’)

7.3.1 The share capital of Amalgamated Company as on December 31, 2020 is as under

| Particulars                                          | (Amount in INR)     |
|------------------------------------------------------|---------------------|
| <b>Authorised Share Capital</b>                      |                     |
| 22,50,00,000 Equity Shares of INR 2/- each           | 45,00,00,000        |
| <b>Total</b>                                         | <b>45,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital*</b> |                     |
| 12,47,84,125 Equity Shares of INR 2/- each           | 24,95,68,250        |
| <b>Total</b>                                         | <b>24,95,68,250</b> |

Subsequent to December 31, 2020 and till the date of Scheme being approved by the Board of Directors of Amalgamated Company, there has been no change in the issued, subscribed or paid up capital of Amalgamated Company.

*\* Certain employee stock options granted to the employees of APL Apollo may get exercised before the effectiveness of the Scheme, as the case may be. The details of the unexercised employee stock options (net of cancellation) of employees of APL Apollo as on December 31, 2020 are set out below:*

| <b>Unexercised Employee Stock Options</b>                         | <b>(Amount in INR)</b> |
|-------------------------------------------------------------------|------------------------|
| 5,49,875 options entitling equivalent Equity Shares of INR 2 each | 10,99,750              |
| <b>Total</b>                                                      | <b>10,99,750</b>       |

### 7.3.2 List of directors as on date

| <b>S. No.</b> | <b>Name</b>         | <b>Address</b>                                                       | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|---------------------|----------------------------------------------------------------------|----------------|----------------------------|
| 1             | Sanjay Gupta        | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                     | 00233188       | 02/09/2003                 |
| 2             | Vinay Gupta         | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                     | 00005149       | 16/05/2008                 |
| 3             | Virendra Singh Jain | B-12, 'Saket', 2nd Floor Gyan Bharti School Lane, South Delhi-110017 | 00253196       | 28/01/2017                 |
| 4             | Neeru Abrol         | K-3 Lajpat Nagar –III, New Delhi-110024                              | 01279485       | 24/03/2015                 |
| 5             | Abhilash Lal        | H. No. C-192, DLF Ph-2, Belvedere Park Towers, Gurgaon-122002        | 03203177       | 12/02/2014                 |
| 6             | Romi Sehgal         | E-103, The Residency, Ardee City, Sector 5, Gurgaon,                 | 03320454       | 13/08/2016                 |

| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                               | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|----------------------|----------------------------------------------|----------------|----------------------------|
|               |                      | Haryana -122003                              |                |                            |
| 7             | Anilkumar Bansal     | S-34, Greater Kailash, New<br>Delhi – 110048 | 06752578       | 04/08/2014                 |
| 8             | Ashok Kumar<br>Gupta | C-380, Yojna Vihar, Delhi,<br>110092         | 01722395       | 19/10/2011                 |

### 7.3.3 List of promoters as on date

| <b>S. No.</b> | <b>Name</b>                        | <b>Address</b>                                                                     |
|---------------|------------------------------------|------------------------------------------------------------------------------------|
| 1             | Sanjay Gupta                       | 106, Hargobind Enclave, Vikas Marg, Delhi 110<br>092                               |
| 2             | Veera Gupta                        | C-380, Yojna Vihar, Delhi, 110092, Delhi                                           |
| 3             | Rahul Gupta                        | G-8, Maharani Bagh, Phase I, Delhi-110065                                          |
| 4             | Rohan Gupta                        | 106, Hargobind Enclave, Vikas Marg, Delhi 110<br>092                               |
| 5             | APL Infrastructure Private Limited | 36, Kaushambi, Near Anand Vihar Terminal<br>behind Wave Cinema Ghaziabad UP 201010 |
| 6             | Ashok Kumar Gupta                  | C-380, Yojna Vihar, Delhi, 110092                                                  |



**PART – II**  
**AMALGAMATION OF SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO**  
**TRICOAT TUBES LIMITED WITH AND INTO**  
**APL APOLLO TUBES LIMITED**

**8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES**

8.1 Upon the coming into effect of this Scheme and with effect from Appointed Date (after giving effect to the clause 8 of this Scheme), Amalgamating Companies shall, pursuant to the provisions of Sections 230 to 232 of the Act and sanction of this Scheme by Tribunal and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in Amalgamated Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of Amalgamating Companies along with all the rights, title, interest or obligations of Amalgamating Companies therein become that of Amalgamated Company.

8.2 Without prejudice to sub-clause 8.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows

(a) All the movable assets including investments, cash in hand, bank balances and deposits any, of Amalgamating Companies capable of being transferred by delivery, shall be handed over by physical delivery to Amalgamated Company along with such other documents as may be necessary towards the end and intent that the property therein passes to Amalgamated Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Amalgamated Company accordingly.

(b) All debts, loans and advances recoverable in cash or in kind or for value to be received, if any, with Government, Customs, Port, local and other authorities and bodies, customers and other persons, outstanding and receivables of Amalgamating Companies other than the movable assets specified in sub-clause (a) above, shall on and from Appointed Date stand transferred to and vested in Amalgamated Company without any notice or other intimation to the debtors (although Amalgamated Company may, if so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in Amalgamated Company), and the

debtors shall be obliged to make payments to Amalgamated Company on and after the Effective Date.

- (c) All immovable properties including land together with the buildings and structures standing thereon or under construction (whether free hold, leasehold, leave and licensed or otherwise, including tenancies in relation to warehouses, office space and guest houses and residential premises occupied by the staff and employees of Amalgamating Companies), and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties of Amalgamating Companies, if any, shall be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in Amalgamated Company and shall belong to Amalgamated Company in the same and like manner as was entitled to Amalgamating Companies. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Amalgamated Company. Any inchoate title or possessory title of Amalgamating Companies shall be deemed to be the title of Amalgamated Company.

For purposes of taking on record the name of Amalgamated Company in the records of the Governmental Authorities in respect of transfer of immovable properties to Amalgamated Company pursuant to this Scheme, the Boards of Directors of Amalgamating Companies and Amalgamated Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license (as the case may be) by Amalgamating Companies in favor of Amalgamated Company.

- (d) All the licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated, Goods and Services Tax Credit, Integrated Goods and Services Tax Credit, Central Goods and Services Tax Credit, State Goods and Services Tax Credit and Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, other tax exemptions and/or deferments, amount of tax deposited under protest, bonds with the custom authorities), concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by Amalgamating Companies and all rights and benefits that have accrued or which may accrue to Amalgamating Companies, whether before or after the Appointed Date,

shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Amalgamated Company so as to become as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives (including Goods and Services Tax, 2017, Integrated Goods and Services Tax, 2017, Central Goods and Services Tax, 2017, State Goods and Services Tax, 2017 and Cenvat credit, service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, concessions, rights, claims, leases, tenancy rights, special status and other benefits or privileges) of Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.

- (e) All assets and properties including memberships, franchises, rights, permissions, quotas, rights, entitlements, licenses, certificate of registrations, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, of Amalgamating Companies as on the Appointed Date, whether or not included in the books of Amalgamating Companies, shall be deemed to be and shall become the assets and properties of Amalgamated Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in Amalgamated Company upon the coming into effect of this Scheme.
- (f) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which Amalgamating Companies are a party or to the benefit of which Amalgamating Companies may be eligible or for the obligations of which Amalgamating Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of Amalgamated Company and may be enforced as fully and effectually as if, instead of Amalgamating Companies, Amalgamated Company had been a party or beneficiary or obligee thereto.
- (g) All debts, liabilities, contingent liabilities, duties, indemnifications given pursuant to any agreement entered into by Amalgamating Companies and obligations of every kind, nature and description of Amalgamating Companies shall also, without any further act, instrument or deed, be transferred to or be deemed to be transferred to Amalgamated Company so as to become as and from Appointed Date the debts, liabilities, contingent

liabilities, duties and obligations of Amalgamated Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties, indemnifications and obligations have arisen, in order to give effect to the provisions of this sub-clause.

- (h) The transfer and vesting of Amalgamating Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of Amalgamating Companies. Provided however that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Amalgamated Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of Amalgamating Companies vested in Amalgamated Company.

Provided further that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Amalgamating Companies which shall vest in Amalgamated Company by virtue of the amalgamation of Amalgamating Companies with Amalgamated Company and Amalgamated Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- (i) Without prejudice to the provisions of the foregoing clauses, Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional registrar of companies to give formal effect to the above provisions, if required.
- (j) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this clause.
- (k) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of

sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

- 8.3 Without prejudice to the other provisions of this Scheme, Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Amalgamating Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Amalgamated Company shall, under the provisions of Clause 8 of this Scheme, be deemed to be authorised to execute any such writings as a successor of Amalgamating Companies and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Companies to be carried out or performed.
- 8.4 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of Amalgamating Companies shall stand transferred to Amalgamated Company as if the same were originally given by, issued to or executed in favour of Amalgamated Company, and Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Amalgamated Company. Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.
- 8.5 Where any of the liabilities and obligations of Amalgamating Companies as on the Appointed Date, deemed to have been transferred to Amalgamated Company have been discharged by Amalgamating Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Amalgamated Company and all loans raised and used and all liabilities and obligations incurred by Amalgamating Companies for the operation of Amalgamating Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of Amalgamated Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, be and shall stand transferred to Amalgamated Company and shall become its liabilities and obligations from such date.

## **9. BUSINESS AND PROPERTY IN TRUST**

Upon the coming into effect of the Scheme and from the Appointed Date and up to and including the Effective Date:

- (a) Amalgamating Companies shall carry on and be deemed to have carried on the business and activities and shall stand possessed of all the assets and properties, in trust for Amalgamated Company and shall account for the same to Amalgamated Company.
- (b) Any income or profit accruing or arising to Amalgamating Companies, as the case may be, and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by Amalgamating Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of Amalgamated Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to Amalgamating Companies shall be deemed to have been exercised by Amalgamating Companies for and on behalf of and as agent for Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Amalgamating Companies that have been undertaken or discharged by Amalgamating Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for Amalgamated Company.
- (d) All the acts done by Amalgamating Companies after the Appointed Date shall be done in trust for and on behalf of Amalgamated Company.

## **10. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE**

10.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) Amalgamating Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto.
- (b) Amalgamating Companies shall not alter or substantially expand the business except with the written concurrence of Amalgamated Company.
- (c) Amalgamating Companies shall not, without the written concurrence of Amalgamated Company, transfer, alienate, charge, mortgage or encumber any of its assets or properties, except in the ordinary course of business or pursuant to any pre-existing

obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Amalgamating Companies.

- (d) Amalgamating Companies shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, save and except, in each case, in the following circumstances:
  - i. If the same is in the ordinary course of business as carried on by Amalgamating Companies as on the date of filing this Scheme with Tribunal; or
  - ii. If the written consent of Amalgamated Company, as the case may be, has been obtained.
  
- (e) Amalgamating Companies shall be entitled, pending the sanction of the Scheme by Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Amalgamated Company may require to own and carry on the business of Amalgamating Companies.

10.2 On the Effective Date but with effect from the Appointed Date, Amalgamated Company shall be authorized to carry on the businesses carried on by Amalgamating Companies

## **11. COMPLIANCE WITH TAX LAWS**

This provisions of this Scheme as they relate to the amalgamation of Amalgamating Companies into and with Amalgamated Company, have been drawn up to comply with the conditions relating to “Amalgamation” as defined under the income-tax laws, specifically section 2(1B) of IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the income-tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments as may become necessary shall vest with the Board of Amalgamated Company, which power shall be exercised reasonably in the best interests of the companies and their stakeholders, and which power can be exercised at any time, whether before or after the Effective Date.

## **12. LEGAL AND TAXATION PROCEEDINGS**

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against Amalgamating Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, Amalgamated Company.
  
- (ii) Amalgamated Company shall have all legal, taxation or other proceedings initiated by or against Amalgamating Companies referred to in Clause 12 (i) above transferred to its name as soon as is reasonably possible after the Appointed Date and to have the same continued, prosecuted and enforced by or against Amalgamated Company, as a successor of Amalgamating Companies.

## **13. CONTRACTS AND DEEDS**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which Amalgamating Companies is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of Amalgamated Company, as the case may be, and may be enforced by or against Amalgamated Company as fully and effectually as if, instead of Amalgamating Companies, Amalgamated Company had been a party thereto. Amalgamated Company may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Amalgamating Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. Amalgamated Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Amalgamating Companies and to implement or carry out all formalities required on the part of Amalgamating Companies to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between Amalgamating Companies and Amalgamated Company, as on the Effective Date shall stand cancelled and cease to operate in Amalgamated Company.



#### **14. STAFF AND EMPLOYEES**

- 14.1 On the Scheme coming into effect, all staff and employees of Amalgamating Companies in service on such date shall be deemed to have become staff and employees of Amalgamated Company without any break, discontinuance or interruption in their service and on the basis of continuity of service and the terms and conditions of their employment with Amalgamated Company shall not be less favourable than those applicable to them with reference to Amalgamating Companies on the Effective Date.
- 14.2 Upon the Scheme coming into effect, the existing balances of Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, created by Amalgamating Companies for its employees shall be transferred to Amalgamated Company. Amalgamating Companies shall take all steps necessary for the transfer of balances, where applicable, of the Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, to Amalgamated Company. All obligations of Amalgamating Companies with regard to the said fund or funds as defined in the relevant rules shall be taken over by Amalgamated Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of Amalgamating Companies in relation to such Fund or Funds shall become those of Amalgamated Company and all the rights, duties and benefits of the employees employed in Amalgamating Companies under such Funds shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of Amalgamating Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

#### **15. TREATMENT OF TAXES**

- 15.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, State Sales Tax laws, Central Sales Tax Act, 1956, Central Excise Act 1944, Service Tax laws, Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017 and Central Goods and Services Tax Act, 2017 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of Amalgamating Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Amalgamated Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, withholding tax, service tax and any tax credit entitlements as on the date immediately preceding the Appointed Date will also be transferred to the account of e Amalgamated Company. Any

refund under the Tax Laws due to Amalgamating Companies consequent to the assessments made on Amalgamating Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Amalgamated Company.

- 15.2 All taxes (including income tax, sales tax, Goods and Services tax, CENVAT, excise, customs duty, service tax, VAT, etc) paid or payable by Amalgamating Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of Amalgamated Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, goods and services tax, custom duty, income tax, service tax, excise, value added tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, by Amalgamating Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.
- 15.3 Amalgamated Company is expressly permitted to file/ revise its income tax, wealth tax, Goods and Services tax, VAT, sales tax, excise, CENVAT and other statutory returns, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. However, upon the Scheme becoming effective subsequently, Amalgamated Company shall have the right to revise and consolidate its financial statements and returns along with prescribed forms, filings and applications/ annexures under the IT Act, indirect taxes and other Tax Laws. Amalgamated Company is expressly permitted to amend TDS/ TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/ duties paid by Amalgamating Companies shall be deemed to be the taxes/ duties paid by Amalgamated Company and Amalgamated Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of Amalgamating Companies.
- 15.4 All tax assessment proceedings / appeals of whatsoever nature by or against Amalgamating Companies pending and/or arising at the Appointed Date and relating to Amalgamating Companies shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against Amalgamated Company in the same manner and to the

same extent as would or might have been continued and enforced by or against Amalgamating Companies.

Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of Amalgamating Companies with Amalgamated Company or anything contained in the Scheme.

Furthermore, on or after the Effective Date, all rights, entitlements and powers to revise returns and filings of Amalgamating Companies under the tax laws, and to claim refunds and/or credits for the taxes paid, etc. and for matters incidental thereto, shall be available to and vest with Amalgamated Company.

- 15.5 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by Amalgamating Companies on or after Appointed Date shall be deemed to be made by Amalgamated Company.

### PART - III

#### 16. CONSIDERATION

- 16.1 Since Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, upon the Scheme becoming effective, all the equity shares held by Amalgamated Company and its nominees in Amalgamating Company 1 shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of Amalgamated Company to the shareholders of Amalgamating Company 1 upon the Scheme being effective.
- 16.2 Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-
- “one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) of the Amalgamated Company to be issued and allotted to the Eligible Members of the Amalgamating Company 2 against one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in the Amalgamating Company 2.”*
- 16.3 Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in Amalgamated Company shall be made against those 55.82% of the total equity shares of Amalgamating Company 2.
- 16.4 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by Amalgamating Company 1 in Amalgamating Company 2 shall be deemed to be cancelled without any further act or deed for cancellation thereof by Amalgamated Company.
- 16.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of Amalgamating Company 2, the Board of Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date,

in order to remove any difficulties arising to the transferor of the shares in Amalgamating Company 2 and in relation to the shares issued by Amalgamated Company, after the effectiveness of the Scheme. The Board of Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Amalgamated Company on account of difficulties faced in the transaction period.

- 16.6 The issue and allotment of Amalgamated Company Shares by Amalgamated Company to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of The Act and any other applicable provisions of The Act were duly complied with.
- 16.7 Where Amalgamated Company Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of Amalgamating Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Amalgamated Company.
- 16.8 Promptly upon the issuance of Amalgamated Company Shares pursuant to this Clause 16, Amalgamated Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and the Stock Exchanges, for listing of such Amalgamated Company Shares. Immediately upon receipt of such approval, Amalgamated Company shall take all necessary steps to obtain trading approval for Amalgamated Company Shares. Amalgamated Company shall ensure that steps for listing of Amalgamated Company Shares are completed, and trading of Amalgamated Company Shares commences within the period prescribed the time period under the SEBI Circular. Amalgamated Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.
- 16.9 Amalgamated Company Shares to be issued and allotted by Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank pari passu in all respects and shall have the same rights attached to the then existing equity shares of Amalgamated Company.
- 16.10 Amalgamated Company Shares shall be issued in dematerialized form to all Eligible Shareholders holding Amalgamating Company 2 Shares, in accordance with the Applicable Laws.

- 16.11 Amalgamated Company Shares to be issued by Amalgamated Company in respect of Amalgamating Company 2 Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by Amalgamated Company.

## **17. ACCOUNTING TREATMENT**

### **17.1 IN THE BOOKS OF AMALGAMATED COMPANY**

Upon the Scheme becoming effective Amalgamated Company shall account for the amalgamation of Amalgamating Companies in its books of account in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with Institute of Chartered Accountants of India Ind AS Technical Facilitation Group ('ICAI ITFG') Clarification as under:

- 17.1.1 All the assets, and liabilities in the books of Amalgamating Companies shall be recorded by Amalgamated Company in its books of account at their respective carrying amounts as appearing in the books of Amalgamating Companies. No adjustment shall be made to reflect fair values, or recognise any new assets or liabilities.
- 17.1.2 The identity of reserves shall be preserved and shall appear in the financial statements of Amalgamated Company, in the same form, in which they appeared in the financial statements of Amalgamating Companies.
- 17.1.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Amalgamating Companies and the Amalgamated Company as appearing in their books of account, if any, shall stand cancelled.
- 17.1.4 The carrying amount of investments in the equity shares of Amalgamating Company 1 to the extent held by Amalgamated Company and carrying amount of investments in the equity shares of Amalgamating Company 2 to the extent held by Amalgamating Company 1, shall stand cancelled pursuant to Clause 16 of this Scheme and there shall be no further obligation in that behalf.

- 17.1.5 Amalgamated Company shall credit the aggregate face value of equity shares issued by it to the Eligible Members of Amalgamating Company 2 pursuant to Clause 16.2 of this Scheme to the equity share capital account in its books of account.
- 17.1.6 The difference, if any, between the net assets transferred to Amalgamated Company pursuant Clause 17.1.1 as reduced by reserves recorded in Amalgamating Companies pursuant to Clause 17.1.2 and after giving effect to adjustments mentioned in Clause 17.1.3 and Clause 17.1.4 and Clause 17.1.5, shall be adjusted in accordance with Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with ICAI ITFG Clarification.
- 17.1.7 In case of any differences in the accounting policies between Amalgamating Companies and Amalgamated Company, the impact of the same will be quantified and adjusted in the capital reserves of Amalgamated Company to ensure that the financial statements of Amalgamated Company reflect the true financial position on the basis of consistent accounting policies.
- 17.1.8 On the Scheme becoming effective, the financial statements of Amalgamated Company (including comparative period presented in the financial statements of Amalgamated Company, if required) shall be restated for the accounting impact of Amalgamation, as stated above, as if amalgamation had occurred from the acquisition date (date when common control was established) or beginning of the said comparative period; whichever is later.

## **17.2 IN THE BOOKS OF AMALGAMATING COMPANIES**

- 17.2.1 As Amalgamating Companies shall stand dissolved without being wound up upon the Scheme becoming effective as mentioned in clause 22 of the Scheme and all the assets and liabilities shall be transferred to Amalgamated Company, hence there is no accounting treatment prescribed under this Scheme in the books of Amalgamating Companies.

## **18. SUB-DIVISION OF FACE VALUE OF EQUITY SHARES OF AMALGAMATING COMPANY 1 AND COMBINATION OF AUTHORISED SHARE CAPITAL**

- 18.1. As an integral part of the Scheme, the face value of 1 (One) equity share of Amalgamating Company 1 amounting to INR 10/- (Indian Rupees Ten Only) shall be sub-divided into face value of INR 2/- (Indian Rupees Two only) comprising 5 equity shares of Amalgamating

Company 1; accordingly, authorised share capital of Amalgamating Company 1 shall be restructured as under:

*“The authorised share capital of Amalgamating Company 1 is INR 7,00,00,000/- (Indian Rupees Seven crore only) divided into 3,50,00,000 (Thee Crore Fifty Lacs) equity shares of INR 2 each (Indian Rupees Two only).*

- 18.2. The members of Amalgamating Company 1, on approval of Scheme, shall be deemed to have given approval u/s 61 of the Act and all other applicable provisions of the said act for sub-division of the face value of equity shares and for amendment to the authorised share capital of Amalgamating Company 1 and no separate resolutions will be required to be passed for sub-division of the face value of equity shares of Amalgamating Company 1 and for amendment of authorised share capital of Amalgamating Company 1 under section 61 of the Act and no separate notice will be required to be given to the Registrar of Companies, for intimation of sub-division under section 64 of the Act.
- 18.3. Upon the Scheme becoming effective, the authorised share capital of Amalgamated Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced by the authorised share capital of Amalgamating Companies as on the Effective Date without any further act, instrument or deed on the part of Amalgamated Company and the Memorandum of Association and Articles of Association of Amalgamated Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under section 13, section 14, section 61 and section 232 of The Act and any other applicable provisions of the Act, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorised share capital of Amalgamating Companies shall be set-off against any fees payable by Amalgamated Company on its authorised share capital subsequent to the amalgamation and no fee shall be payable by Amalgamated Company for increase in the authorised share capital to that extent.
- 18.4. The filing fees and stamp duty already paid by Amalgamating Companies on its authorised share capital shall be utilized and applied to increased share capital of Amalgamated Company, and shall be deemed to have been so paid by Amalgamated Company on such combined authorised share capital. Further, Amalgamated Company shall pay the requisite fee, if any, that arises due to the difference in maximum statutory fee as per the Act payable on such combined authorised share capital.



- 18.5. It is hereby clarified that Amalgamated Company through its Board, if required, would be entitled to make appropriate reclassification/ combination of its authorised share capital and provide suitable clarifications to the Registrar of Company with regard to the clubbing of the authorised share capital of Amalgamating Companies with Amalgamated Company.
- 18.6. Pursuant to this Scheme, Amalgamated Company shall file the requisite forms / documents with the Registrar of Companies, Delhi or any other Applicable Authority for such increase of the authorised share capital.

## **PART - IV**

### **19. APPROVAL OF THE SCHEME THROUGH E-VOTING**

The approval of shareholders of Amalgamating Company 2 and Amalgamated Company shall be obtained through e-Voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to this Scheme). The Scheme shall be acted upon only if the votes cast by public shareholders in favour of the resolution are more than the number of votes cast by public shareholders against it in accordance with the SEBI Circular.

### **20. DIVIDENDS**

20.1 Notwithstanding the above clauses of the Scheme, Amalgamating Companies and Amalgamated Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

20.2 The holders of the shares of Amalgamating Companies and Amalgamated Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

20.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards, and subject to the approval, if required, of the shareholders of Amalgamating Companies and Amalgamated Company as the case may be.

### **21. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 8 and the continuance of proceedings by or against Amalgamated Company under Clause 12 shall not affect any transaction or proceedings already concluded by Amalgamating Companies on or before the date when Amalgamating Companies adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that Amalgamated Company accepts and adopts all acts, deeds and things done and executed by Amalgamating Companies in respect thereto as done and executed on behalf of itself.

## **22. DISSOLUTION OF THE AMALGAMATING COMPANIES**

On the Scheme coming into effect, Amalgamating Companies shall, without any further act or deed, stand dissolved without winding up.

## **23. APPLICATIONS TO THE TRIBUNAL/ OTHER AUTHORITY**

23.1 Amalgamating Companies and Amalgamated Company shall, with all reasonable dispatch, make applications to Tribunal, seeking orders for dispensing with or convening, holding and conducting of the meetings of the shareholders and/ or creditors of Amalgamating Companies and Amalgamated Company as may be directed by the Tribunal.

23.2 Amalgamating Companies and Amalgamated Company shall, with all reasonable dispatch, apply to Tribunal for sanctioning the Scheme under the applicable provisions of the Act, and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect.

## **24. CONDITIONALITY OF SCHEME**

The Scheme is conditional upon and subject to:

- (a) Amalgamating Companies and Amalgamated Company filing the Scheme approved by their respective Board of Directors with the designated Stock Exchanges fixed by the Board of Directors of Amalgamating Companies and Amalgamated Company respectively, in terms of the SEBI Circular and receiving a 'no objection' and/or 'observation' letter.
- (b) the Scheme being agreed to by the requisite majority in number and value of such classes of persons including the respective shareholders and secured and unsecured creditors of each of Amalgamating Companies and Amalgamated Company except to the extent exempted by the Tribunal;
- (c) Approval of the shareholders of Amalgamating Companies and Amalgamated Company through e-voting and/or any other mode as may be required under any Applicable Law and the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of Amalgamating Company 2 and Amalgamated Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957;

- (d) The sanction of this Scheme by the NCLT under Sections 230 to 232 of The Act, and other applicable provisions, if any, of The Act in favour of Amalgamating Companies and Amalgamated Company;
- (e) such other sanctions and approvals including sanctions of any statutory or regulatory authority including Stock Exchanges and SEBI, as may be required in respect of the Scheme, being obtained;
- (f) there not being any order from any Appropriate Authority that has the effect of making Amalgamation illegal or otherwise restraining or preventing its consummation;
- (g) there not being any order from any Appropriate Authority that has the effect of making the transfer of the intellectual property being used in relation to Amalgamating Companies' business illegal or otherwise restraining or preventing its transfer; and
- (h) filing of the certified copies of the order of the Tribunal sanctioning the Scheme under the applicable provisions of the Act with the Registrar of Companies, Delhi and Haryana.

## **25. EFFECT OF NON-APPROVALS**

- 25.1 In the event the Scheme is not sanctioned by the Tribunal for any reason whatsoever or for any other reasons the Scheme cannot be implemented, the Scheme shall become null and void and shall be of no effect and in that event no rights and/or liabilities shall accrue to or be incurred *inter-se* by Amalgamating Companies and Amalgamated Company and each of Amalgamating Companies and Amalgamated Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 25.2 It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and Scheme with the remaining component(s) shall be implemented.

**26. AMENDMENT OR MODIFICATION AND OTHER MATTERS PERTAINING TO SCHEME**

The Board of Amalgamating Companies and Amalgamated Company may assent to any modification(s) or amendment(s) in this Scheme which the Tribunal and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and the Board of Amalgamating Companies and Amalgamated Company and after the dissolution of Amalgamating Companies, the Board of Directors of Amalgamated Company be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith. The Board of Amalgamating Companies and Amalgamated Company may assent to withdrawal of the scheme at any stage even after sanctioning of the Scheme.

**27. REVOCATION AND SEVERABILITY**

- 27.1 In the event of any of the said sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid within such period as may be mutually agreed upon by the respective Board of Amalgamating Companies and Amalgamated Company, this Scheme shall stand revoked, cancelled and be of no effect.
- 27.2 In the event of any of the conditions that may be imposed by the Tribunal or other authorities and which Amalgamating Companies and Amalgamated Company may find unacceptable for any reason, then Amalgamating Companies and Amalgamated Company are at liberty to withdraw the Scheme.
- 27.3 The Board of Amalgamating Companies and Amalgamated Company shall be entitled to withdraw, revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Amalgamating Companies and Amalgamated Company.
- 27.4 In the event of revocation under Clause 27.1, Clause 27.2 and Clause 27.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to Amalgamating Companies

and Amalgamated Company and their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each of Amalgamating Companies and Amalgamated Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

**28. COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Amalgamating Companies and Amalgamated Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by Amalgamated Company.

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT NO. IV, NEW DELHI  
CA (CAA)-107/(ND)/2021**

{Sections 230-232 and Other Applicable Provisions of The Companies Act, 2013 Read with Companies (Compromises, Arrangements, And Arrangements) Rules, 2016}

**IN THE MATTER OF:**

**SCHEME OF AMALGAMATION  
OF**

Shree Lakshmi Metal Udyog Limited  
(Transferor Company No.1/Applicant Company-1)

**AND**

Apollo Tricoat Tubes Limited  
(Transferor Company No.2/ Applicant Company-2)

**WITH**

APL Apollo Tubes Limited  
(Transferee Company No.3/ Applicant Company-3)

**AND**

**THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS**

*ORDER PRONOUNCED ON: 30.11.2021*

**CORAM:**

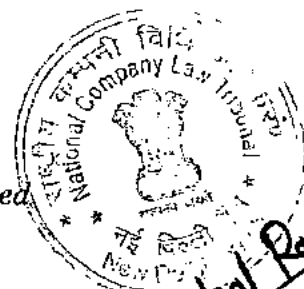
**DR. DEEPTI MUKESH  
HON'BLE MEMBER (JUDICIAL)**

**MS. SUMITA PURKAYASTHA  
HON'BLE MEMBER (TECHNICAL)**

**MEMO OF PARTIES**

*CA (CAA)-107(ND)/2021*

*Shree Laxmi Metal Udhog Limited and APL Apollo Tubes Limited*



*Vishal Rana  
07.12.2021*

**Shri Lakshmi Metal Udhyog Limited**

Having its registered office at:  
37, Hargobind Enclave, Vikas Marg,  
Delhi – 110092.

...Transferor Company No.1/ Applicant Company-1

**AND**

**Apollo Tricoat Tubes Limited**

Having registered office at:  
37, Hargobind Enclave.Vikas Marg,  
Delhi-110092

...Transferor Company No.2/ Applicant Company-2

**WITH**

**APL Apollo Tubes Limited**

Having registered office at:  
37, Hargobind Enclave,Vikas Marg,  
Delhi-110092

...Transferee Company/ Applicant Company-3

**For the Applicants** :Mr. Mahesh Agarwal, Adv.

Mr. Rajeev Kumar, Adv.

**For The OL** : Ms. Hemlata Rawat, Adv.

Mr.Aayushmaan Vatsyayana, Adv.

**ORDER**

**Per- Dr. Deepti Mukesh, Member (Judicial)**

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*





1. This is an application filed by Shri. Lakshmi Steel Metal Udyog (for brevity "Transferor Company No.1"), Apollo Tricoat Tubes Limited (for brevity "Transferor Company No.2") and APL Apollo Tubes Limited (for brevity "Transferee Company"), jointly under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed between the applicants.
2. An affidavit in support of the above application sworn by Mr. Shivam Maheshwari, Mr. Surbhi Arora and Mr. Deepak C S, being the authorized representative of the Transferor Company No.1, Transferor Company No.2 and Transferee Company respectively, who has been authorized vide board resolution dated 27.02.2021 passed at their respective board meetings. The copy of respective board resolutions dated 27.02.2021 have been annexed. It is also represented that the registered office of all the applicant companies is under the domain of Registrar of Companies, NCT of New Delhi & Haryana and within the territorial jurisdiction of this Tribunal.
3. The Transferor No.1 Company is a public limited company incorporated on 25.04.1994 under the provisions of Companies Act, 1986, bearing CIN: U85110DL1994PLC224835 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of "*Estima Investment & Financial Services Private Limited.*" Thereafter on 13.01.1995 the company was converted from private limited company to Public limited company and the name of the company was changed from "*Estima Investment & Financial Services Private Limited*" to "*Estima Investment & Financial Services Limited.*" Again on 16.09.2003, the name of the company was again changed from "*Estima Investment & Financial*

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



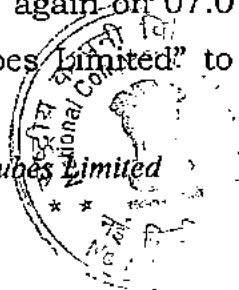
*Services Limited*” to “*Shri Lakshmi Metal Udhyog Limited.*” The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs. 7,00,00,000/- (divided into 70,00,000 Equity Shares of Rs. 10/- each) and the Issued, subscribed and Paid-Up Share Capital is Rs. 5,89,50,000/- (divided into 58,95,000 Equity shares of Rs. 10/- each). The company is engaged in the business of production of ERW steel Tubes and GP coils.

4. The Transferor No.2 Company is a public limited company incorporated on 12.01.1983 under the provisions of Companies Act, 1986, bearing CIN: L74900DL1983PLC014972 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of “*Best Steel Logistics Limited.*” On 21.08.2018 the name of the company was changed to “*Apollo Tricoat Tubes Limited*” On 28.07.2014, the company was listed on BSE limited. The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs. 6,50,00,000/- (divided into 3,25,00,000 Equity Shares of Rs. 2/- each) and the Issued, subscribed and Paid-Up Share Capital is Rs. 6,08,00,000/- (divided into 3,04,00,000 Equity shares of Rs. 2/- each). The company is engaged in the business of production of steel designer roofing, fencing, steel door frames, designer hand railing etc.

5. The Transferee Company is a public limited company, incorporated on 24.02.1986 under the provisions of Companies Act, 1956, bearing CIN: L74899DL1986PLC023443 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of “*Bihar Tubes Private Limited*”, on 19.10.1993, the company was converted from Private limited company to Public limited company and the name of the company was changed from “*Bihar Tubes Private limited*” to “*Bihar Tubes limited.*” Thereafter, again on 07.07.2010 the name of the company was changed from “*Bihar Tubes Limited*” to “*APL Apollo Tubes*

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*



Limited.” On 05.12.2011 the shares of the company were listed on BSE limited and on 14.12.2011 the shares of the company were listed on National Stock Exchange of India limited. The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs.45,00,00,000 /- (divided into 22,50,00,000 Equity shares of Rs.2/- each) and the Issued, Subscribed and Paid-Up Share Capital is Rs. 24,97,92,000/- (Divided into 12,48,96,000 Equity Share of Rs. 2/- each). The company is engaged in the business of production of EW steels tubes.

6. All the applicant companies have filed their respective Memoranda and Articles of Association inter alia delineating their object clauses, as well as their last Audited Annual Accounts for the year ended 31<sup>st</sup> March 2021 and the provisional balance sheet upto 30<sup>th</sup> June 2021.
7. The Board of Directors of all the Applicant companies vide meeting held on 27<sup>th</sup> February 2021 have unanimously approved the proposed Scheme of amalgamation as contemplated above. Copies of resolutions passed in the said board meetings of all the applicant companies have been placed on record.
8. That all the applicant companies have annexed the certificates from statutory auditors in compliance under Section 133 of the Companies Act, 2013 read with Rule 7 of companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles.
9. That the Transferor No.1 company is not a listed therefore no objection from BSE or NSE is not required. As regards the Transferor No.2 company no objection letter obtained from BSE limited dated 02, August 2021 is annexed and as regards the Transferee Company no objection letters obtained from BSE limited and National Stock Exchange of the India Limited dated 02, August 2021 are annexed.

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*



10. It is stated that the Transferor No.1 Company is having Seven Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has one Secured Creditor and 126 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (i) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

11. It is stated that the Transferor No.2 Company is having 25,957 Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has three Secured Creditor and 380 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

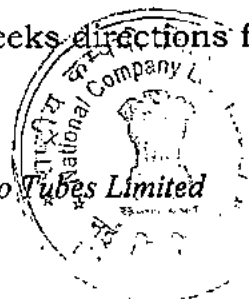
- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (iii) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

12. It is stated that the Transferee Company is having 65,695 Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has Five Secured Creditor and 1076 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



- (i) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

13. The appointed date as specified in the Scheme is 1<sup>st</sup> April, 2021 subject to the directions of this Tribunal.

14. The Transferor No.2 and the Transferee company are public companies limited companies limited by shares and are governed by the rule and regulations of SEBI. Further the book value of assets and turnover of the Applicants do not fall within the definition of "combinations" under the Competition Act, 2002 and therefore, there is no requirement of seeking approval from Competition Commission of India.

15. There are no pending investigation or proceedings against the applicant companies under the provisions of companies act.

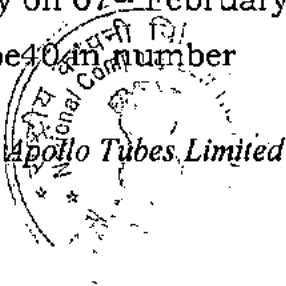
16. Taking into consideration the submissions and the documents filed therewith, we propose to issue the following directions with respect to calling, convening and holding of the meetings of the Shareholders, Secured and Unsecured Creditors of all the applicant companies as follows: -

**A) In relation to the Transferor No.1 Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 07<sup>th</sup> February 2022 at 10:00 A.M. The quorum of the meeting shall be 2 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 07<sup>th</sup> February 2022 at 11:30 A.M. The quorum of the meeting shall be 1 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 07<sup>th</sup> February 2022 at 12:30 P.M. The quorum of the meeting shall be 40 in number

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhog Limited and APL Apollo Tubes Limited



**B) In relation to Transferor No.2 Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 07<sup>th</sup> February 2022 at 4:30 P.M. The quorum of the meeting shall be 5000 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 07<sup>th</sup> February 2022 at 2:30 A.M. The quorum of the meeting shall be 1 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 07<sup>th</sup> February 2022 at 3:30 P.M. The quorum of the meeting shall be 90 in number

**C) In relation to the Transferee Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 08<sup>th</sup> February 2022 at 02:00 P.M. The quorum of the meeting shall be 15000 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 08<sup>th</sup> February 2022 at 10:30 A.M. The quorum of the meeting shall be 2 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 08<sup>th</sup> February 2022 at 11:30 P.M. The quorum of the meeting shall be 250 in number

17. The meetings of the Equity shareholders, secured and unsecured creditors of all the applicant companies shall be convened as directed:

- (i) The chairperson appointed for the meeting is Ms. Deepa Krishnan, Former Member (Technical) NCLT having email id
- (ii) The alternate Chairperson appointed for the meetings is Ms. Swarlipi Deb Roy, Advocate, having contact no. 8510094876 and email id: rkabel\_sdr@yahoo.in

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



- (iii) The observer/Scrutinizer appointed for the meeting is Ms. Shruti Rawat, PCS having contact no. 8377836964
- (iv) The fees for all the appointees above named in addition to meeting their incidental expense shall be as follows:
- a) For the Chairperson: Rs. 2,00,000/-
  - b) For the alternate Chairperson: Rs.1,40,000/-
  - c) For the observer: Rs. 1,15,000/-
- (v) The chairperson will file report within a week from the date of holding of the above said meetings.
- (vi) The notice of the above said meetings shall be sent by both the Applicant companies through registered post or through courier or through email, 30 days in advance before the scheduled date of the meeting , indicating the day, date, the place and the time as aforesaid, together with a proposed scheme of amalgamation, copy of explanatory statement as required to be sent under the companies Act, 2013, the prescribed form of proxy shall also be sent along and in addition to the above and any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- (vii) The Applicant Companies shall publish advertisement in the newspapers namely, "Business Standard" (English, Delhi edition) and "Business Standard" (Hindi, Delhi edition) not less than 30 days before the aforesaid meetings.
- (viii) Voting shall be allowed on the proposed Scheme by voting in person, the chairperson shall be responsible to report the result of the meeting within a period of 3 days of the conclusion of the hearing with details of voting on the proposal scheme.

18. Notice of this application shall also be served on the following Statutory Authorities:

- (i) Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2 Floor, Paryawaran Bhavan, CGO Complex, New Delhi-110003;

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited

18. Notice of this application shall also be served on the following Statutory Authorities:

- (i) Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2 Floor, Paryawaran Bhavan, CGO Complex, New Delhi-110003;
- (ii) Registrar of Companies at 4 floor, IFCI Tower, 61, Nehru Place, New Delhi-110019;
- (iii) Official liquidator, Lok Nayak Bhavan, 8 Floor, Khan Market, New Delhi-110001;
- (iv) Income Tax Department, Income Tax Office, Additional Commissioner of Income Tax, Special Range 4, Central Revenue Building, IP Estate, New Delhi-110002. The notices to Income Tax Authorities shall disclose sufficient details like PAN, ward numbers and assessing officers
- (v) and to such other Sectoral Regulatory Authorities who may govern the working of the respective companies involved in the Scheme.

The application is allowed on the aforesaid terms and stands disposed of.

**SD/-**  
**SUMITA PURKAYASTHA**  
**MEMBER (TECHNICAL)**

**SD/-**  
**DR. DEEPTI MUKESH**  
**MEMBER (JUDICIAL)**

*Vishal Rana*  
*07.12.2021*

*Daud*  
*07/12/2021*

सहायक पंजीयक  
ASSISTANT REGISTRAR  
राष्ट्रीय कम्पनी विधि अधिकरण  
NATIONAL COMPANY LAW TRIBUNAL  
C.G.O. COMPLEX, NEW DELHI-110003

CA (CAA)-107(ND)/2021  
Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



**STRICTLY PRIVATE & CONFIDENTIAL**

February 27, 2021

**The Board of Directors**  
**APL Apollo Tubes Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

**The Board of Directors**  
**Apollo Tricoat Tubes Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

**The Board of Directors**  
**Shri Lakshmi Metal Udyog Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

Dear Sir(s) / Madam(s),

**Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited into APL Apollo Tubes Limited**

We refer to the engagement letter dated February 05, 2021 whereby we, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Valuer' or 'We') have been appointed by the management of Apollo Tricoat Tubes Limited, Shri Lakshmi Metal Udyog Limited and APL Apollo Tubes Limited (hereinafter collectively referred to as 'the Management') to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of Apollo Tricoat Tubes Limited (hereinafter referred to as 'ATTL' or 'Transferor Company 1) and Shri Lakshmi Metal Udyog Limited (hereinafter referred to as 'SLMUL' or Transferor Company 2) with APL Apollo Tubes Limited (hereinafter referred to as 'APL Apollo' or Transferee Company').

ATTL, SLMUL and APL Apollo are hereinafter collectively referred to as the 'Companies'.

**1. SCOPE AND PURPOSE OF THIS REPORT**

1.1 We have been informed by the Management that they are considering a proposal for amalgamation of ATTL and SLMUL with APL Apollo (hereinafter referred to as the



'Proposed Amalgamation') pursuant to the scheme of amalgamation between the Companies and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'). Subject to necessary approvals, the aforesaid Proposed Amalgamation will be with effect from Appointed Date of April 01, 2021 ('Appointed Date').

- 1.2 In this regards, we have been appointed by the Management to carry out the relative valuation of equity shares of the Companies and to recommend the fair equity share exchange ratio for the Proposed Amalgamation. The report is being furnished by SSPA in the capacity of Registered Valuer under section 247 of the Companies Act, 2013 which would suffice the requirements of Securities Exchange Board of India and Companies Act, 2013.
- 1.3 For the purpose of this valuation, we have carried out relative valuations of the Companies and the valuation is based on 'going concern' premise.
- 1.4 The report sets out our recommendation of the fair equity share exchange ratio and discusses the methodologies and approach considered for arriving at relative value of the equity shares of the APL Apollo and ATTL for the purpose of recommendation of share exchange ratio.

## **2. BRIEF BACKGROUND**

### **2.1. APL APOLLO TUBES LIMITED**

APL Apollo is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The company is the largest producer of Electric Resistance Welded (ERW) Steel Pipes and Sections in India, with a capacity to produce 2.5 Million Tonnes per annum. The company caters extensively to the region and exports to over 20 countries globally. The company's vast distribution network is spread across India, with warehouses and branch offices in 29 cities. The company has four manufacturing units, one at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh and one at Murbad, Maharashtra.

The equity shares of the company are listed on The BSE Limited (BSE) and the The National Stock Exchange of India Limited (NSE).

APL Apollo holds 100% equity stake in SLMUL and in turn SLMUL holds ~55.82% in ATTL.





The issued, subscribed and fully paid up equity share capital of the Transferee Company as on March 31, 2020 is INR 24.87 crores comprising of 2,48,69,015 equity shares of INR 10 each fully paid up.

**2.2. APOLLO TRICOAT TUBES LIMITED**

ATTL (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The company has two manufacturing unit one at Malur Bangalore, and second at Ghaziabad Uttar Pradesh. The registered office of the Company is in New Delhi. The shares of the company are listed on the BSE. ATTL was acquired by APL Apollo through its subsidiary in FY 2018-19.

The issued, subscribed and fully paid up equity share capital of the Transferor Company 1 as on March 31, 2020 is INR 6.08 crores comprising of 3,04,00,000 equity shares of INR 2 each fully paid up.

**2.3. SHRI LAKSHMI METAL UDYOG LIMITED**

SLMUL is an unlisted public company incorporated on April 25, 1994 under the provisions of the Companies Act, 1956 as a private limited company with the name and style of Estima Investment & Financial Services Private Limited. Then, on January 13, 1995, the constitution of company changed from private limited company to public limited company and the name changed to 'Estima Investment & Financial Services Limited' and subsequently on September 16, 2003 the name changed to Shri Lakshmi Metal Udyog Limited. SLMUL is engaged in the business of manufacturing of steel tubes and pipes.

SLMUL is a wholly owned Subsidiary ('WoS') of APL Apollo.

The issued, subscribed and fully paid up equity share capital of the Transferor Company 2 as on March 31, 2020 is INR 5.90 crores comprising of 58,95,000 equity shares of INR 10 each fully paid up.

Since, SLMUL is a WoS of APL Apollo, on amalgamation all equity shares held by APL Apollo in SLMUL shall stand cancelled and no shares shall be issued to the shareholders of SLMUL upon its amalgamation with APL Apollo.

**3. REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS**

SSPA & Co., Chartered Accountants, is a partnership firm, located at 1st Floor, Arjun Building, Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is



engaged in providing various corporate consultancy services.

SSPA is a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). SSPA is also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

#### **4. SOURCES OF INFORMATION**

The valuation exercise is based on the following information which has been received from the Management and any information available in the public domain:

- (a) Annual Report of ATTL and APL Apollo for financial year ('FY') 2019-20.
- (b) Management certified financial statements of ATTL for 9 months period ended December 31, 2020 ('9ME Dec20').
- (c) Management certified consolidated balance sheet and profit and loss account of APL Apollo (excluding ATTL) for 9ME Dec20.
- (d) Financial projections of ATTL from FY 2020-21 to FY 2024-25.
- (e) Consolidated financial projections of APL Apollo (excluding ATTL) from FY 2020-21 to FY 2024-25.
- (f) Draft Scheme of Amalgamation.
- (g) Discussions with the Management on various issues relevant to valuation including prospects and outlook of the business, expected growth rate and other relevant information relating to future expected profitability, etc.
- (h) Such other information and explanations as we required and which have been provided by the Management including Management Representations.

#### **5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

- 5.1. This report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report on recommendation of fair equity share exchange ratio for the proposed amalgamation of ATTL and SLMUL with APL Apollo is in accordance with ICAI VS 2018 issued by The Institute of Chartered Accountants of India.





- 5.2. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 5.3. The report assumes that the Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.
- 5.4. The draft of the present report was circulated to the Management (excluding the recommended fair equity share exchange ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 5.5. Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report and is as per agreed terms of our engagement.
- 5.6. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies / auditors / consultants, is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/conclusions.
- 5.7. Our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided



to us by the Companies through broad inquiry, analysis and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

- 5.8. Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate and taking into account the current economic scenario and business disruptions caused on account of spread of COVID-19 pandemic. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 5.9. We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 5.10. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.





- 5.11. We are independent of the Companies and have no current or expected interest in the Companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 5.12. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.
- 5.13. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 5.14. The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 5.15. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.16. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. We owe responsibility to only to the Companies that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.



**6. VALUATION APPROACH AND METHODOLOGIES**

6.1. For the purpose of valuation, generally following approaches can be considered, viz,

- (a) the 'Market' approach;
- (b) the 'Income' approach; and
- (c) the 'Asset' approach

6.2. Under the Asset approach, the Net Asset Value ('NAV') method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, inter alia, value of surplus / non-operating assets.

In the present case, the business of APL Apollo and ATTL are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Asset approach is not adopted for the present valuation exercise.

6.3. Considering the above, we have thought fit to consider a combination of 'Market' approach and 'Income' approach for valuation of equity shares of APL Apollo and ATTL. The report date is the valuation date.

**6.4. MARKET APPROACH**

In the present case, the equity shares of APL Apollo and ATTL are listed and frequently traded on recognized stock exchanges. Therefore, we have thought fit to use Market Price ('MP') Method for valuation of equity shares of APL Apollo and ATTL under Market Approach.

**6.4.1. MARKET PRICE METHOD**

The market price of an equity share, as quoted on a stock exchange, is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

As mentioned above, the equity shares of APL Apollo and ATTL are listed on recognized stock exchanges. The value of equity shares of APL Apollo and ATTL under this method is determined considering the share prices of APL Apollo and ATTL on NSE and BSE respectively over an appropriate period.

**6.5. INCOME APPROACH**

6.5.1. Under the 'Income' approach, equity shares of APL Apollo and ATTL are valued using 'Discounted Cash Flow' ('DCF') Method.





- 6.5.2. Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- 6.5.3. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) interest on loans, if any, (ii) depreciation and amortizations (non-cash charge), and (iii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.
- 6.5.4. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of the company's cost of equity and debt.
- 6.5.5. To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, value of investments, cash and cash equivalents and cash inflow on account of exercise of employee stock options (ESOPs) post December 31, 2020, after considering the tax impact wherever applicable to arrive at the equity value.
- 6.5.6. The value as arrived above is divided by the diluted number of equity shares to arrive at the value per equity share of APL Apollo and ATTL.

## **7. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO**

- 7.1. The fair basis of amalgamation of APL Apollo and ATTL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different methods, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of APL Apollo and ATTL. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of APL Apollo and ATTL to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.
- 7.2. As mentioned above, we have considered MP method under 'Market' approach and DCF method under 'Income' approach for arriving at the value per share of APL Apollo



and ATTL. The values under each of the approaches is given in the table below:

| Valuation Approach                               | APL APOLLO            |             | ATTL                  |             |
|--------------------------------------------------|-----------------------|-------------|-----------------------|-------------|
|                                                  | Value per Share (INR) | Weights     | Value per Share (INR) | Weights     |
| Asset Approach *                                 | NA                    | NA          | NA                    | NA          |
| Income Approach                                  | 994.59                | 50%         | 1,014.62              | 50%         |
| Market Approach - MP Method                      | 878.53                | 50%         | 855.81                | 50%         |
| <b>Fair Value per Equity Share</b>               | <b>936.56</b>         | <b>100%</b> | <b>935.22</b>         | <b>100%</b> |
| <b>Equity share exchange ratio (Rounded off)</b> | <b>1:1</b>            |             |                       |             |

NA = Not Applied / Not Applicable

\* Since, the business of APL Apollo and ATTL are both intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Asset Approach is not adopted for the present valuation exercise.

- 7.3. The fair equity share exchange ratio has been arrived on the basis of a relative valuation of shares of APL Apollo and ATTL based on the approaches explained herein earlier and various qualitative factors relevant to the APL Apollo and ATTL and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.
- 7.4. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation*





*possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

- 7.5. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, the fair equity share exchange ratio for the Proposed Amalgamation of ATTL with APL Apollo is as under:

**1 (One) equity share of APL Apollo of INR 2 each fully paid up for every 1 (One) equity share of ATTL of INR 2 each fully paid up.**

Thanking you,  
Yours faithfully,

**For SSPA & CO.**

**Chartered Accountants**

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126



**Vikram Jain, Partner**

ICAI Membership No. 114613

UDIN: 21114613AAAAAI5783

Place: Mumbai



**STRICTLY PRIVATE & CONFIDENTIAL**

February 27, 2021

To,

**The Board of Directors**  
**APL Apollo Tubes Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**The Board of Directors**  
**Apollo Tricoat Tubes Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**The Board of Directors**  
**Shri Laxmi Metal Udyog Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**Sub: Fairness Opinion on share exchange ratio in connection with the proposed amalgamation of Apollo Tricoat Tubes Limited and Shri Laxmi Metal Udyog Limited. with APL Apollo Tubes Limited under a Scheme of Amalgamation.**

Dear Sir(s),

We refer to our engagement letter dated February 22, 2021 and discussion wherein the management of APL Apollo Tubes Limited (hereinafter referred to as “APL Apollo” or “Company”), Apollo Tricoat Tubes Limited (hereinafter referred to as “ATTL”) and Shri Laxmi Metal Udyog Limited (hereinafter referred to as “SLMUL”) (hereinafter collectively referred to as the ‘Management’) has requested Fortress Capital Management Services Private Limited (hereinafter referred to as “Fortress”), a SEBI Registered Category I Merchant Banker to give a fairness opinion on the Share Exchange Ratio recommended by SSPA & Co., Chartered Accountants (hereinafter referred to as “Valuer”) in connection with the amalgamation of ATTL and SLMUL with APL Apollo under a Scheme of Amalgamation. ATTL, SLMUL and APL are hereinafter collectively referred to as the “Companies”.

Page 1 of 7

**Fortress Capital Management Services Pvt. Ltd.** CIN - U67120MH2004PTC145815

Corporate office - 204, Lotus Park, 2nd Floor, Road No 16, Wagle Estate, Thane (W) 400 604, India. Tel : +91 (22) 6288 7900

Registered office - Daryanagar House, 2nd Floor, 69 Mahanishi Karve Road, Marine Lines, Mumbai 400 002, India. Tel : +91 (22) 2200 7973



## 1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

- 1.1 We have been informed by the Management that they are considering the proposal of amalgamation of ATTL and SLMUL with APL Apollo (hereinafter referred to as the “Amalgamation” or “Proposed Transaction”) pursuant to the scheme of amalgamation (hereinafter referred to as “Scheme”) between the Companies in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder. Subject to necessary approvals, ATTL and SLMUL would amalgamate with APL Apollo, with effect from appointed date of April 1, 2021 (hereinafter referred to as the “Appointed Date”). As a consideration for the Proposed Transaction, shareholders of ATTL would be issued equity shares of APL Apollo.
- 1.2 Pursuant to the Scheme of Amalgamation, since SLMUL is a wholly owned subsidiary of APL Apollo, no shares of APL Apollo are proposed to be allotted to shareholders of SLMUL on amalgamation of SLMUL into APL Apollo.

### 1.3 APL Apollo Tubes Limited

APL Apollo is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The company is the largest producer of Electric Resistance Welded (ERW) Steel Pipes and Sections in India, with a capacity to produce 2.5 Million Tonnes per annum. The company caters extensively to the region and exports to over 20 countries globally. The company’s vast distribution network is spread across India, with warehouses and branch offices in 29 cities. The company has four manufacturing units, one at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh and one at Murbad, Maharashtra.

The equity shares of the company are listed on The BSE Limited (BSE) and the The National Stock Exchange of India Limited (NSE).

APL Apollo holds 100% equity stake in SLMUL and in turn SLMUL holds ~55.82% in ATTL.



The issued, subscribed and fully paid up equity share capital of the APL Apollo as on March 31, 2020 is INR 24.87 crores comprising of 2,48,69,015 equity shares of INR 10 each fully paid up.

#### 1.4 **Apollo Tricoat Tubes Limited**

ATTL (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The company has two manufacturing unit one at Malur Bangalore, and second at Ghaziabad Uttar Pradesh. The registered office of the Company is in New Delhi. The shares of the company are listed on the BSE. ATTL was acquired by APL Apollo through its subsidiary in FY 2018-19.

The issued, subscribed and fully paid up equity share capital of the ATTL as on March 31, 2020 is INR 6.08 crores comprising of 3,04,00,000 equity shares of INR 2 each fully paid up.

#### 1.5 **Shri Laxmi Metal Udyog Limited**

SLMUL is an unlisted public company incorporated on April 25, 1994 under the provisions of the Companies Act, 1956 as a private limited company with the name and style of Estima Investment & Financial Services Private Limited. Then, on January 13, 1995, the constitution of company changed from private limited company to public limited company and the name changed to 'Estima Investment & Financial Services Limited' and subsequently on September 16, 2003 the name changed to Shri Lakshmi Metal Udyog Limited. SLMUL is engaged in the business of manufacturing of steel tubes and pipes.

SLMUL is a wholly owned Subsidiary ('WoS') of APL Apollo.

The issued, subscribed and fully paid up equity share capital of the SLMUL as on March 31, 2020 is INR 5.90 crores comprising of 58,95,000 equity shares of INR 10 each fully paid up.

Since, SLMUL is a WoS of APL Apollo, on amalgamation all equity shares held by APL Apollo in SLMUL shall stand cancelled and no shares shall be issued to the shareholders of SLMUL upon its amalgamation with APL Apollo.



- 1.6 In this regard Valuer was appointed to recommend the share exchange ratio in connection with the proposed amalgamation of ATTL and SLMUL with APL Apollo under a Scheme of Amalgamation.
- 1.7 Accordingly, we have been appointed in the capacity of SEBI Registered Category I Merchant Banker to give a fairness opinion on the share exchange ratio recommended by Valuer in connection with the proposed amalgamation of ATTL and SLMUL with APL Apollo under the Scheme of Amalgamation to comply with SEBI Guidelines.
- 1.8 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

## 2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- (a) Draft Scheme of Amalgamation between ATTL, SLMUL and APL Apollo under section 230 to 232 of the Companies Act, 2013.
- (b) Annual Reports of ATTL and APL Apollo for Financial year 2019 - 20
- (c) Management Certified Financial Statements of ATTL for 9 months period ended December 31, 2020
- (d) Management certified consolidated balance sheet and profit and loss account of APL Apollo (excluding ATTL) for 9 months period ended December 31, 2020
- (e) Financial projections of ATTL from FY 2020-21 to FY 2024-25.
- (f) Consolidated financial projections of APL Apollo (excluding ATTL) from FY 2020-21 to FY 2024-25.
- (g) Report dated February 27, 2021 issued by Valuer.





(h) Such other information and explanations as we required and which have been provided by the management including Management Representations of APL Apollo, ATTL, SLMUL and Valuer.

### **3. EXCLUSIONS AND LIMITATIONS**

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects.
- 3.2 We have been represented by the Management of the Companies that the Companies have clear and valid title of assets. No investigation on Companies claim to title of their assets has been made and their claim to such rights has been assumed to be valid.
- 3.3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 The fee for the engagement and this report is not contingent upon the results reported.
- 3.6 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement.
- 3.7 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.8 Any person / party intending to provide finance / divest / invest in the shares / convertible instruments / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.





- 3.9 This Fairness Opinion (“Opinion”) is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on the Opinion including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this Opinion may affect the opinion and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion.
- 3.10 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion.
- 3.11 This Fairness Opinion has been issued for the sole purpose to facilitate the Companies to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 it shall not be valid for any other purpose and should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available..
- 3.12 Fortress nor its directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the fairness opinion is provided. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the fairness opinion.

#### **4. VALUATION METHODOLOGY ADOPTED BY VALUER**

For the purposes Valuation and recommending the share exchange ratio, the Valuer has adopted “Discounted Cashflow Method” under Income Approach and “Market Price Method” under Market Approach for ATTL and APL Apollo.



## 5. CONCLUSION

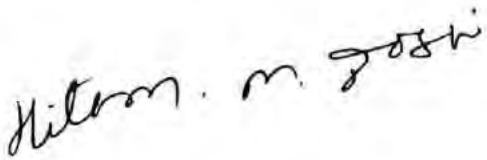
5.1 We have reviewed methodology as mentioned above used by the Valuer for arriving at the valuation of the equity shares of the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending share

5.2 **On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the share exchange ratio for the proposed amalgamation of ATTL with APL Apollo of 1 (One) Equity Share of APL Apollo of INR 2 each fully paid up for every 1 (One) Equity share of ATTL of INR 2 each fully paid up recommended by Valuer is fair and reasonable**

Thanking you,

Yours faithfully,

**For Fortress Capital Management Services Pvt. Ltd.**



**Authorized Signatory**

Place: Mumbai

SEBI Registration No.: INM000011146



**Apollo TriCoat**

THREE STEPS AHEAD

REF: 128798

07.07.2021

The General Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai - 400 001

BSE Scrip Code: 538566

Dear Sir/Madam,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. 128798 ("Application") placed on the website of the BSE Limited on 15 June 2021 with respect to the Scheme of amalgamation and arrangement between APL Apollo Tubes Limited and Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited and their respective shareholders and creditors ("Scheme").

In this regard, we are enclosing 'Report of Complaints' in the prescribed format indicating 'Nil' complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 16.06.2021 to 07.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For Apollo Tricoat Tubes Limited

Surbhi Arora



(Company Secretary & Compliance Officer)

Apollo TriCoat Tubes Limited

CIN: L74900DL1983PLC014972

Corp. Office: 36, Kaushambi, Near Anand Vihar Terminal, Delhi - NCR 201010, India Tel: +91-120-4041400 Fax: +91-120-4041444

Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-22373437 Fax: +91-11-22373537

Unit-I: Plot No. 53, Part-I, 4th Phase, Industrial Area, Sy. No. 28-33, Kurandahalli Village, Kasaba Hobli, Malur, Taluk, Distt. Kolar - 563101 Karnataka, India

Unit-II: Village Bisnoli, Khasra No. 527 To 530 & 569, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh - 203207, India

E-mail: info@apollotricoat.com | Website: www.apollotricoat.com



## Complaints Report:

### Part A

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NA     |
| 5.      | Number of complaints pending                            | NIL    |

### Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NA                |                           |



Surbhi Arora  
(Company Secretary & Compliance Officer)

Date: 07.07.2021



Sudesh Group



07.07.2021

REF: 128426

The General Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

**BSE Scrip Code: 533758**

Dear Sir/Madam,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. 128426 (“Application”) placed on the website of the BSE Limited on 15 June 2021 with respect to the Scheme of amalgamation and arrangement between APL Apollo Tubes Limited And Shri Lakshmi Metal Udyog Limited And Apollo Tricoat Tubes Limited and their respective shareholders and creditors (“Scheme”).

In this regard, we are enclosing ‘Report of Complaints’ in the prescribed format indicating ‘Nil’ complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 16.06.2021 to 07.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For APL Apollo Tubes Limited

Deepak C S

(Company Secretary & Compliance Officer)

**APL Apollo Tubes Limited** (CIN:L74899 DL 1986PLC023443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1: A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com

**Complaints Report:**

**Part A**

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NA     |
| 5.      | Number of complaints pending                            | NIL    |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NA                |                           |



Deepak C S  
(Company Secretary & Compliance Officer)

Date: 07.07.2021

**APL Apollo Tubes Limited** (CIN-L74899 DL 1986PLC023443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perondapolli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com





Sudesh Group



22.07.2021

REF: NSE/LIST/26639

The Manager,  
National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
5<sup>th</sup> Floor, Plot No. C/1, G Block,  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

NSE Scrip Code: APLAPOLLO

Dear Sir,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. NSE/LIST/26639 (“Application”) placed on the website of the National Stock Exchange of India Limited on 24 June 2021 with respect to Scheme of amalgamation and arrangement between APL Apollo Tubes Limited And Shri Lakshmi Metal Udyog Limited And Apollo Tricoat Tubes Limited and their respective shareholders and creditors (“Scheme”).

In this regard, we are enclosing Report of Complaints in the prescribed format indicating Nil complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 25.06.2021 to 15.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For APL Apollo Tubes Limited

Deepak C S

(Company Secretary & Compliance Officer)

**APL Apollo Tubes Limited** [CIN-L74899 DL 1986PLC023443]

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapolli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com

**Complaints Report:**

**Part A**

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NIL    |
| 5.      | Number of complaints pending                            | NIL    |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NIL               |                           |
| 2.      |                     | NIL               |                           |
| 3.      |                     | NIL               |                           |



(Company Secretary & Compliance Officer)

Date: 22.07.2021



**DCS/AMAL/PB/R37/2020/2021-22**

**“E-Letter”**

**August 02, 2021**

The Company Secretary,  
**Apollo Tricoat Tubes Ltd.**  
37, Hargobind Enclave, Vikas Marg,  
New Delhi, Delhi - 110092  
Sir,

**Sub: Observation letter regarding Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective Shareholders and Creditors.**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of Apollo Tricoat Tubes Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 09, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **Company shall ensure that SEBI had vide orders dated June 23, 2020 restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of 2 years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of fraudulent and unfair Trade Practices relating to Securities Market) Regulations, 2003.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon'ble NCLT.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

**Sabah Vaze**  
**Manager**

DCS/AMAL/PB/R37/2019/2021-22

“E-Letter”

August 02, 2021

The Company Secretary,  
**APL APOLLO TUBES LTD.**  
37, Hargobind Enclave, Vikas Marg,  
New Delhi, Delhi – 110092

Sir,

**Sub: Observation letter regarding Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective Shareholders and Creditors.**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of APL Apollo Tubes Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 09, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **Company shall ensure that SEBI had vide orders dated June 23, 2020 restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of 2 years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of fraudulent and unfair Trade Practices relating to Securities Market) Regulations, 2003.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon'ble NCLT.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

**Sabah Vaze**  
**Manager**

**National Stock Exchange Of India Limited**

Ref: NSE/LIST/26639\_II

August 02, 2021

The Company Secretary  
APL Apollo Tubes Limited  
37, Hargobind Enclave,  
Vikas Marg, Delhi - 110092

**Kind Attn.: Mr. Deepak C S**

Dear Sir,

**Sub: Observation Letter for Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective shareholders and creditors**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited (Amalgamating Company 1) and Apollo Tricoat Tubes Limited (Amalgamating Company 2) with APL Apollo Tubes Limited (Amalgamated Company) and their respective shareholders and creditors vide application dated April 03, 2021.

Based on our letter reference no Ref: NSE/LIST/26639 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure that following information pertaining to the promoters of APL Apollo Tubes Limited is brought to the notice of shareholders and Hon'ble NCLT:*
  - i. *SEBI had vide orders dated June 23, 2020, restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of two years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.*
- b. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company shall ensure that the financials of the companies involved in the scheme are not more than 6 months old, before filing the same with the Hon'ble National Company Law Tribunal (NCLT).*

- e. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*
- f. *It is to be noted that the petitions are being filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from August 02, 2021 within which the scheme shall be submitted to NCLT.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path:  
NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Harshad Dharod  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>





**REPORT ADOPTED BY BOARD OF DIRECTORS OF SHRI LAKSHMI METAL UDYOG LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI- 201010**

**1. Background**

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as 'Amalgamating Companies' and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as 'Companies'.*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

**2. Rationale of the Scheme**

The proposed amalgamation of Amalgamating Companies with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;



**Shri Lakshmi Metal Udyog Limited** (CIN-U85110DL1994PLC224835)

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi - NCR 201010, India Tel:+91-120-4041400 Fax:+91-120-4041444

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi 110092, India Tel:+91-11-22373437 Fax:+91-11-22373537

Works : 9 to 11, KIADB Industrial Area, balagaranahalli, Ankal Taluk Attibele, Bangalore - 542 107, India Tel: +91-80-27820018/68, 27870912

Telefax : +91-80-27820058 (Off.) +91-80-41145168 E-mail : slmul@apltubes.com/lakshmitubes@yahoo.com Website : www.laksh mipipes.com

- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

Since, the Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Amalgamated Company either by itself or through its subsidiaries / nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon coming into effect of the Scheme. The investments in the shares of the Amalgamating Companies, appearing in the books of account of Amalgamated Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for Amalgamating Company 1.

### 4. Effect of the Scheme on the stakeholders of Shri Lakshmi Metal Udyog Limited

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                   |
|------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | Under the Scheme, with effect from the Effective Date, the Amalgamating Company 1 would stand dissolved without winding up. In the circumstances, the key managerial personnel of the Amalgamating Company 1 will cease to be the key managerial personnel of the Amalgamating Company 1 |
| 2.   | Shareholders                         | Not applicable.                                                                                                                                                                                                                                                                          |
| 3.   | Promoter Shareholders                | No effect. Amalgamating Company 1 is a wholly owned subsidiary of the Amalgamated Company. Accordingly, upon the Scheme becoming effective, the entire share capital of the Amalgamating Company 1 shall stand cancelled                                                                 |





| S.No | Particulars         | Effect                                                                                                                                                                                              |
|------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.   | Employees           | No effect. The present employees shall continue to act as the employees of the Amalgamated Company post the Scheme becomes effective.                                                               |
| 5.   | Secured Creditors   | No effect. As per Clause 3 of the Scheme, liability of secured creditors of Amalgamating Company 1 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.   |
| 6.   | Unsecured Creditors | No effect. As per Clause 3 of the Scheme, liability of unsecured creditors of Amalgamating Company 1 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business. |

**5. Adoption of the report by board of directors of Shri Lakshmi Metal Udyog Limited**

The board of directors of Shri Lakshmi Metal Udyog Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**

For and on behalf of Shri Lakshmi Metal Udyog Limited

Sanjay Gupta  
Director  
DIN: 00233188



Date: 27 February 2021



REPORT ADOPTED BY BOARD OF DIRECTORS OF APOLLO TRICOAT TUBES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI-NCR – 201010

## 1. Background

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as "Amalgamating Companies" and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as "Companies".*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ("Board") vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

## 2. Rationale of the Scheme

The proposed amalgamation of Amalgamating Company 1 and Amalgamating Company 2 (collectively called as "Amalgamating Companies") with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;





- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

- 3.1. Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.
- 3.2. In terms of the Scheme and based on Valuation Report issued by issued by Mr. Vikram Jain (Partner SSPA & Co, Chartered Accountants) dated 27 February 2021 Registered Valuer with Registration No. IBBI/RV E/06/2020/126 and Fairness Opinion provided by Fortress Capital Management Services Pvt Ltd, Category-I SEBI Registered Merchant Banker (Reg No. INM000011146), following would be the share entitlement ratio for Eligible Members (as defined in the Scheme) of Amalgamating Company 2:

*"I fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."*

3.3. No special valuation difficulties were reported by the valuers.

3.4. In terms of the Scheme:



- i. Clause 5.3 of the Scheme defines “Amalgamating Company 2 Shares” means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- ii. Clause 5.5 of the Scheme defines “Amalgamated Company Shares” means fully paid up equity shares of the Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share; and
- iii. Clause 5.12 of the Scheme defines ‘Eligible Member’ shall mean *each person (other than Shri Lakshmi Metal Udyog Limited) whose name appears in the register of members of the Amalgamating Company 2 and/or whose name appears as the beneficial owner of the Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time*

**4. Effect of the Scheme on the stakeholders of Apollo Tricoat Tubes Limited**

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | Under the Scheme, with effect from the Effective Date, the Amalgamating Company 2 would stand dissolved without winding up. In the circumstances, the key managerial personnel of the Amalgamating Company 2 will cease to be the key managerial personnel of the Amalgamating Company 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2.   | Shareholders                         | <p>The stake held by Amalgamating Company 1 in Amalgamating Company 2 shall stand cancelled Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-</p> <p><i>“1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2.”</i></p> <p>The Amalgamated Company Shares to be issued and allotted by Amalgamated Company to Eligible Members of Amalgamating Company 2 in terms of the Scheme shall rank pari passu in all aspects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company.</p> |





| S.No | Particulars         | Effect                                                                                                                                                                                                                         |
|------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.   | Promoters           | Upon the Scheme being effective, Amalgamating Company 1 being the promoter of Amalgamating Company 2 is being amalgamated and shall stand dissolved without winding up. Accordingly, the promoter stake shall stand cancelled. |
| 4.   | Employees           | No effect. As per Clause 14, the present employees shall continue to act as the employees of the Amalgamated Company post the Scheme becomes effective.                                                                        |
| 5.   | Secured Creditors   | No effect. As per Clause 3 of the Scheme, liability of secured creditors of Amalgamating Company 2 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.                              |
| 6.   | Unsecured Creditors | No effect. As per Clause 3 of the Scheme, liability of unsecured creditors of Amalgamating Company 2 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.                            |

**5. Adoption of the report by board of directors of Apollo Tricoat Tubes Limited**

The board of directors of Apollo Tricoat Tubes Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**

For and on behalf of Apollo Tricoat Tubes Limited

  
Rahul Gupta  
Managing Director  
DIN: 07151792



Date: 27 February 2021

**REPORT ADOPTED BY BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI-NCR – 201010**

## 1. Background

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as 'Amalgamating Companies' and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as 'Companies'.*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

## 2. Rationale of the Scheme

The proposed amalgamation of Amalgamating Companies with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;



APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)

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Corp. Office : 36, Kaushambhi, Near Anand Vihar Terminal, Delhi (NCR) - 201010, India Tel: +91-120 4041 400/401/402 | Fax: +91-120 4041 444

Corp. Office : Tapasya Corporate Heights, 4th Floor, Tower A, Sector 126, Noida, Uttar Pradesh 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205 India Unit - 2 : 332-338, Alur Village, Perandapali, Hosur, Tamilnadu-635109 India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-428011, India Unit - 4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh -493661, India

E-mail : info@aplapollo.com Web: www.aplapollo.com



- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

- 3.1. Since, the Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Amalgamated Company either by itself or through its subsidiaries / nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon coming into effect of the Scheme. The investments in the shares of the Amalgamating Companies, appearing in the books of account of Amalgamated Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for the Scheme in respect of Amalgamating Company 1
- 3.2. Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.
- 3.3. In terms of the Scheme and based on Valuation Report issued by issued by Mr. Vikram Jain (Partner SSPA & Co, Chartered Accountants) dated 27 February 2021 Registered Valuer with Registration No. IBBI/RV-E/06/2020/126 and Fairness Opinion provided by Fortress Capital Management Services Pvt Ltd, Category-I SEBI Registered Merchant Banker (Reg No INM000011146), following would be the share entitlement ratio for Eligible Members (as defined in the Scheme) of Amalgamating Company 2:



*"1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."*

3.4. No special valuation difficulties were reported by the valuers.

3.5. In terms of the Scheme:

- i. Clause 5.3 of the Scheme defines "Amalgamating Company 2 Shares" means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- ii. Clause 5.5 of the Scheme defines "Amalgamated Company Shares" means fully paid up equity shares of the Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share; and
- iii. Clause 5.12 of the Scheme defines 'Eligible Member' shall mean *each person (other than Shri Lakshmi Metal Udyog Limited) whose name appears in the register of members of the Amalgamating Company 2 and/or whose name appears as the beneficial owner of the Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time*

#### 4. Effect of the Scheme on the stakeholders of APL Apollo Tubes Limited

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                                                                          |
|------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | <p><b>On amalgamation of Amalgamating Company 1</b><br/>No effect. There will be no change in the Directors / KMP of the Amalgamated Company pursuant to the Scheme</p> <p><b>On amalgamation of Amalgamating Company 2</b><br/>No effect. There will be no change in the Directors / KMP of the Amalgamated Company pursuant to the Scheme</p> |





| S.No | Particulars  | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.   | Shareholders | <p><b>On amalgamation of Amalgamating Company 1</b><br/>No effect. Amalgamating Company 1 is a wholly owned subsidiary of the Amalgamated Company. Accordingly, upon the Scheme becoming effective, the entire share capital of the Amalgamating Company 1 shall stand cancelled.</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <ul style="list-style-type: none"> <li>- The stake held by Amalgamating Company 1 in Amalgamating Company 2 shall stand cancelled. Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-</li> </ul> <p><i>"1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."</i></p> <ul style="list-style-type: none"> <li>- The Amalgamated Company Shares to be issued and allotted by Amalgamated Company to Eligible Members of Amalgamating Company 2 in terms of the Scheme shall rank pari passu in all aspects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company</li> <li>- Promoters stake is expected to be diluted by 3.6% on issuance of 1,34,30,000 equity shares to public shareholders of Amalgamating Company 2 which in turn will increase the public float by 3.6% resulting in higher trading stock of the Amalgamated Company</li> </ul> |
| 3.   | Promoters    | <p>Please refer to Point No 1 above for details regarding the effect to shareholders.</p> <p>The Promoters of the Amalgamated Company shall continue to be Promoters, post the effectiveness of the Scheme.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



| S.No | Particulars         | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.   | Employees           | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>Under the Scheme, no rights of the staff and employees of Amalgamated Company are being affected</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>Under the Scheme, no rights of the staff and employees of Amalgamated Company are being affected</p>                                                                                                                                                                                                                               |
| 5.   | Secured Creditors   | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p>   |
| 6.   | Unsecured Creditors | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>No effect, the Scheme will not have any adverse effect on the unsecured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> |

#### 5. Adoption of the report by board of directors of APL Apollo Tubes Limited

The board of directors of APL Apollo Tubes Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**  
For and on behalf of APL Apollo Tubes Limited

Sanjay Gupta  
Chairman  
DIN: 0233188



Date: 27 February 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH, 2021**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHRI LAKSHMI METAL UDYOG LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of **SHRI LAKSHMI METAL UDYOG LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 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, 2021, 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 financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 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 financial statements.

#### 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 Board's report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.





**Management's Responsibility for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

#### **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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 financial statements (Refer Note no. 33 (a) of the financial statements).




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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no. 33 (b) (2) of the financial statements).
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note no. 33 (c) of the financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021



**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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SHRI LAKSHMI METAL UDYOG LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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



*Rashim Tandon*  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets (Property, Plant and Equipment)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed asset to cover all items once in 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, fixed assets were physically verified by the Management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings whose title deeds/conveyance deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations received by the Company from lenders/custodians.
- (ii) As explained to us, the inventories (other than inventories in transit and inventories lying with third party) were physically verified during the year by the Management at reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans. In case of inventories lying with the third party, confirmation have been received by the Management for the stock held at year end and no material discrepancies was noted in respect of such confirmation.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Custom Duty and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable. The operations of the Company didn't give rise to Excise duty Also refer to the note 33 (a) (2) to the financial statements regarding management assessment on certain matters relating to the provident fund.
- (b) Details of dues of Income-tax, which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (net of payment ) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------|----------------|--------------------------------|------------------------------------|--------------------------------------------|---------------------------------------------|
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2016-17                            | 1.21                                       | 0.30                                        |
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2018-19                            | 0.77                                       | -                                           |

We have been informed that there are no dues of Value added tax, Excise duty, Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2021 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



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- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**

| Particulars                                                     | Notes | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------|-------------------------|-------------------------|
|                                                                 |       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>I. ASSETS</b>                                                |       |                         |                         |
| <b>(1) Non-current assets</b>                                   |       |                         |                         |
| (a) Property, plant and equipment                               | 2(a)  | 42.53                   | 44.50                   |
| (b) Capital work-in-progress                                    | 2(b)  | 0.35                    | 0.78                    |
| (c) Investment in subsidiary                                    | 3     | 252.38                  | 206.18                  |
| (d) Financial assets                                            |       |                         |                         |
| (i) Other financial assets                                      | 4     | 0.72                    | 0.72                    |
| (e) Non-current tax assets (net)                                | 5     | 0.12                    | 0.12                    |
| (f) Other non current assets                                    | 6     | 0.31                    | 1.12                    |
| <b>Total non-current assets</b>                                 |       | <b>296.41</b>           | <b>253.42</b>           |
| <b>(2) Current assets</b>                                       |       |                         |                         |
| (a) Inventories                                                 | 7     | 39.35                   | 35.03                   |
| (b) Financial assets                                            |       |                         |                         |
| (i) Trade receivables                                           | 8     | 24.97                   | 92.29                   |
| (ii) Cash and cash equivalents                                  | 9     | 1.28                    | 0.23                    |
| (iii) Loans                                                     | 10    | 0.03                    | 0.02                    |
| (iv) Other financial assets                                     | 11    | 0.49                    | 4.99                    |
| (c) Other current assets                                        | 12    | 3.31                    | 1.09                    |
| <b>Total current assets</b>                                     |       | <b>69.43</b>            | <b>133.65</b>           |
| <b>Total Assets</b>                                             |       | <b>365.84</b>           | <b>387.07</b>           |
| <b>II. EQUITY AND LIABILITIES</b>                               |       |                         |                         |
| <b>(1) Equity</b>                                               |       |                         |                         |
| (a) Equity share capital                                        | 13(a) | 5.90                    | 5.90                    |
| (b) Other equity                                                | 13(b) | 209.96                  | 163.67                  |
| <b>Total equity</b>                                             |       | <b>215.86</b>           | <b>169.57</b>           |
| <b>(2) Non-current liabilities</b>                              |       |                         |                         |
| (a) Financial liabilities                                       |       |                         |                         |
| (i) Borrowings                                                  | 14    | 100.00                  | 115.00                  |
| (b) Provisions                                                  | 15    | 1.07                    | 1.00                    |
| (c) Deferred tax liabilities (net)                              | 16    | 4.48                    | 4.68                    |
| <b>Total non-current liabilities</b>                            |       | <b>105.55</b>           | <b>120.68</b>           |
| <b>(3) Current liabilities</b>                                  |       |                         |                         |
| (a) Financial liabilities:                                      |       |                         |                         |
| (i) Borrowings                                                  | 17    | -                       | 17.28                   |
| (ii) Trade payables                                             | 18    |                         |                         |
| - total outstanding dues of micro and small enterprises         |       | 0.32                    | 0.11                    |
| - total outstanding dues other than micro and small enterprises |       | 36.02                   | 59.95                   |
| (iii) Other financial liabilities                               | 19    | 2.46                    | 12.04                   |
| (b) Other current liabilities                                   | 20    | 4.21                    | 3.65                    |
| (c) Provisions                                                  | 21    | 0.02                    | 0.32                    |
| (d) Current tax liabilities (net)                               | 22    | 1.40                    | 3.47                    |
| <b>Total current liabilities</b>                                |       | <b>44.43</b>            | <b>96.82</b>            |
| <b>Total equity and liabilities</b>                             |       | <b>365.84</b>           | <b>387.07</b>           |

See accompanying notes to the financial statements 1-41

In terms of our report attached.

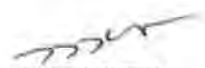
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

  
**RASHIM TANDON**  
Partner  
Membership No. 95540



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467



Place: New Delhi  
Date: June 2, 2021


Place: Ghaziabad  
Date: June 2, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                         | Notes | (Rupees in crore)            |                              |
|-------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                     |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>I</b> Revenue from operations                                                    | 23    | 730.36                       | 679.70                       |
| <b>II</b> Other income                                                              | 24    | 0.11                         | 1.36                         |
| <b>III Total income (I +II)</b>                                                     |       | <b>730.47</b>                | <b>681.06</b>                |
| <b>IV Expenses</b>                                                                  |       |                              |                              |
| (a) Cost of materials consumed                                                      | 25    | 555.23                       | 502.23                       |
| (b) Purchase of stock-in-trade                                                      |       | 57.20                        | 72.87                        |
| (c) Changes in inventories of finished goods, work-in-progress, rejection and scrap | 26    | (6.25)                       | (17.64)                      |
| (d) Employee benefits expense                                                       | 27    | 6.91                         | 7.42                         |
| (e) Finance costs                                                                   | 28    | 12.29                        | 16.15                        |
| (f) Depreciation expense                                                            | 2     | 3.51                         | 3.69                         |
| (g) Other expenses                                                                  | 29    | 39.41                        | 38.86                        |
| <b>Total expenses</b>                                                               |       | <b>668.30</b>                | <b>623.58</b>                |
| <b>V Profit before tax (III - IV)</b>                                               |       | <b>62.17</b>                 | <b>57.48</b>                 |
| <b>VI Tax expense:</b>                                                              |       |                              |                              |
| (a) Current tax                                                                     |       | 16.40                        | 14.62                        |
| (b) Deferred tax (credit) (net)                                                     | 16    | (0.28)                       | (2.45)                       |
| (c) Income tax expense of earlier year                                              | 36    | -                            | 0.09                         |
| <b>Total tax expense</b>                                                            | 36    | <b>16.12</b>                 | <b>12.26</b>                 |
| <b>VII Profit for the year (V-VI)</b>                                               |       | <b>46.05</b>                 | <b>45.23</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                           |       | -                            | 2.20                         |
| (b) Remeasurement of post employment benefit obligation                             |       | 0.32                         | (0.33)                       |
| (c) Income tax relating to (b) above                                                |       | (0.08)                       | 0.08                         |
| <b>Other comprehensive income for the year</b>                                      |       | <b>0.24</b>                  | <b>1.95</b>                  |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                        |       | <b>46.29</b>                 | <b>47.18</b>                 |
| <b>X Earnings per equity share of Rupees 10 each</b>                                |       |                              |                              |
| (a) Basic (in rupees)                                                               | 32    | 78.12                        | 76.72                        |
| (b) Diluted (in rupees)                                                             | 32    | 78.12                        | 76.72                        |
| See accompanying notes to the financial statements                                  | 1-41  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner  
Membership No. 95540



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467



Place: New Delhi  
Date: June 2, 2021

Place: Ghaziabad  
Date: June 2, 2021



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

**a) Equity share capital**

| Particulars                               | [Rupees in crore]<br>Amount |
|-------------------------------------------|-----------------------------|
| Balance as at April 1, 2019               | 5.90                        |
| Changes during the year ended March, 2020 | -                           |
| <b>Balance as at March 31, 2020</b>       | <b>5.90</b>                 |
| Changes during the year ended March, 2021 | -                           |
| <b>Balance as at March 31, 2021</b>       | <b>5.90</b>                 |

**b) Other equity**

| Particulars                                         | Reserves and surplus |                 |                   | Items of other comprehensive income                   | Total         |
|-----------------------------------------------------|----------------------|-----------------|-------------------|-------------------------------------------------------|---------------|
|                                                     | Securities premium   | General Reserve | Retained earnings | Equity Instruments through other comprehensive income |               |
| Balance as at April 1, 2019                         | 7.40                 | 2.85            | 97.41             | 8.90                                                  | 116.56        |
| Profit for the year ended March 31, 2020            | -                    | -               | 45.23             | -                                                     | 45.23         |
| Other comprehensive income for the year, net of tax | -                    | -               | (0.25)            | 2.20                                                  | 1.95          |
| <b>Total comprehensive income for the year</b>      | <b>-</b>             | <b>-</b>        | <b>44.98</b>      | <b>2.20</b>                                           | <b>47.18</b>  |
| <b>Allocations/Appropriations:</b>                  |                      |                 |                   |                                                       |               |
| Dividend distribution tax                           | -                    | -               | (0.07)            | -                                                     | (0.07)        |
| Transferred (to)/from General Reserve               | -                    | 11.10           | -                 | (11.10)                                               | -             |
|                                                     | -                    | 11.10           | (0.07)            | (11.10)                                               | (0.07)        |
| <b>Balance as at March 31, 2020</b>                 | <b>7.40</b>          | <b>13.95</b>    | <b>142.32</b>     | <b>-</b>                                              | <b>163.67</b> |
| Profit for the year ended March 31, 2021            | -                    | -               | 46.05             | -                                                     | 46.05         |
| Other comprehensive income for the year, net of tax | -                    | -               | 0.24              | -                                                     | 0.24          |
| <b>Total comprehensive income for the year</b>      | <b>-</b>             | <b>-</b>        | <b>46.29</b>      | <b>-</b>                                              | <b>46.29</b>  |
| <b>Balance as at March 31, 2021</b>                 | <b>7.40</b>          | <b>13.95</b>    | <b>188.61</b>     | <b>-</b>                                              | <b>209.96</b> |

See accompanying notes to the financial statements

1-41

In terms of our report attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

*Rashim Tandon*  
**RASHIM TANDON**  
 Partner  
 Membership No. 95540



**For and on behalf of the Board of Directors of  
 SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gurta*  
**VINAY GURTA**  
 Director  
 DIN : 00005149

*Sanjay Gupta*  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

*Shivam Maheshwari*

**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

Place: Ghazalabad  
 Date: June 2, 2021



Place: New Delhi  
 Date: June 2, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

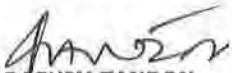
| Particulars                                                                      | (Rupees in crore)            |                              |
|----------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>A. Cash flow from operating activities</b>                                    |                              |                              |
| Profit before tax                                                                | 62.17                        | 57.48                        |
| <u>Adjustments for:</u>                                                          |                              |                              |
| Depreciation and amortisation expense                                            | 3.51                         | 3.69                         |
| Loss /(Profit) on sale of property, plant and equipment (net)                    | 0.15                         | (0.04)                       |
| Finance costs                                                                    | 12.29                        | 16.15                        |
| Share based expenses                                                             | 0.02                         | 0.07                         |
| Interest income on fixed deposits                                                | (0.05)                       | -                            |
| Provision for slow moving inventory of spares & consumables                      | 0.02                         | 0.02                         |
| <b>Operating profit before working capital changes</b>                           | <b>78.11</b>                 | <b>77.37</b>                 |
| <u>Changes in working capital:</u>                                               |                              |                              |
| Adjustments for (increase) / decrease in operating assets:                       |                              |                              |
| Inventories                                                                      | (4.34)                       | 6.23                         |
| Trade receivables                                                                | 67.32                        | (24.08)                      |
| Current financial assets                                                         | 4.48                         | (3.78)                       |
| Other non current assets                                                         | -                            | (0.21)                       |
| Other current assets                                                             | (2.22)                       | 0.71                         |
| Adjustments for Increase / (decrease) in operating liabilities:                  |                              |                              |
| Trade payables                                                                   | (23.75)                      | (0.71)                       |
| Other current liabilities                                                        | 0.56                         | (38.14)                      |
| Provision (current & non-current)                                                | 0.09                         | 0.19                         |
| <b>Cash generated from operations</b>                                            | <b>120.25</b>                | <b>17.58</b>                 |
| Net income tax paid                                                              | (18.48)                      | (11.46)                      |
| <b>Net cash flow from operating activities (A)</b>                               | <b>101.77</b>                | <b>6.12</b>                  |
| <b>B. Cash flow from investing activities</b>                                    |                              |                              |
| Capital expenditure on property, plant and equipment, including capital advances | (0.65)                       | (1.96)                       |
| Proceeds from sale of property, plant and equipment                              | 0.04                         | 0.14                         |
| Purchase of equity shares of Apollo Tricoat Tubes Limited                        | (46.20)                      | (137.77)                     |
| Interest received                                                                |                              |                              |
| - Others                                                                         | 0.05                         | -                            |
| <b>Net cash flow (used in) investing activities (B)</b>                          | <b>(46.76)</b>               | <b>(139.59)</b>              |
| <b>C. Cash flow from financing activities</b>                                    |                              |                              |
| Repayment of non-current borrowings                                              | (70.00)                      | (75.00)                      |
| Proceeds of non-current borrowings                                               | 45.00                        | 200.00                       |
| Proceeds from current borrowings (net)                                           | -                            | 0.95                         |
| Repayment of current borrowings (net)                                            | (17.28)                      | -                            |
| Finance costs paid                                                               | (11.68)                      | (14.92)                      |
| Payment of dividend distribution tax                                             | -                            | (0.07)                       |
| <b>Net cash flow from / (used in) financing activities (C)</b>                   | <b>(53.96)</b>               | <b>110.96</b>                |
| <b>Net (decrease) / increase in Cash and cash equivalents (A+B+C)</b>            | <b>1.05</b>                  | <b>(22.51)</b>               |
| Cash and cash equivalents at the beginning of the year                           | 0.23                         | 22.74                        |
| <b>Cash and cash equivalents at the end of the year</b>                          | <b>1.28</b>                  | <b>0.23</b>                  |

See accompanying notes to the financial statements

1-41

In terms of our report attached.

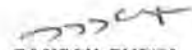
**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

  
**RASHIM TANDON**  
Partner  
Membership No. 95540



**For and on behalf of the Board of Directors of  
SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467



Place: New Delhi  
Date: June 2, 2021

Place: Ghaziabad  
Date: June 2, 2021



**1(i) Company background**

Shri Lakshmi Metal Udyog Limited, the Company was incorporated on 25 April 1994. The registered office the Company is situated at 37, Hargobind Enclave, Vikas Marg, Delhi-110092, India. The Company is a wholly owned subsidiary of APL Apollo Tubes Limited (the Holding Company) and is engaged in the business of production of ERW steel tubes and GP Coils. The Company has one manufacturing unit at Bengaluru, Karnataka.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 2, 2021.

The Company holds 55.82% (March 31, 2020 : 50.86%) equity shares of Apollo Tricoat Tubes Limited ('ATTL'), a Company engaged in the business of manufacturing of steel pipes. (See note 3)

**1(ii) Impact of the Initial application of new and amended Ind ASs that are effective for the current year**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2020.

**Amendments to Ind AS-1 and Ind AS-8 – Definition of 'material'.**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on disclosures or on the amounts reported in these financial statements.

**1(iii) 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 financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

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.

**Going Concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**(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.

**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 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 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.

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

Post the outbreak of COVID-19, the Company has made an assessment of the likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non current assets including property, plant and equipment and other financial exposure. The Company has also evaluated its liability to meet the financial commitments towards its lenders etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

**(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**

The revenue is recognised once the entity satisfied that performance obligation & control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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.

**(g) 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid where applicable in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(h) 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.

**As a lessee**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) 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 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 the principal item of the relevant assets.

**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, 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 50 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.

**(m) 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.

**(n) 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.

**(o) 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 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.

**(p) 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 services 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, 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.

**(g) 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.

**(r) 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.

**(s) 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")
- 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.

**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 investment in one entity which is not held for trading. The Company has elected the FVTOCI irrevocable option for this investment (see note 3). Fair value is determined in the manner described in note 36.

**(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 37 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.

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.

**(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.



**(t) 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.

**(u) 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.

**(v) 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 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 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(iv) Recent Accounting Developments**

**Balance Sheet:**

- (a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Specified format for disclosure of shareholding of promoters.
- (d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.
- (b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**2(a) Property, Plant and Equipment**

|                                   | (Rupees in crore)    |                 |                            |                          |                      |                               |                  |              |
|-----------------------------------|----------------------|-----------------|----------------------------|--------------------------|----------------------|-------------------------------|------------------|--------------|
|                                   | As at March 31, 2021 |                 |                            |                          | As at March 31, 2020 |                               |                  |              |
| <b>Carryings amounts of :</b>     |                      |                 |                            |                          |                      |                               |                  |              |
| Freehold land                     |                      |                 |                            |                          |                      |                               | 7.90             | 7.90         |
| Building                          |                      |                 |                            |                          |                      |                               | 8.33             | 8.48         |
| Plant and machinery               |                      |                 |                            |                          |                      |                               | 25.73            | 27.44        |
| Office equipments                 |                      |                 |                            |                          |                      |                               | 0.02             | 0.02         |
| Vehicles                          |                      |                 |                            |                          |                      |                               | 0.43             | 0.52         |
| Furniture and fixtures            |                      |                 |                            |                          |                      |                               | 0.11             | 0.13         |
| Computers                         |                      |                 |                            |                          |                      |                               | 0.01             | 0.01         |
|                                   |                      |                 |                            |                          |                      |                               | <b>42.53</b>     | <b>44.50</b> |
|                                   | <b>Freehold land</b> | <b>Building</b> | <b>Plant and machinery</b> | <b>Office equipments</b> | <b>Vehicles</b>      | <b>Furniture and fixtures</b> | <b>Computers</b> | <b>Total</b> |
| <b>Deemed cost</b>                |                      |                 |                            |                          |                      |                               |                  |              |
| As at April 1, 2019               | 7.90                 | 8.89            | 36.25                      | 0.04                     | 0.88                 | 0.17                          | 0.02             | 54.15        |
| Additions                         | -                    | 0.22            | 0.43                       | -                        | -                    | -                             | 0.01             | 0.66         |
| Sales during the year             | -                    | (0.07)          | (0.37)                     | -                        | -                    | -                             | -                | (0.44)       |
| <b>Balance at March 31, 2020</b>  | <b>7.90</b>          | <b>9.04</b>     | <b>36.31</b>               | <b>0.04</b>              | <b>0.88</b>          | <b>0.17</b>                   | <b>0.03</b>      | <b>54.37</b> |
| Additions                         | -                    | 0.30            | 1.45                       | -                        | -                    | -                             | 0.01             | 1.76         |
| Sales during the year             | -                    | -               | (0.37)                     | -                        | -                    | -                             | -                | (0.37)       |
| <b>Balance at March 31, 2021</b>  | <b>7.90</b>          | <b>9.34</b>     | <b>37.39</b>               | <b>0.04</b>              | <b>0.88</b>          | <b>0.17</b>                   | <b>0.04</b>      | <b>55.76</b> |
| <b>Accumulated depreciation</b>   |                      |                 |                            |                          |                      |                               |                  |              |
| As at April 1, 2019               | -                    | 0.13            | 5.97                       | 0.02                     | 0.27                 | 0.02                          | 0.01             | 6.42         |
| Elimination on disposal of assets | -                    | -               | (0.24)                     | -                        | -                    | -                             | -                | (0.24)       |
| Depreciation expense              | -                    | 0.43            | 3.14                       | -                        | 0.09                 | 0.02                          | 0.01             | 3.69         |
| <b>Balance at March 31, 2020</b>  | <b>-</b>             | <b>0.56</b>     | <b>8.87</b>                | <b>0.02</b>              | <b>0.36</b>          | <b>0.04</b>                   | <b>0.02</b>      | <b>9.87</b>  |
| Elimination on disposal of assets | -                    | -               | (0.15)                     | -                        | -                    | -                             | -                | (0.15)       |
| Depreciation expense              | -                    | 0.45            | 2.94                       | -                        | 0.09                 | 0.02                          | 0.01             | 3.51         |
| <b>Balance at March 31, 2021</b>  | <b>-</b>             | <b>1.01</b>     | <b>11.66</b>               | <b>0.02</b>              | <b>0.45</b>          | <b>0.06</b>                   | <b>0.03</b>      | <b>13.23</b> |
| <b>Net carrying value</b>         |                      |                 |                            |                          |                      |                               |                  |              |
| Balance at March 31, 2020         | 7.90                 | 8.48            | 27.44                      | 0.02                     | 0.52                 | 0.13                          | 0.01             | 44.50        |
| Balance at March 31, 2021         | 7.90                 | 8.33            | 25.73                      | 0.02                     | 0.43                 | 0.11                          | 0.01             | 42.53        |

**Note :**

(1) Property, plant and equipment as detailed in note 2 have been pledged as security for term loans taken as at March 31, 2021. See note 14 and 17 for loans taken against which these assets are pledged.





**2(b) Capital work in progress**

| Particulars                                                      | (Rupees in crore) |             |
|------------------------------------------------------------------|-------------------|-------------|
|                                                                  | Plant & machinery | Total       |
| As at April 1, 2019                                              | 0.16              | 0.16        |
| Add : Additions during the year                                  | 1.05              | 1.05        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (0.43)            | (0.43)      |
| <b>Closing balance as at March 31, 2020</b>                      | <b>0.78</b>       | <b>0.78</b> |
| Add : Additions during the year                                  | 1.02              | 1.02        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (1.45)            | (1.45)      |
| <b>Closing balance as at March 31, 2021</b>                      | <b>0.35</b>       | <b>0.35</b> |

**3 Investment (Non-current)**

| Particulars                                                                                                                                                 | (Rupees in crore)       |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Investment in subsidiary - (quoted, fully paid) :</b>                                                                                                    |                         |                         |
| (i) 16,970,000 equity shares of Rupees 10 each fully paid up in Apollo Tricoat Tubes Limited (March 31, 2020 : 15,460,000 equity shares) - (see note below) | 252.38                  | 206.18                  |
| <b>Total</b>                                                                                                                                                | <b>252.38</b>           | <b>206.18</b>           |
| <b>Market value of quoted Investment</b>                                                                                                                    | <b>2,036.40</b>         | <b>420.98</b>           |

**Note :**

The Company holds 55.82% (March 31, 2020 : 50.86%) equity shares of Apollo Tricoat Tubes Limited ('ATTL'), a Company engaged in the business of manufacturing of steel pipes.

In previous year, the Board of Directors of Apl Apollo Tubes Limited (the Holding Company) in their meeting held on October 18, 2018 considered and approved the acquisition / investment by Shri Lakshmi Metal Udyog Limited ('SLMUL'), by way of entering into a Share Purchase Agreement ('Agreement') for the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited ('Target Entity', unrelated party). Investment by SLMUL in Target Entity was approved by Shareholders via Special resolution dated October 18, 2018.

Pursuant to the said Agreement, SLMUL made an open offer, which got completed on February 1, 2019 and SLMUL became promoter of Target Entity in compliance with the provisions of Regulation 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. During the offer period, SLMUL acquired 1,325,000 Equity Shares from open market and 1,536,209 Equity Shares were tendered under open offer, aggregating to 2,861,209 Equity Shares, representing 10.33 % of the paid up share capital of Apollo Tricoat Tubes Limited as on March 31, 2019.

During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 15,191,239 equity shares representing 50.56% of paid up share capital of the target entity. Accordingly, Target Entity became a subsidiary of SLMUL with effect from June 17, 2019.

Subsequently, SLMUL further acquired 268,761 equity shares and held 15,460,000 equity shares representing 50.86% of paid up share capital of Apollo Tricoat Tubes Limited as at March 31, 2020.

In current year, SLMUL further acquired 1,510,000 equity shares and as at year end March 31, 2021, SLMUL holds 16,970,000 equity shares representing 55.82% of paid up share capital of Apollo Tricoat Tubes Limited.

**4 Other financial assets (Non-current)**  
(Unsecured, considered good)

| Particulars          | (Rupees in crore)       |                         |
|----------------------|-------------------------|-------------------------|
|                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Security deposit | 0.72                    | 0.72                    |
| <b>Total</b>         | <b>0.72</b>             | <b>0.72</b>             |

**5 Non-current tax assets (net)**

| Particulars                                                                                                  | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Advance income tax (net of Provision of tax for Rupees 14.98 crore, March 31, 2020 : Rupees 14.98 crore) | 0.12                    | 0.12                    |
| <b>Total</b>                                                                                                 | <b>0.12</b>             | <b>0.12</b>             |

**6 Other non current assets**  
(Unsecured, considered good)

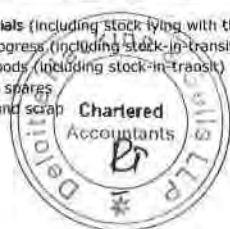
| Particulars                                | (Rupees in crore)       |                         |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Capital advances                       | 0.01                    | 0.82                    |
| (b) Payment under protest (see note below) |                         |                         |
| (i) Income tax                             | 0.30                    | 0.30                    |
| <b>Total</b>                               | <b>0.31</b>             | <b>1.12</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 financial statements. The Company does not expect the outcome of these proceedings to have a materially effect on its financial statements.

**7 Inventories**

| Particulars                                                | (Rupees in crore)       |                         |
|------------------------------------------------------------|-------------------------|-------------------------|
|                                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Raw materials (including stock lying with third party) | 5.05                    | 6.86                    |
| (b) Work in progress (including stock-in-transit)          | 21.28                   | 15.81                   |
| (c) Finished goods (including stock-in-transit)            | 10.01                   | 10.26                   |
| (d) Stores and spares                                      | 1.06                    | 1.18                    |
| (e) Rejection and scrap                                    | 1.95                    | 0.92                    |
| <b>Total</b>                                               | <b>39.35</b>            | <b>35.03</b>            |



**Notes :**

- (i) Cost of inventory (including stores & spares) recognised as expense during the year amounted to Rupees 611.96 crore (March 31, 2020 : Rupees 564.59 crore).

|                                    |                                           | (Rupees in crore)       |                         |
|------------------------------------|-------------------------------------------|-------------------------|-------------------------|
| <b>Details of stock-in-transit</b> |                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (ii)                               | Raw material                              | 0.23                    | -                       |
|                                    | Finished goods                            | 5.44                    | 0.20                    |
|                                    | Work in progress                          | 1.90                    | -                       |
| (iii)                              | Raw material stock lying with third party | 0.45                    | 5.04                    |

- (iv) The Company has created a provision for slow moving inventory of stores & spares of Rupees 0.02 crores (March 31, 2020 : Rupees 0.02 crores).

- (v) The mode of valuation of inventories has been stated in note 1(ii)(k) of significant accounting policies.

- (vi) Inventories have been pledged as security towards Company's borrowings from banks.

**B Trade receivables (Current)**  
(Unsecured)

|                    |                                 | (Rupees in crore)       |                         |
|--------------------|---------------------------------|-------------------------|-------------------------|
| <b>Particulars</b> |                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a)                | Considered good                 |                         |                         |
|                    | (i) Related parties             | 18.50                   | 25.89                   |
|                    | (ii) Other than related parties | 6.47                    | 66.40                   |
|                    | <b>Total</b>                    | <b>24.97</b>            | <b>92.29</b>            |

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. There are no customers who represent more than 10% of the total balance of trade receivables except as follows :-

|                    |                              | (Rupees in crore)       |              |
|--------------------|------------------------------|-------------------------|--------------|
| <b>Particulars</b> |                              | As at<br>March 31, 2021 |              |
|                    | Customer C                   |                         | 18.24        |
|                    | Customer A                   |                         | 3.27         |
|                    |                              |                         | <b>21.51</b> |
|                    | % of total trade receivables |                         | 86.14%       |

|                    |                              | (Rupees in crore)       |              |
|--------------------|------------------------------|-------------------------|--------------|
| <b>Particulars</b> |                              | As at<br>March 31, 2020 |              |
|                    | Customer A                   |                         | 28.97        |
|                    | Customer B                   |                         | 16.82        |
|                    | Customer C                   |                         | 9.07         |
|                    |                              |                         | <b>54.86</b> |
|                    | % of total trade receivables |                         | 59.44%       |

- (1) Ageing of trade receivables and credit risk arising there from is as below :

|                            |                   | (Rupees in crore)           |                 |  |
|----------------------------|-------------------|-----------------------------|-----------------|--|
|                            |                   | As at March 31, 2021        |                 |  |
| <b>Particulars</b>         | Gross credit risk | Allowance for credit losses | Net credit risk |  |
| Amounts not yet due        | 24.97             | -                           | 24.97           |  |
| 0-90 days overdue          | -                 | -                           | -               |  |
| 91-180 days overdue        | -                 | -                           | -               |  |
| 181-270 days overdue       | -                 | -                           | -               |  |
| 271-365 days overdue       | -                 | -                           | -               |  |
| More than 365 days overdue | -                 | -                           | -               |  |
|                            | <b>24.97</b>      | <b>-</b>                    | <b>24.97</b>    |  |

|                            |                   | (Rupees in crore)           |                 |  |
|----------------------------|-------------------|-----------------------------|-----------------|--|
|                            |                   | As at March 31, 2020        |                 |  |
| <b>Particulars</b>         | Gross credit risk | Allowance for credit losses | Net credit risk |  |
| Amounts not yet due        | 74.13             | -                           | 74.13           |  |
| 0-90 days overdue          | 18.15             | -                           | 18.15           |  |
| 91-180 days overdue        | -                 | -                           | -               |  |
| 181-270 days overdue       | 0.01              | -                           | 0.01            |  |
| 271-365 days overdue       | -                 | -                           | -               |  |
| More than 365 days overdue | -                 | -                           | -               |  |
|                            | <b>92.29</b>      | <b>-</b>                    | <b>92.29</b>    |  |

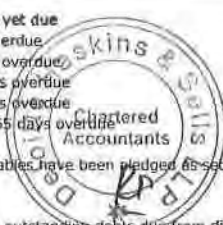
- (2) Ageing wise % of expected credit loss

|                    |                            | (Rupees in crore)       |                         |
|--------------------|----------------------------|-------------------------|-------------------------|
| <b>Particulars</b> |                            | As at March 31,<br>2021 | As at March 31,<br>2020 |
|                    | Amounts not yet due        | 100%                    | 100%                    |
|                    | 0-90 days overdue          | -                       | -                       |
|                    | 91-180 days overdue        | -                       | -                       |
|                    | 181-270 days overdue       | -                       | -                       |
|                    | 271-365 days overdue       | -                       | -                       |
|                    | More than 365 days overdue | -                       | -                       |

- (3) 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.



**9 Cash and cash equivalents**

|                                                              |                         | (Rupees in crore)       |  |
|--------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Cash on hand                                             | 0.02                    | 0.02                    |  |
| (b) Balances with banks                                      |                         |                         |  |
| - in current accounts                                        | 0.03                    | 0.21                    |  |
| - in cash credit accounts (see note 17 for security details) | 1.23                    | -                       |  |
| <b>Total</b>                                                 | <b>1.28</b>             | <b>0.23</b>             |  |

**10 Loans (Current)**  
(Unsecured, considered good)

|                        |                         | (Rupees in crore)       |  |
|------------------------|-------------------------|-------------------------|--|
| Particulars            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Loans to employees | 0.03                    | 0.02                    |  |
| <b>Total</b>           | <b>0.03</b>             | <b>0.02</b>             |  |

**11 Other financial assets (Current)**  
(Unsecured, considered good)

|                            |                         | (Rupees in crore)       |  |
|----------------------------|-------------------------|-------------------------|--|
| Particulars                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Other claim receivable | 0.49                    | 4.99                    |  |
| <b>Total</b>               | <b>0.49</b>             | <b>4.99</b>             |  |

**12 Other current assets**  
(Unsecured, considered good)

|                          |                         | (Rupees in crore)       |  |
|--------------------------|-------------------------|-------------------------|--|
| Particulars              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Advance to suppliers | 3.28                    | 0.98                    |  |
| (b) Prepaid expenses     | 0.03                    | 0.11                    |  |
| <b>Total</b>             | <b>3.31</b>             | <b>1.09</b>             |  |





**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

| Particulars                                        | (Rupees in crore, except otherwise stated) |             |                      |             |
|----------------------------------------------------|--------------------------------------------|-------------|----------------------|-------------|
|                                                    | As at March 31, 2021                       |             | As at March 31, 2020 |             |
|                                                    | Number of Shares                           | Amount      | Number of Shares     | Amount      |
| <b>13 Equity</b>                                   |                                            |             |                      |             |
| <b>13(a) Equity share capital</b>                  |                                            |             |                      |             |
| (i) <b>Authorised capital</b>                      |                                            |             |                      |             |
| Equity shares of Rupees 10 each with voting rights | 70,00,000                                  | 7.00        | 70,00,000            | 7.00        |
|                                                    | <b>70,00,000</b>                           | <b>7.00</b> | <b>70,00,000</b>     | <b>7.00</b> |
| (ii) <b>Issued capital</b>                         |                                            |             |                      |             |
| Equity shares of Rupees 10 each with voting rights | 58,95,000                                  | 5.90        | 58,95,000            | 5.90        |
|                                                    | <b>58,95,000</b>                           | <b>5.90</b> | <b>58,95,000</b>     | <b>5.90</b> |
| (iii) <b>Subscribed and fully paid up capital</b>  |                                            |             |                      |             |
| Equity shares of Rupees 10 each with voting rights | 58,95,000                                  | 5.90        | 58,95,000            | 5.90        |
|                                                    | <b>58,95,000</b>                           | <b>5.90</b> | <b>58,95,000</b>     | <b>5.90</b> |

**(1) Reconciliation of the number of shares and amount outstanding as at March 31, 2021 and March 31, 2020**

| Particulars                                     | Number of shares |                  | Amount            |                   |
|-------------------------------------------------|------------------|------------------|-------------------|-------------------|
|                                                 | As at            | As at            | As at             | As at             |
|                                                 | March 31, 2021   | March 31, 2020   | March 31, 2021    | March 31, 2020    |
|                                                 |                  |                  | (Rupees in crore) | (Rupees in crore) |
| <b>Equity share capital</b>                     |                  |                  |                   |                   |
| <b>Outstanding at the beginning of the year</b> | 58,95,000        | 58,95,000        | 5.90              | 5.90              |
| Add: Issued during the year                     | -                | -                | -                 | -                 |
| <b>Outstanding at the end of the year</b>       | <b>58,95,000</b> | <b>58,95,000</b> | <b>5.90</b>       | <b>5.90</b>       |

**(2) Rights, Preferences and restrictions attached to equity shares**

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

**(3) Details of shares held by the holding Company :**

| Particulars               | Number of shares |                |
|---------------------------|------------------|----------------|
|                           | As at            | As at          |
|                           | March 31, 2021   | March 31, 2020 |
| APL Apollo Tubes Limited* | 58,95,000        | 58,95,000      |

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

| Name of shareholder                     | As at                 |           | As at                 |           |
|-----------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                         | March 31, 2021        |           | March 31, 2020        |           |
|                                         | Number of shares held | % holding | Number of shares held | % holding |
| <b>Equity shares with voting rights</b> |                       |           |                       |           |
| APL Apollo Tubes Limited*               | 58,95,000             | 100%      | 58,95,000             | 100%      |

\* Out of total 5,895,000 equity shares, 5,894,994 equity shares are held by APL Apollo Tubes Limited (the holding Company) and remaining 6 shares are held by Mr. Sanjay Gupta, Mr. Vinay Gupta, Mr. Sameer Gupta, Mrs. Neera Gupta, Mrs. Vandana Gupta & Mrs. Meenakshi Gupta (each holding 1 share) as nominee/representatives.



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**13(b) Other equity**

| Particulars                                                             | (Rupees in crore)                            |                                              |
|-------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                                         | As at<br>March 31, 2021                      | As at<br>March 31, 2020                      |
| Securities premium                                                      | 7.40                                         | 7.40                                         |
| General reserve                                                         | 13.95                                        | 13.95                                        |
| Retained earnings                                                       | 188.61                                       | 142.32                                       |
| <b>Total</b>                                                            | <b>209.96</b>                                | <b>163.67</b>                                |
|                                                                         | As at<br>March 31, 2021<br>(Rupees in crore) | As at<br>March 31, 2020<br>(Rupees in crore) |
| <b>(1) Security premium</b>                                             |                                              |                                              |
| Balance at the beginning of the year                                    | 7.40                                         | 7.40                                         |
| Add: Additions                                                          | -                                            | -                                            |
| Balance at the end of the year                                          | <b>7.40</b>                                  | <b>7.40</b>                                  |
| <b>(2) General reserve</b>                                              |                                              |                                              |
| Balance at the beginning of the year                                    | 13.95                                        | 2.85                                         |
| Add: Transferred from items of other comprehensive income               | -                                            | 11.10                                        |
| Balance at the end of the year                                          | <b>13.95</b>                                 | <b>13.95</b>                                 |
| <b>(3) Retained earnings</b>                                            |                                              |                                              |
| Balance at the beginning of the year                                    | 142.32                                       | 97.41                                        |
| Add: Total comprehensive income for the year                            | 46.29                                        | 44.98                                        |
| Less: Tax on dividend paid                                              | -                                            | (0.07)                                       |
| Balance at the end of the year                                          | <b>188.61</b>                                | <b>142.32</b>                                |
| <b>(4) Items of other comprehensive income</b>                          |                                              |                                              |
| Balance at the beginning of the year                                    | -                                            | 8.90                                         |
| Add: Equity Instruments through other comprehensive Income (see note 3) | -                                            | 2.20                                         |
| Less: Transfer to general reserve                                       | -                                            | (11.10)                                      |
| Balance at the end of the year                                          | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total</b>                                                            | <b>209.96</b>                                | <b>163.67</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) 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.

**(iv) Items of other comprehensive income :** This represents gain on fair valuation of investments in Apollo Tricoat Tubes Limited ('ATTL') which are carried at fair value through the other comprehensive income. During the previous year, the Company had acquired 50.86% stake in ATTL and on completion of acquisition, the balance was transferred to general reserve.



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**Notes to the financial statements for the year ended March 31, 2021**

**14 Borrowings (Non-current)**

| Particulars                                                                          | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Term Loan:</b>                                                                |                         |                         |
| - From others                                                                        |                         |                         |
| (i) Secured (see note (i) below)                                                     | -                       | 40.00                   |
| <b>(b) Borrowings from APL Apollo Tubes Limited (Unsecured, see note (ii) below)</b> | 100.00                  | 75.00                   |
| <b>Total</b>                                                                         | <b>100.00</b>           | <b>115.00</b>           |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | As at March 31, 2021   |                                              | As at March 31, 2020   |                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------|------------------------|----------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Non-current borrowings | Current Maturities of non-current borrowings | Non-current borrowings | Current Maturities of non-current borrowings |
| <b>(i) Term loan from others are as follows:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        |                                              |                        |                                              |
| Term Loan facility is secured by first pari passu charge on entire present and future movable and immovable fixed assets of the Company situated at KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and 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 and corporate guarantee of APL Apollo Tubes Limited. The loan outstanding was repayable in 20 quarterly instalments commencing from May 2020 and ending in February 2025. Applicable rate of interest was 9.50% . During the current financial year, loan has been fully repaid. | -                      | -                                            | 40.00                  | 10.00                                        |
| <b>(ii) Borrowings from APL Apollo Tubes Limited is as follows :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                        |                                              |                        |                                              |
| During the year, the Company has taken Rupees 40.00 crores additional unsecured loan from APL Apollo Tubes Limited, the holding Company, repayable in 5 years as and when funds are available with Company. The loan is taken for the purpose of meeting its operational requirements. During the year, loan amount to Rupees 20.00 crore was repaid. Applicable rate of interest is 8.50% (March 31, 2020 : 10.00 %.)                                                                                                                                                                                                                                                                                                          | 100.00                 | -                                            | 75.00                  | -                                            |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>100.00</b>          | <b>-</b>                                     | <b>115.00</b>          | <b>10.00</b>                                 |

**15 Provisions (Non-current)**

| Particulars                                     | (Rupees in crore)       |                         |
|-------------------------------------------------|-------------------------|-------------------------|
|                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Provision for compensated absences</b>   | 0.29                    | 0.26                    |
| <b>(b) Provision for gratuity (see note 34)</b> | 0.78                    | 0.74                    |
| <b>Total</b>                                    | <b>1.07</b>             | <b>1.00</b>             |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**16 Deferred Tax Liabilities (net)**

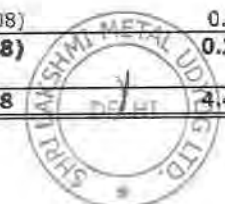
**(a) Component of deferred tax assets and liabilities are :-**

(Rupees in crore)

| Particulars                                              | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------|----------------------|----------------------|
| (i) <b>Deferred Tax Liabilities on account of :</b>      |                      |                      |
| Property, plant and equipments                           | 4.75                 | 5.10                 |
| <b>Total deferred tax liabilities (A)</b>                | <b>4.75</b>          | <b>5.10</b>          |
| (ii) <b>Deferred Tax Assets on account of :</b>          |                      |                      |
| Provision for employee benefit expenses                  | 0.27                 | 0.42                 |
| <b>Total deferred tax assets (B)</b>                     | <b>0.27</b>          | <b>0.42</b>          |
| <b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b> | <b>4.48</b>          | <b>4.68</b>          |

| (b) Movement in deferred tax liabilities / asset | As at April 1, 2019 | (Profit) / Loss Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2020 |
|--------------------------------------------------|---------------------|----------------------------------------------|------------------------------------------|----------------------|
| <b>Deferred Tax Liabilities (A)</b>              |                     |                                              |                                          |                      |
| Property, plant and equipments                   | 7.53                | (2.43)                                       | -                                        | 5.10                 |
| <b>Total</b>                                     | <b>7.53</b>         | <b>(2.43)</b>                                | <b>-</b>                                 | <b>5.10</b>          |
| <b>Deferred Tax Assets (B)</b>                   |                     |                                              |                                          |                      |
| Provision for employee benefit expenses          | 0.29                | 0.05                                         | 0.08                                     | 0.42                 |
| Financial Assets (Transaction cost on loans)     | 0.03                | (0.03)                                       | -                                        | -                    |
| <b>Total</b>                                     | <b>0.32</b>         | <b>0.02</b>                                  | <b>0.08</b>                              | <b>0.42</b>          |
| <b>Deferred tax liabilities (Net - A-B)</b>      | <b>7.21</b>         | <b>(2.45)</b>                                | <b>(0.08)</b>                            | <b>4.68</b>          |

| Movement in deferred tax liabilities / asset | As at April 1, 2020 | (Profit) / Loss Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2021 |
|----------------------------------------------|---------------------|----------------------------------------------|------------------------------------------|----------------------|
| <b>Deferred Tax Liabilities (A)</b>          |                     |                                              |                                          |                      |
| Property, plant and equipments               | 5.10                | (0.35)                                       | -                                        | 4.75                 |
| <b>Total</b>                                 | <b>5.10</b>         | <b>(0.35)</b>                                | <b>-</b>                                 | <b>4.75</b>          |
| <b>Deferred Tax Assets (B)</b>               |                     |                                              |                                          |                      |
| Provision for employee benefit expenses      | 0.42                | (0.07)                                       | (0.08)                                   | 0.27                 |
| <b>Total</b>                                 | <b>0.42</b>         | <b>(0.07)</b>                                | <b>(0.08)</b>                            | <b>0.27</b>          |
| <b>Deferred tax liabilities (Net - A-B)</b>  | <b>4.68</b>         | <b>(0.28)</b>                                | <b>0.08</b>                              | <b>4.48</b>          |





**17 Borrowings (Current)**

| Particulars                                         | (Rupees in crore)       |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Loan repayable on demand                        |                         |                         |
| - From banks (secured)                              |                         |                         |
| (i) Working capital facilities (see note (i) below) | -                       | 17.28                   |
| <b>Total</b>                                        | <b>-</b>                | <b>17.28</b>            |

**Nature of security:**

(i) 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 KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited.

**18 Trade payables (Current)**

| Particulars                                                       | (Rupees in crore)       |                         |
|-------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Total outstanding dues of micro and small enterprises         | 0.32                    | 0.11                    |
| (b) Total outstanding dues other than micro and small enterprises | 36.02                   | 59.95                   |
| <b>Total</b>                                                      | <b>36.34</b>            | <b>60.06</b>            |

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                                                                                                                                                                                                        | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                    | 0.32                    | 0.11                    |
| (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 by 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                                                                                | -                       | -                       |

**19 Other financial liabilities (Current)**

| Particulars                                                    | (Rupees in crore)       |                         |
|----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Current maturities of non-current borrowings (see note 14) | -                       | 10.00                   |
| (b) Payable on purchase of property, plant and equipment       | -                       | 0.19                    |
| (c) Interest accrued and due on borrowings                     | 2.46                    | 1.85                    |
| <b>Total</b>                                                   | <b>2.46</b>             | <b>12.04</b>            |

**20 Other current liabilities**

| Particulars                | (Rupees in crore)       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Statutory remittances  | 3.64                    | 3.51                    |
| (b) Advance from customers | 0.57                    | 0.14                    |
| <b>Total</b>               | <b>4.21</b>             | <b>3.65</b>             |

**21 Provisions (Current)**

| Particulars                              | (Rupees in crore)       |                         |
|------------------------------------------|-------------------------|-------------------------|
|                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for compensated absences   | 0.01                    | 0.10                    |
| (b) Provision for gratuity (see note 34) | 0.01                    | 0.22                    |
| <b>Total</b>                             | <b>0.02</b>             | <b>0.32</b>             |

**22 Current tax liabilities (net)**

| Particulars                                                                                        | (Rupees in crore)       |                         |
|----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for tax (net of advance tax Rupees 68.72 crores, March 31, 2020 Rupees 50.13 crores) | 1.40                    | 3.47                    |
|                                                                                                    | <b>1.40</b>             | <b>3.47</b>             |



| <b>23 Revenue from operations</b>                 |                              | (Rupees in crore)            |  |
|---------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Sale of products (see note (i) below)         | 718.39                       | 666.49                       |  |
| (b) Other operating revenue (see note (ii) below) | 11.97                        | 13.21                        |  |
| <b>Total</b>                                      | <b>730.36</b>                | <b>679.70</b>                |  |

Notes :

| <b>(i) Reconciliation of revenue recognised with contract price :</b> |                              | (Rupees in crore)            |  |
|-----------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                           | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Contract price                                                        | 735.83                       | 684.04                       |  |
| Adjustments for:                                                      |                              |                              |  |
| Discount & Incentives                                                 | (17.44)                      | (17.55)                      |  |
| <b>Revenue from operations</b>                                        | <b>718.39</b>                | <b>666.49</b>                |  |
| <b>(ii) Other operating revenue comprises</b>                         |                              |                              |  |
| Sale of scrap                                                         | 11.97                        | 13.21                        |  |
| <b>Total</b>                                                          | <b>11.97</b>                 | <b>13.21</b>                 |  |

| <b>24 Other Income</b>                                    |                              | (Rupees in crore)            |  |
|-----------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Interest income on fixed deposit                      | 0.05                         | -                            |  |
| (b) Gain on foreign currency transactions (net)           | 0.06                         | -                            |  |
| (c) Interest Income on others (see note 35)               | -                            | 0.95                         |  |
| (d) Profit on sale of property, plant and equipment (net) | -                            | 0.04                         |  |
| (e) Miscellaneous Income                                  | -                            | 0.37                         |  |
| <b>Total</b>                                              | <b>0.11</b>                  | <b>1.36</b>                  |  |

| <b>25 Cost of material consumed</b>                         |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Inventories of raw material at the beginning of the year    | 6.86                         | 30.89                        |  |
| Add: Purchases during the year                              | 553.42                       | 478.20                       |  |
| Less: Inventories of raw material as at the end of the year | 5.05                         | 6.86                         |  |
| <b>Total</b>                                                | <b>555.23</b>                | <b>502.23</b>                |  |

| <b>26 Change in Inventories</b>                  |                              | (Rupees in crore)            |  |
|--------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| <b>Inventories at the end of the year:</b>       |                              |                              |  |
| (a) Finished goods                               | 10.01                        | 10.26                        |  |
| (b) Work in progress                             | 21.28                        | 15.81                        |  |
| (c) Rejection and scrap                          | 1.95                         | 0.92                         |  |
|                                                  | <b>33.24</b>                 | <b>26.99</b>                 |  |
| <b>Inventories at the beginning of the year:</b> |                              |                              |  |
| (a) Finished goods                               | 10.26                        | 5.21                         |  |
| (b) Work in progress                             | 15.81                        | 3.35                         |  |
| (c) Rejection and scrap                          | 0.92                         | 0.79                         |  |
|                                                  | <b>26.99</b>                 | <b>9.35</b>                  |  |
| <b>Total</b>                                     | <b>(6.25)</b>                | <b>(17.64)</b>               |  |

| <b>27 Employee benefits expense</b>                      |                              | (Rupees in crore)            |  |
|----------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                              | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Salaries and wages                                   | 6.23                         | 7.33                         |  |
| (b) Contribution to provident fund (see note 34)         | 0.32                         | 0.31                         |  |
| (c) Gratuity expense (see note 34)                       | 0.18                         | 0.17                         |  |
| (d) Share-based payments to employees (see note (31)(b)) | 0.02                         | 0.07                         |  |
| (e) Staff welfare expenses                               | 0.16                         | 0.17                         |  |
| <b>Total</b>                                             | <b>6.91</b>                  | <b>7.42</b>                  |  |

During the year, the Company recognised an amount of Rupees Nil (Year ended March 31, 2020 Rupees 1.72 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :

|                                                                    |             |      |
|--------------------------------------------------------------------|-------------|------|
| (i) Short term employee benefits                                   | -           | 1.42 |
| (ii) Post employment benefits (Gratuity expense)                   | -           | 0.20 |
| (iii) Other long term employee benefits (Leave encashment expense) | -           | 0.10 |
|                                                                    | <b>1.72</b> |      |





**28 Finance costs**

| Particulars                         | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Interest expense on:            |                              |                              |
| (i) working capital facilities      | 0.91                         | 4.03                         |
| (ii) borrowings from related party  | 10.96                        | 11.66                        |
| (iii) delayed payment of Income tax | 0.13                         | 0.16                         |
| (b) Other borrowing cost            | 0.29                         | 0.30                         |
| <b>Total</b>                        | <b>12.29</b>                 | <b>16.15</b>                 |

**29 Other expenses**

| Particulars                                                  | (Rupees in crore)            |                              |
|--------------------------------------------------------------|------------------------------|------------------------------|
|                                                              | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Consumption of stores and spare parts                    | 5.78                         | 7.12                         |
| (b) Power and fuel                                           | 11.25                        | 12.53                        |
| (c) Security charges                                         | 0.11                         | 0.12                         |
| (d) Repair and maintenance:                                  |                              |                              |
| (i) Building                                                 | 0.07                         | 0.01                         |
| (ii) Plant and machinery                                     | 0.26                         | 0.33                         |
| (iii) Others                                                 | 0.01                         | -                            |
| (e) Rates and taxes                                          | 0.07                         | 0.22                         |
| (f) Travelling and conveyance                                | 0.04                         | 0.12                         |
| (g) Legal and professional charges (see note (i) below)      | 0.37                         | 0.38                         |
| (h) Loss on sale of property, plant and equipment (net)      | 0.15                         | -                            |
| (i) Freight outward                                          | 15.63                        | 11.55                        |
| (j) Provision for slow moving inventory of stores and spares | 0.02                         | 0.02                         |
| (k) Advertisement and sales promotion                        | -                            | 1.90                         |
| (l) Corporate Social Responsibility                          | 1.05                         | -                            |
| (m) Insurance                                                | 0.04                         | 0.03                         |
| (n) Management Support Services (see note 31(a))             | 4.11                         | 5.90                         |
| (o) Miscellaneous expenses                                   | 0.45                         | 0.38                         |
|                                                              | <b>39.41</b>                 | <b>40.61</b>                 |
| Less : Allocation of common expenses (see note 31(a))        | -                            | (1.75)                       |
| <b>Total</b>                                                 | <b>39.41</b>                 | <b>38.86</b>                 |

**Note :-**

(i) Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows :

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| (a) To statutory auditors           |             |             |
| For audit                           | 0.15        | 0.18        |
| For other services                  | -           | 0.02        |
| <b>Total</b>                        | <b>0.15</b> | <b>0.20</b> |
| (b) To cost auditors for cost audit | 0.01        | 0.01        |
| <b>Total</b>                        | <b>0.01</b> | <b>0.01</b> |

**30 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                                                              | (Rupees in crore)            |                               |              |
|--------------------------------------------------------------------------|------------------------------|-------------------------------|--------------|
|                                                                          | Year ended<br>March 31, 2021 |                               |              |
| a) Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                               | 1.05         |
| <b>Particulars</b>                                                       | <b>In Cash</b>               | <b>Yet to be paid in cash</b> | <b>Total</b> |
| b) Amount spent during the year out of the above :                       |                              |                               |              |
| 1) Construction / acquisition of any asset                               | -                            | -                             | -            |
| 2) On purposes other than(1) above                                       | 0.55                         | 0.50                          | 1.05         |
|                                                                          | <b>0.55</b>                  | <b>0.50</b>                   | <b>1.05</b>  |

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the Company has subsequent to balance sheet date has deposited amount of Rupees 0.50 crore to a separate bank account.

| Particulars                                        | Year ended<br>March 31, 2020                                             |                               |              |
|----------------------------------------------------|--------------------------------------------------------------------------|-------------------------------|--------------|
|                                                    | a) Amount required to be spent as per section 135 of Companies Act, 2013 |                               |              |
| <b>Particulars</b>                                 | <b>In Cash</b>                                                           | <b>Yet to be paid in cash</b> | <b>Total</b> |
| b) Amount spent during the year out of the above : |                                                                          |                               |              |
| 1) Construction / acquisition of any asset         | -                                                                        | -                             | -            |
| 2) On purposes other than(1) above                 | -                                                                        | -                             | -            |



**31 Allocation of common expenses**

- (a) During the year, the parent Company / Company has charged back the common expenses incurred by it on behalf of group companies on cost i.e. cost to cost basis. The allocation of common expenses has been carried out on the basis of turnover of respective companies, as per latest financial statements / results.
- (b) The employees of the Company covered under APL Apollo Tubes Limited (Holding Company) "Employee Stock Option Scheme 2015" (ESOS 2015) are granted an option to purchase shares of holding Company in accordance with the terms and conditions of the scheme as approved by shareholders from time to time. Each Option entitles the holder thereof to apply for and be allotted One Ordinary Shares of holding Company of Rupees 2.00 each after giving effect of share split upon payment of the exercise price during the exercise period.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as equity settled share based payment scheme in accordance with Ind AS 102 - Share Based Payment. The fair value of options granted is recognized as employee benefits expense, net of reimbursements, if any. The total cost recognized during the year ended March 31, 2021 amounted to Rupees 0.02 crore (March 31, 2020 : Rupees 0.07 crore). The Company consider these amounts as not material and accordingly has not provided for the disclosures. (See note 27(d))





**32 Earnings per Equity share**

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

| Particulars                                                                                                            | (Rupees in crore, unless otherwise stated) |                           |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------|
|                                                                                                                        | Year ended March 31, 2021                  | Year ended March 31, 2020 |
| Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share | 46.05                                      | 45.23                     |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share   | 58,95,000                                  | 58,95,000                 |
| (a) Basic earnings per share in Rupees                                                                                 | 78.12                                      | 76.72                     |
| (b) Diluted earnings per share in Rupees                                                                               | 78.12                                      | 76.72                     |

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

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (Rupees in crore)    |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | As at March 31, 2021 | As at March 31, 2020 |
| <b>(a) Contingent liabilities (for pending litigations)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |                      |
| (1) Disputed claims/levies in respect of Income tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2.28                 | 1.51                 |
| (2) Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -                    | -                    |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>2.28</b>          | <b>1.51</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 financial statements. The Company does not expect the outcome of these proceedings to have a material effect on its financial statements.                                                                                                                                                                                                                                                                            |                      |                      |
| <b>(b) Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                      |
| (1) Estimated amount of contracts remaining to be executed on capital account and not provided for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                      |
| - Property, plant and equipment (net of capital advance)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0.03                 | 2.80                 |
| (2) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.                                                                                                                                                                                                                                                              |                      |                      |
| (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                      |

**34 Employee benefits obligations**

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2021 |             | Total       |
|                                           | Current              | Non-current |             |
| <b>Gratuity</b>                           |                      |             |             |
| Present value of obligation               | 0.01                 | 0.78        | 0.79        |
| <b>Total employee benefit obligations</b> | <b>0.01</b>          | <b>0.78</b> | <b>0.79</b> |

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2020 |             | Total       |
|                                           | Current              | Non-current |             |
| <b>Gratuity</b>                           |                      |             |             |
| Present value of obligation               | 0.22                 | 0.74        | 0.96        |
| <b>Total employee benefit obligations</b> | <b>0.22</b>          | <b>0.74</b> | <b>0.96</b> |

**(a) Defined benefit plans**

**a) Gratuity**

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of Rupees 0.20 crores. Vesting occurs upon completion of 5 years of service.

**(b) Defined contribution plans**

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rupees 0.32 crores (Year ended March 31, 2020 Rupees 0.31 crores) 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.



**(c) 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 :

|                                                              | (Rupees in crore) |  |
|--------------------------------------------------------------|-------------------|--|
| Particulars                                                  | Gratuity          |  |
| Opening balance as at April 1, 2019                          | 0.51              |  |
| Current service cost                                         | 0.13              |  |
| Interest expense/(Income)                                    | 0.04              |  |
| <b>Total amount recognised in profit or loss</b>             | <b>0.17</b>       |  |
| <i>Remeasurements</i>                                        |                   |  |
| effect of change in financial assumptions                    | 0.21              |  |
| effect of experience adjustments                             | 0.12              |  |
| <b>Total amount recognised in other comprehensive income</b> | <b>0.33</b>       |  |
| Employer contributions : Benefit payments                    | (0.05)            |  |
| <b>Balance as at March 31, 2020</b>                          | <b>0.96</b>       |  |
| Balance as at March 31, 2020                                 | 0.96              |  |
| Current service cost                                         | 0.11              |  |
| Interest expense/(Income)                                    | 0.07              |  |
| <b>Total amount recognised in profit or loss</b>             | <b>0.18</b>       |  |
| <i>Remeasurements</i>                                        |                   |  |
| Loss due to experience                                       | (0.26)            |  |
| Loss due to change in financial assumptions                  | (0.04)            |  |
| <b>Total amount recognised in other comprehensive income</b> | <b>(0.32)</b>     |  |
| Employer contributions : Benefit payments                    | (0.03)            |  |
| <b>Balance as at March 31, 2021</b>                          | <b>0.79</b>       |  |

**(d) Post-Employment benefits**

The significant actuarial assumptions were as follows:

| Particulars        | Year ended<br>March 31, 2021                 | Year ended<br>March 31, 2020                 |
|--------------------|----------------------------------------------|----------------------------------------------|
| Discount rate      | 7.09%                                        | 6.77%                                        |
| Salary growth rate | 8.00%                                        | 8.00%                                        |
| Retirement age     | 60 Years                                     | 60 Years                                     |
| Mortality          | Indian Assured<br>Lives Mortality<br>2012-14 | Indian Assured<br>Lives Mortality<br>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.

**(e) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                         | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Increase by 1%               |                              |
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (increase by 1%)      | (0.11)                       | (0.11)                       |
| Salary growth rate (increase by 1%) | 0.13                         | 0.14                         |

| Particulars                         | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Decrease by 1%               |                              |
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (decrease by 1%)      | 0.14                         | 0.14                         |
| Salary growth rate (decrease by 1%) | (0.11)                       | (0.11)                       |

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.

**(f) 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.

**(g) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 16.95 years (Year ended March 31, 2020 17.20 years). The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars         | (Rupees in crore)            |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 0.02                         | 0.22                         |
| Between 1 - 1 years | 0.02                         | 0.01                         |
| Between 2 - 3 years | 0.08                         | 0.02                         |
| Between 3 - 4 years | 0.03                         | 0.09                         |
| Between 4 - 5 years | 0.03                         | 0.04                         |
| Beyond 5 years      | 0.40                         | 0.41                         |
| <b>Total</b>        | <b>0.58</b>                  | <b>0.79</b>                  |





35 Related party transactions

(a) Details of related parties:

| Name of related parties                                                                                                       | Name of related parties                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Holding Company                                                                                                           | APL Apollo Tubes Limited                                                                                                                                                                                                                                              |
| (ii) Fellow Subsidiaries                                                                                                      | Apollo Metalex Private Limited<br>Blue Ocean Projects Private Limited<br>APL Apollo Building Products Private Limited<br>APL Apollo Tubes FZE                                                                                                                         |
| (iii) Subsidiary                                                                                                              | Apollo Tricoat Tubes Limited w.e.f June 17, 2019                                                                                                                                                                                                                      |
| (iv) Key Management Personnel (KMP) (with whom transactions have taken place during the year)                                 | Mr. Sanjay Gupta (Director)<br>Mr. Vinay Gupta (Director)<br>Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)<br>Mr. Romil Sehgal (Whole Time Director) (w.e.f July 1, 2018 and till February 1, 2020)<br>Mr. Romil Sehgal (Non Executive Director) (w.e.f February 1, 2020) |
| (v) Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year) | Apollo Tricoat Tubes Limited (till June 16, 2019)<br>APL Infrastructure Private Limited<br>Apollo Pipes Limited                                                                                                                                                       |

(b) Details of related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021:

| Particulars                                                             | (Rupees in crore) |                     |              |                                                                 |                                              |          |
|-------------------------------------------------------------------------|-------------------|---------------------|--------------|-----------------------------------------------------------------|----------------------------------------------|----------|
|                                                                         | Holding Company   | Fellow Subsidiaries | Subsidiaries | Enterprises significantly influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total    |
| <b>Purchase of raw material &amp; stock in trade (net of discounts)</b> |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 48.91             | -                   | -            | -                                                               | -                                            | 48.91    |
|                                                                         | (34.58)           | (-)                 | (-)          | (-)                                                             | (-)                                          | (34.58)  |
| Apollo Metalex Private Limited                                          | -                 | 0.15                | -            | -                                                               | -                                            | 0.15     |
|                                                                         | (-)               | (1.22)              | (-)          | (-)                                                             | (-)                                          | (1.22)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 55.34        | -                                                               | -                                            | 55.34    |
|                                                                         | (-)               | (-)                 | (16.33)      | (3.27)                                                          | (-)                                          | (19.60)  |
|                                                                         | 48.91             | 0.15                | 55.34        | -                                                               | -                                            | 104.40   |
|                                                                         | (34.58)           | (1.22)              | (16.33)      | (3.27)                                                          | (-)                                          | (55.40)  |
| <b>Job work expense</b>                                                 |                   |                     |              |                                                                 |                                              |          |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 20.11        | -                                                               | -                                            | 20.11    |
|                                                                         | (-)               | (-)                 | (3.66)       | (-)                                                             | (-)                                          | (3.66)   |
|                                                                         | (-)               | (-)                 | 20.11        | -                                                               | -                                            | 20.11    |
|                                                                         | (-)               | (-)                 | (3.66)       | (-)                                                             | (-)                                          | (3.66)   |
| <b>Sale of goods (net of discounts)</b>                                 |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 143.68            | -                   | -            | -                                                               | -                                            | 143.68   |
|                                                                         | (50.93)           | (-)                 | (-)          | (-)                                                             | (-)                                          | (50.93)  |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 7.99         | -                                                               | -                                            | 7.99     |
|                                                                         | (-)               | (-)                 | (54.97)      | (21.39)                                                         | (-)                                          | (76.36)  |
|                                                                         | 143.68            | -                   | 7.99         | -                                                               | -                                            | 151.67   |
|                                                                         | (50.93)           | (-)                 | (54.97)      | (21.39)                                                         | (-)                                          | (127.29) |
| <b>Sale of property, plant and equipment</b>                            |                   |                     |              |                                                                 |                                              |          |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.11)       | (-)                                                             | (-)                                          | (0.11)   |
|                                                                         | (-)               | (-)                 | (0.11)       | (-)                                                             | (-)                                          | (0.11)   |
| <b>Sale of scrap (other operating income)</b>                           |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 1.92              | -                   | -            | -                                                               | -                                            | 1.92     |
|                                                                         | (3.16)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (3.16)   |
|                                                                         | 1.92              | -                   | -            | -                                                               | -                                            | 1.92     |
|                                                                         | (3.16)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (3.16)   |
| <b>Purchase of store and spares</b>                                     |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 0.02              | -                   | -            | -                                                               | -                                            | 0.02     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 0.03         | -                                                               | -                                            | 0.03     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
|                                                                         | 0.02              | -                   | 0.03         | -                                                               | -                                            | 0.05     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
| <b>Allocation of common expense</b>                                     |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 4.07              | -                   | -            | -                                                               | -                                            | 4.07     |
|                                                                         | (5.90)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (5.90)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 0.04         | -                                                               | -                                            | 0.04     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
|                                                                         | 4.07              | -                   | 0.04         | -                                                               | -                                            | 4.11     |
|                                                                         | (5.90)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (5.90)   |
| <b>Expenses incurred by Company on behalf of:</b>                       |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (1.35)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (1.35)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.13)       | (-)                                                             | (-)                                          | (0.13)   |
| Apollo Metalex Private Limited                                          | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (0.27)              | (-)          | (-)                                                             | (-)                                          | (0.27)   |
|                                                                         | (1.35)            | (0.27)              | (0.13)       | (-)                                                             | (-)                                          | (1.75)   |
| <b>Employee benefit expense incurred by Company on behalf of:</b>       |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (0.48)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (0.48)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.05)       | (-)                                                             | (-)                                          | (0.05)   |
| Apollo Metalex Private Limited                                          | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (0.10)              | (-)          | (-)                                                             | (-)                                          | (0.10)   |
|                                                                         | (0.48)            | (0.10)              | (0.05)       | (-)                                                             | (-)                                          | (0.63)   |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

| (Rupees in crore)                        |                                                      |                     |                              |                                                                 |                                              |                                                      |
|------------------------------------------|------------------------------------------------------|---------------------|------------------------------|-----------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
| Particulars                              | Holding Company                                      | Fellow Subsidiaries | Subsidiaries                 | Enterprises significantly Influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total                                                |
| <b>Allocation of share based expense</b> |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 0.02<br>(0.07)<br><b>0.02</b><br><b>(0.07)</b>       | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 0.02<br>(0.07)<br><b>0.02</b><br><b>(0.07)</b>       |
| <b>Salary paid</b>                       |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Mr. Romil Sehgal                         | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>(1.72)<br><b>(1.72)</b>                 | -<br>-<br><b>(1.72)</b>                              |
| <b>Interest Income</b>                   |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Apollo Tricoat Tubes Limited             | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>(0.77)<br><b>(0.77)</b> | -<br>(0.18)<br><b>(0.18)</b>                                    | -<br>-<br>-                                  | -<br>(0.95)<br><b>(0.95)</b>                         |
| <b>Interest expense</b>                  |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 10.23<br>(8.42)<br><b>10.23</b><br><b>(8.42)</b>     | -<br>-<br>-<br>-    | -<br>-<br>-<br>(0.10)        | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 10.23<br>(8.42)<br><b>10.23</b><br><b>(8.52)</b>     |
| Apollo Tricoat Tubes Limited             | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>-<br>-                                  | -<br>-<br><b>(-)</b>                                 |
| <b>Loans received</b>                    |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 45.00<br>(150.00)<br><b>45.00</b><br><b>(150.00)</b> | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 45.00<br>(150.00)<br><b>45.00</b><br><b>(150.00)</b> |
| <b>Loans repaid</b>                      |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 20.00<br>(75.00)<br><b>20.00</b><br><b>(75.00)</b>   | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 20.00<br>(75.00)<br><b>20.00</b><br><b>(75.00)</b>   |
| <b>Loan given received back</b>          |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Mr. Romil Sehgal*                        | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>-<br>(9.27)<br><b>(0.27)</b>            | -<br>-<br><b>(0.27)</b>                              |

\*During the previous year loan of Rs 0.27 crore has been transferred to Apollo Tricoat Tubes Limited.

| (Rupees in crore)                                  |                                                      |                     |                                                  |                                                                 |                                              |                                                      |
|----------------------------------------------------|------------------------------------------------------|---------------------|--------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
| Particulars                                        | Holding Company                                      | Fellow Subsidiaries | Subsidiaries                                     | Enterprises significantly Influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total                                                |
| <b>Balances outstanding at the end of the year</b> |                                                      |                     |                                                  |                                                                 |                                              |                                                      |
| <b>Trade receivables</b>                           |                                                      |                     |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 18.24<br>(9.07)<br><b>18.24</b><br><b>(9.07)</b>     | -<br>-<br>-<br>-    | -<br>-<br>-<br>(16.82)                           | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 18.24<br>(9.07)<br><b>18.50</b><br><b>(25.99)</b>    |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | 0.26<br>(16.82)<br><b>0.26</b><br><b>(16.82)</b> | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.26<br>(16.82)<br><b>0.26</b><br><b>(16.82)</b>     |
| <b>Loans received from related party</b>           |                                                      |                     |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 100.00<br>(75.00)<br><b>100.00</b><br><b>(75.00)</b> | -<br>-<br>-<br>-    | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 100.00<br>(75.00)<br><b>100.00</b><br><b>(75.00)</b> |
| <b>Claim receivables</b>                           |                                                      |                     |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 0.48<br>(3.37)<br><b>0.48</b><br><b>(3.37)</b>       | -<br>-<br>-<br>-    | -<br>-<br>-<br>(1.15)                            | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 0.48<br>(3.37)<br><b>0.49</b><br><b>(4.91)</b>       |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | 0.01<br>(1.15)<br><b>0.01</b><br><b>(1.15)</b>   | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.01<br>(1.15)<br><b>0.01</b><br><b>(1.15)</b>       |
| Apollo Metalex Private Limited                     | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                                      | -<br>-<br>-                                                     | -<br>-<br>-                                  | -<br>-<br><b>(0.39)</b>                              |
| <b>Expenses payable</b>                            |                                                      |                     |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 1.41<br>(1.06)<br><b>1.41</b><br><b>(1.06)</b>       | -<br>-<br>-<br>-    | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 1.41<br>(1.06)<br><b>1.79</b><br><b>(1.06)</b>       |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | 0.38<br>(-)<br><b>0.38</b><br><b>(-)</b>         | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.38<br>(-)<br><b>0.38</b><br><b>(-)</b>             |
| <b>Interest payable</b>                            |                                                      |                     |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 2.44<br>(1.65)<br><b>2.44</b><br><b>(1.65)</b>       | -<br>-<br>-<br>-    | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 2.44<br>(1.65)<br><b>2.44</b><br><b>(1.65)</b>       |

**Notes:**

- (i) APL Apollo Tubes Limited is the Holding Company has also given corporate guarantee for term loan and other credit facilities taken by the Company from banks. (see note 14 and 17 for credit facilities from bank outstanding as at March 31, 2021 Rupees Nil (March 31, 2020 Rupees 67.28 crore).
- (ii) 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 (see note 14 and 17).
- (iii) Amount of expense of gratuity and compensated absences is taken on actuarial basis.
- (iv) Figures in bracket relates to previous year ended March 31, 2020.



**36 Income tax expense**

The reconciliation of estimated income tax to income tax expense is as below :-

| Particulars                                                                                             | (Rupees in crore)            |                              |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                         | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Profit before tax as per statement of profit and loss                                                   | 62.17                        | 57.48                        |
| Income tax expenses calculated as per tax rates of Income tax act of 25.166% (March 31, 2020 : 25.168%) | 15.65                        | 14.47                        |
| (i) Items not deductible                                                                                | 0.47                         | (0.27)                       |
| (ii) Reversal of deferred tax liabilities as at March 31, 2019 (see note below)                         | -                            | (2.02)                       |
| (iii) Tax related to previous years                                                                     | -                            | 0.09                         |
| <b>Tax expense as reported</b>                                                                          | <b>16.12</b>                 | <b>12.26</b>                 |

**Note:**

During the previous year, the Company elected to be assessed at lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 2.02 crores on account of remeasurement of deferred tax liability as at March 31, 2019.

**37 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, 2021 and March 31, 2020.

| Particulars                                | (Rupees in crore)    |        |                |                      |        |                |
|--------------------------------------------|----------------------|--------|----------------|----------------------|--------|----------------|
|                                            | As at March 31, 2021 |        |                | As at March 31, 2020 |        |                |
|                                            | FVTPL                | FVTOCI | Amortised cost | FVTPL                | FVTOCI | Amortised cost |
| <b>Financial assets - Non Current</b>      |                      |        |                |                      |        |                |
| Security deposit                           | -                    | -      | 0.72           | -                    | -      | 0.72           |
| <b>Financial assets - Current</b>          |                      |        |                |                      |        |                |
| Loans to employees                         | -                    | -      | 0.03           | -                    | -      | 0.02           |
| Trade receivables                          | -                    | -      | 24.97          | -                    | -      | 92.29          |
| Cash and cash equivalents                  | -                    | -      | 0.02           | -                    | -      | 0.02           |
| Balances with banks                        | -                    | -      | 1.26           | -                    | -      | 0.21           |
| Claim receivable (net of provision)        | -                    | -      | 0.49           | -                    | -      | 4.99           |
| <b>Total financial assets</b>              | -                    | -      | <b>27.49</b>   | -                    | -      | <b>98.25</b>   |
| <b>Financial liabilities - Non Current</b> |                      |        |                |                      |        |                |
| Borrowings                                 | -                    | -      | 100.00         | -                    | -      | 115.00         |
| <b>Financial liabilities - Current</b>     |                      |        |                |                      |        |                |
| Borrowings                                 | -                    | -      | -              | -                    | -      | 27.28          |
| Trade payable                              | -                    | -      | 36.34          | -                    | -      | 60.25          |
| Interest accrued but not due on borrowings | -                    | -      | 2.46           | -                    | -      | 1.85           |
| <b>Total financial liabilities</b>         | -                    | -      | <b>138.80</b>  | -                    | -      | <b>204.38</b>  |

**(a) 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.

**(b) 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.

**38 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. Company 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.

**(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 in Indian Rupees (INR). The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's the costs of imports, primarily in relation to raw material. 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'a 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. In respect of imports and other payables, the Company hedges its payable as when the exposure arises.



**Details on derivative instruments and unhedged foreign currency exposures**

- (1) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                             | As at March 31,<br>2021 | As at March 31,<br>2020 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Advance paid to vendors:</b>      |                         |                         |
| EURO                                 | -                       | 86,000                  |
| Equivalent amount in Rupees in crore | -                       | 0.71                    |

- (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 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.

| Particulars              | (Rupees in Crore)       |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at March 31,<br>2021 | As at March 31,<br>2020 |
| Variable rate borrowings | -                       | 67.28                   |
| Fixed rate borrowings    | 100.00                  | 75.00                   |
| <b>Total borrowings</b>  | <b>100.00</b>           | <b>142.28</b>           |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                              | Balance | % of total loans |
|------------------------------------------|---------|------------------|
| <b>As at March 31, 2021</b>              |         |                  |
| Bank overdrafts, bank loans, Cash Credit | -       | 0%               |
| <b>As at March 31, 2020</b>              |         |                  |
| Bank overdrafts, bank loans, Cash Credit | 67.28   | 47%              |

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                           | (Rupees in crore)            |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | Year ended March<br>31, 2021 | Year ended<br>March 31, 2020 |
|                                                       |                              | Impact on profit after tax   |
| Interest rates – increase by 50 basis points (50 bps) | -                            | (0.25)                       |
| Interest rates – decrease by 50 basis points (50 bps) | -                            | 0.25                         |

- (b) **Credit risk**

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

The Company's trade receivables are generally categorized into following categories

1. Institutional customers
2. Dealers

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, the 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.

In current year ended March 31, 2021, revenues arising from direct sales of goods as disclosed in note 23(a) includes revenue of approximately Rupees 251.07 crore from customer who contributed more than 10% to the Company's revenue.

In previous year ended March 31, 2020, revenues arising from direct sales of goods as disclosed in note 23(a) includes revenue of approximately Rupees 221.00 crore from customer who contributed more than 10% to the Company's revenue.

- (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                     | (Rupees in crore)       |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at March 31,<br>2021 | As at March 31,<br>2020 |
| <b>Floating rate borrowings</b> | 90.00                   | 72.72                   |
| <b>Nature of facility</b>       | Working Capital         | Working Capital         |
|                                 | <b>90.00</b>            | <b>72.72</b>            |

- (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:**

| (Rupees in crore)                                    |                       |                       |                    |               |
|------------------------------------------------------|-----------------------|-----------------------|--------------------|---------------|
| Particulars                                          | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total         |
| <b>As at March 31, 2021</b>                          |                       |                       |                    |               |
| Borrowings (Interest bearing)                        | -                     | 100.00                | -                  | 100.00        |
| Trade payable                                        | 36.34                 | -                     | -                  | 36.34         |
| Interest accrued but due on borrowings               | 2.46                  | -                     | -                  | 2.46          |
| <b>Total non-derivative liabilities</b>              | <b>38.80</b>          | <b>100.00</b>         | -                  | <b>138.80</b> |
| <b>As at March 31, 2020</b>                          |                       |                       |                    |               |
| Borrowings (Interest bearing)                        | 27.28                 | 115.00                | -                  | 142.28        |
| Payable on purchase of property, plant and equipment | 0.19                  | -                     | -                  | 0.19          |
| Trade payable                                        | 60.06                 | -                     | -                  | 60.06         |
| Interest accrued but due on borrowings               | 1.85                  | -                     | -                  | 1.85          |
| <b>Total non-derivative liabilities</b>              | <b>89.38</b>          | <b>115.00</b>         | -                  | <b>204.38</b> |

**39 Reconciliation of liabilities arising from financing activities**

| (Rupees in crore)                                  |                                     |                |                                            |                      |
|----------------------------------------------------|-------------------------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | Opening balance as at April 1, 2019 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2020 |
| Non-current borrowings                             | -                                   | 115.00         | -                                          | 115.00               |
| Current borrowings                                 | 16.33                               | 0.95           | -                                          | 17.28                |
| Current maturities of non-current borrowings       | -                                   | 10.00          | -                                          | 10.00                |
| <b>Total liabilities from financing activities</b> | <b>16.33</b>                        | <b>125.95</b>  | -                                          | <b>142.28</b>        |

| (Rupees in crore)                                  |                      |                |                                            |                      |
|----------------------------------------------------|----------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | As at March 31, 2020 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2021 |
| Non-current borrowings                             | 115.00               | (15.00)        | -                                          | 100.00               |
| Current borrowings                                 | 17.28                | (17.28)        | -                                          | -                    |
| Current maturities of non-current borrowings       | 10.00                | (10.00)        | -                                          | -                    |
| <b>Total liabilities from financing activities</b> | <b>142.28</b>        | <b>(42.28)</b> | -                                          | <b>100.00</b>        |

**40 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.

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.

| (Rupees in crore)                    |                      |                      |  |
|--------------------------------------|----------------------|----------------------|--|
| Particulars                          | As at March 31, 2021 | As at March 31, 2020 |  |
| Non current borrowings               | 100.00               | 115.00               |  |
| Current maturities of long term debt | -                    | 10.00                |  |
| Current borrowings                   | -                    | 17.28                |  |
| Less: Cash and cash equivalents      | (1.28)               | (0.23)               |  |
| <b>Total debts (net)</b>             | <b>98.72</b>         | <b>142.05</b>        |  |
| <b>Total equity</b>                  | <b>215.86</b>        | <b>169.57</b>        |  |
| <b>Gearing Ratio</b>                 | <b>0.46</b>          | <b>0.84</b>          |  |

Equity includes all capital and reserves of the Company that are managed as capital.

- 41** The Board of Directors of Shri Lakshmi Metal Udyog Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation of the Company and Apollo Tricoat Tubes Limited ("Apollo Tricoat") with APL Apollo Tubes Limited ("APL Apollo"), its ultimate holding Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gupta*  
VINAY GUPTA  
Director  
DIN : 00005149

*Sanjay Gupta*  
SANJAY GUPTA  
Director  
DIN : 00233188

*Shivam*  
SHIVAM MAMESHWARI  
Company Secretary  
ICSI Membership No. : A38467

Place: New Delhi  
Date: June 2, 2021



# Walker Chandiook & Co LLP

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## Independent Auditor's Report

### To the Members of Apollo Tricoat Tubes Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Apollo Tricoat Tubes Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Revenue Recognition</b></p> <p>Revenue for the Company consists primarily of sale of steel tubes and GP coils recognized in accordance with the accounting policy described in Note (i) to the accompanying financial statements. Refer Note 26 for details of revenue recognized during the year.</p> <p>Revenue recognition involves certain key judgments relating to identification of contracts with customers, identification of distinct performance obligations, determination of transaction price for the contract factoring in the consideration payable to customers (such as discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>Revenue is recognised when (or as) a performance obligation is satisfied i.e., when 'control' of the goods underlying the particular performance obligation is transferred to the customer.</p> <p>The Company and its external stakeholders focus on revenue as a key performance measure, which could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Further, there were considerable auditor efforts involved in testing of revenue transactions recorded during the year due to the large volume involved.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p> | <p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards.</li> <li>• Tested the design, implementation and operating effectiveness of key internal controls relating to revenue recognition.</li> <li>• Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents of the sale.</li> <li>• Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized.</li> <li>• Performed substantive analytical procedure which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors.</li> <li>• Assessed the Company's processes and tested the appropriateness of accruals for discounts as at the year-end as per the related policies.</li> <li>• Circularized balance confirmations (including transactions during the year) to a sample of customers and reviewed the reconciling items, if any.</li> <li>• Assessed that the disclosures made by the management are in accordance with applicable Indian accounting standards.</li> </ul> |

### Information other than the Financial Statements and Auditor's Report thereon

6. 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, Report on Corporate Governance and Director's Report, but does not include the financial statements and our auditor's report thereon. The Management Discussion





## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

and Analysis, Report on Corporate Governance and Director's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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;





## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

- Obtain an understanding of internal 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter

15. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, VAPS & Company, who have expressed an unmodified opinion on those financial statements vide their audit report dated 30 April 2020.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.



## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying financial statements;
  - 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 03 May 2021 as per Annexure B expressed unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Neeraj Sharma  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



## **Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021**

### **Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (including right-of-use assets).
- (b) The Company has a regular program of physical verification of its property, plant and equipment (including right-of-use assets) under which property, plant and equipment (including right-of-use assets) are verified in a phased manner over a period of 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment (including right-of-use assets) were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute.



# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 0010/6N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



## Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

### Annexure B

#### Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Apollo Tricoat Tubes Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. These 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 financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 financial statements.





## Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 'ICAI'.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021

**APOLLO TRICOAT TUBES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**


Amount in ₹ lakhs

| Particulars                                                                             | Notes | As at            |                  |
|-----------------------------------------------------------------------------------------|-------|------------------|------------------|
|                                                                                         |       | March 31, 2021   | March 31, 2020   |
| <b>I. ASSETS</b>                                                                        |       |                  |                  |
| <b>(1) Non-current assets</b>                                                           |       |                  |                  |
| (a) Property, plant and equipment                                                       | 2     | 32,293.48        | 28,811.16        |
| (b) Capital work-in-progress                                                            |       | 1,238.54         | 136.17           |
| (c) Intangible assets                                                                   | 3     | 21.17            | 33.94            |
| (d) Right of use assets                                                                 | 37    | 1,346.66         | 1,363.85         |
| (e) Financial assets                                                                    |       |                  |                  |
| (i) Other financial assets                                                              | 4     | 175.33           | 175.54           |
| (f) Other non-current assets                                                            | 5     | 339.85           | 1,072.20         |
| <b>Total non-current assets</b>                                                         |       | <b>35,415.03</b> | <b>31,592.86</b> |
| <b>(2) Current assets</b>                                                               |       |                  |                  |
| (a) Inventories                                                                         | 6     | 6,438.75         | 7,678.77         |
| (b) Financial assets                                                                    |       |                  |                  |
| (i) Trade receivables                                                                   | 7     | 1,162.51         | 3,794.21         |
| (ii) Cash and cash equivalents                                                          | 8     | 979.83           | 476.14           |
| (iii) Loans                                                                             | 9     | 4.88             | 12.89            |
| (iv) Other financial assets                                                             | 10    | 39.62            | 1.00             |
| (c) Other current assets                                                                | 11    | 1,601.79         | 1,951.67         |
| <b>Total current assets</b>                                                             |       | <b>10,227.38</b> | <b>13,914.68</b> |
| <b>Total assets</b>                                                                     |       | <b>45,642.41</b> | <b>45,507.54</b> |
| <b>II. EQUITY AND LIABILITIES</b>                                                       |       |                  |                  |
| <b>(1) Equity</b>                                                                       |       |                  |                  |
| (a) Equity share capital                                                                | 12    | 608.00           | 608.00           |
| (b) Other equity                                                                        | 13    | 29,817.59        | 19,346.76        |
| <b>Total equity</b>                                                                     |       | <b>30,425.59</b> | <b>19,954.76</b> |
| <b>Liabilities</b>                                                                      |       |                  |                  |
| <b>(2) Non-current liabilities</b>                                                      |       |                  |                  |
| (a) Financial liabilities                                                               |       |                  |                  |
| (i) Borrowings                                                                          | 14    | 4,898.91         | 9,820.00         |
| (ii) Lease liabilities                                                                  | 15    | -                | 3.60             |
| (b) Provisions                                                                          | 16    | 87.63            | 28.37            |
| (c) Deferred tax liabilities (net)                                                      | 17    | 1,212.48         | 767.11           |
| (d) Other non-current liabilities                                                       | 18    | 2,073.01         | 1,086.93         |
| <b>Total non-current liabilities</b>                                                    |       | <b>8,272.03</b>  | <b>12,306.01</b> |
| <b>(3) Current liabilities</b>                                                          |       |                  |                  |
| (a) Financial liabilities                                                               |       |                  |                  |
| (i) Borrowings                                                                          | 19    | -                | 456.48           |
| (ii) Trade payable                                                                      | 20    |                  |                  |
| -Total outstanding dues of micro and small enterprises                                  |       | 80.40            | -                |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 3,309.11         | 11,243.12        |
| (iii) Lease liabilities                                                                 | 21    | 5.71             | 5.40             |
| (iv) Other financial liabilities                                                        | 22    | 1,510.31         | 1,160.06         |
| (b) Other current liabilities                                                           | 23    | 1,842.28         | 219.84           |
| (c) Provisions                                                                          | 24    | 26.10            | 9.98             |
| (d) Current tax liabilities (net)                                                       | 25    | 170.08           | 151.89           |
| <b>Total current liabilities</b>                                                        |       | <b>6,943.99</b>  | <b>13,246.77</b> |
| <b>Total equity and liabilities</b>                                                     |       | <b>45,642.41</b> | <b>45,507.54</b> |

See accompanying notes to the financial statements  
As per our report of even date attached.

1-47

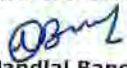
**For Walker Chandok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of**  
**Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

  
**Ronit Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Place : New Delhi  
Date : May 03, 2021

Place : Ghaziabad  
Date : May 03, 2021

Membership No.  
A33370



**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

Amount in ₹ lakhs

| Particulars                                                                          | Notes | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>I</b> Revenue from operations                                                     | 26    | 1,47,281.05                  | 66,325.06                    |
| <b>II</b> Other income                                                               | 27    | 179.64                       | 113.97                       |
| <b>III Total income (I +II)</b>                                                      |       | <b>1,47,460.69</b>           | <b>66,439.03</b>             |
| <b>IV Expenses</b>                                                                   |       |                              |                              |
| (a) Cost of materials consumed                                                       | 28    | 1,08,721.47                  | 51,058.78                    |
| (b) Purchase of stock-in-trade                                                       |       | 12,286.07                    | 4,910.89                     |
| (c) Changes in inventories of finished goods, stock-in-trade and rejection and scrap | 29    | (773.04)                     | (2,235.70)                   |
| (d) Employee benefits expense                                                        | 30    | 1,904.62                     | 1,211.73                     |
| (e) Finance costs                                                                    | 31    | 970.28                       | 601.10                       |
| (f) Depreciation and amortisation expense                                            | 32    | 1,652.74                     | 1,012.91                     |
| (g) Other expenses                                                                   | 33    | 8,773.45                     | 3,955.51                     |
| <b>Total expenses</b>                                                                |       | <b>1,33,535.59</b>           | <b>60,515.22</b>             |
| <b>V Profit before tax (III - IV)</b>                                                |       | <b>13,925.10</b>             | <b>5,923.81</b>              |
| <b>VI Tax expense:</b>                                                               |       |                              |                              |
| (a) Current tax                                                                      |       | 3,024.91                     | 977.85                       |
| (b) Deferred tax                                                                     | 17    | 455.65                       | 719.64                       |
| (c) Adjustment of tax relating to earlier periods                                    |       | (56.56)                      | -                            |
| <b>Total tax expense</b>                                                             | 35    | <b>3,424.00</b>              | <b>1,697.49</b>              |
| <b>VII Profit for the year (V-VI)</b>                                                |       | <b>10,501.10</b>             | <b>4,226.32</b>              |
| <b>VIII Other comprehensive income</b>                                               |       |                              |                              |
| Items that will not be reclassified to profit and loss                               |       |                              |                              |
| (a) Remeasurements of post employment benefit obligation                             |       | (40.45)                      | (2.09)                       |
| (b) Income tax relating to above item                                                |       | 10.18                        | 0.53                         |
| <b>Other comprehensive income for the year</b>                                       |       | <b>(30.27)</b>               | <b>(1.56)</b>                |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                         |       | <b>10,470.83</b>             | <b>4,224.76</b>              |
| <b>X Earnings per equity share of face value of ₹ 2 each</b>                         |       |                              |                              |
| (a) Basic (in ₹)                                                                     | 36    | 34.54                        | 14.01                        |
| (b) Diluted (in ₹)                                                                   | 36    | 34.54                        | 14.01                        |

See accompanying notes to the financial statements  
As per our report of even date attached.

1-47

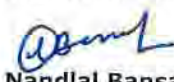
**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103

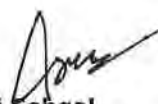


**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghazlabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Membership No.  
A33370

Place : New Delhi  
Date : May 03, 2021

**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

| <b>(a) Equity share capital</b>              |  | <i>Amount in ₹ lakhs</i> |
|----------------------------------------------|--|--------------------------|
| Particulars                                  |  | Amount                   |
| Balance as at March 31, 2019                 |  | 554.00                   |
| Changes during the year ended March 31, 2020 |  | 54.00                    |
| <b>Balance as at March 31, 2020</b>          |  | <b>608.00</b>            |
| Changes during the year ended March 31, 2021 |  | -                        |
| <b>Balance as at March 31, 2021</b>          |  | <b>608.00</b>            |

**(b) Other equity**

| Particulars                                          | <i>Amount in ₹ lakhs</i> |                                                                    |                    |                      | Total            |
|------------------------------------------------------|--------------------------|--------------------------------------------------------------------|--------------------|----------------------|------------------|
|                                                      | Securities<br>premium    | Reserves and surplus<br>Money received<br>against share<br>warrant | Capital<br>reserve | Retained<br>earnings |                  |
| <b>Balance as at April 01, 2019</b>                  | <b>10,856.00</b>         | <b>840.00</b>                                                      | -                  | <b>1,050.00</b>      | <b>12,746.00</b> |
| Profit for the year ended March 31, 2020             | -                        | -                                                                  | -                  | 4,226.32             | 4,226.32         |
| Other comprehensive income for the year (net of tax) | -                        | -                                                                  | -                  | (1.56)               | (1.56)           |
| Share issued during the year                         | 3,186.00                 | (810.00)                                                           | -                  | -                    | 2,376.00         |
| Share warrants forfeited during the year             | -                        | (30.00)                                                            | 30.00              | -                    | -                |
| <b>Opening balance as at April 01, 2020</b>          | <b>14,042.00</b>         | -                                                                  | <b>30.00</b>       | <b>5,274.76</b>      | <b>19,346.76</b> |
| Profit for the year ended March 31, 2021             | -                        | -                                                                  | -                  | 10,501.10            | 10,501.10        |
| Other comprehensive income for the year (net of tax) | -                        | -                                                                  | -                  | (30.27)              | (30.27)          |
| <b>Balance as at March 31, 2021</b>                  | <b>14,042.00</b>         | -                                                                  | <b>30.00</b>       | <b>15,745.59</b>     | <b>29,817.59</b> |

The accompanying notes form an integral part of these financial statements.  
As per our report of even date attached.

**For Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/W500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Membership No. A33370

Place : New Delhi  
Date : May 03, 2021



**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021**

Amount in ₹ lakhs

| Particulars                                                             | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                           |                              |                              |
| Net profit before tax                                                   | 13,925.10                    | 5,923.81                     |
| <b>Adjustments for</b>                                                  |                              |                              |
| Depreciation and amortisation expense                                   | 1,652.74                     | 1,012.91                     |
| Profit on sale of property, plant and equipment                         | (0.06)                       | -                            |
| Bad debts written off                                                   | 1.16                         | -                            |
| Unrealized (gain)/loss on foreign exchange fluctuations                 | (2.95)                       | 0.90                         |
| Finance cost                                                            | 970.28                       | 601.10                       |
| Interest income                                                         | -                            | (17.73)                      |
| Unwinding of deferred income                                            | (102.47)                     | (79.19)                      |
| <b>Operating profit before working capital changes</b>                  | <b>16,443.80</b>             | <b>7,441.80</b>              |
| <b>Changes in working capital:</b>                                      |                              |                              |
| <b>Adjustment for (increase)/decrease in operating assets:</b>          |                              |                              |
| Inventories                                                             | 1,240.02                     | (6,890.03)                   |
| Trade receivables                                                       | 2,630.53                     | (3,641.05)                   |
| Current loans and other financial assets                                | (30.62)                      | 483.89                       |
| Non-current other financial assets                                      | 0.21                         | (90.22)                      |
| Other current assets                                                    | 349.89                       | (907.17)                     |
| Other non-current assets                                                | 7.98                         | 1,318.95                     |
| <b>Adjustment for increase/(decrease) in operating liabilities:</b>     |                              |                              |
| Trade payables                                                          | (7,850.66)                   | 11,121.94                    |
| Other current liabilities                                               | 1,602.85                     | (1,597.54)                   |
| Other current financial liabilities                                     | -                            | (100.00)                     |
| Provisions                                                              | 34.92                        | 30.97                        |
| <b>Cash generated from operations</b>                                   | <b>14,428.92</b>             | <b>7,171.54</b>              |
| Net income tax paid                                                     | (2,950.25)                   | (850.50)                     |
| <b>Net cash flow from operating activities (A)</b>                      | <b>11,478.67</b>             | <b>6,321.04</b>              |
| <b>B. Cash flow from investing activities</b>                           |                              |                              |
| Purchase of property, plant and equipment and intangible assets*        | (5,024.87)                   | (13,427.59)                  |
| Proceeds from sale of property, plant and equipment                     | 59.11                        | -                            |
| Interest received                                                       | -                            | 17.73                        |
| <b>Net cash flow used in investing activities (B)</b>                   | <b>(4,965.76)</b>            | <b>(13,409.86)</b>           |
| <b>C. Cash flow from financing activities</b>                           |                              |                              |
| Proceeds from/ (repayment) of current borrowings (net)                  | (456.48)                     | (2,090.88)                   |
| Proceeds from issue of equity share capital                             | -                            | 2,430.00                     |
| Finance charges paid                                                    | (952.22)                     | (563.89)                     |
| Payment of lease liabilities                                            | (3.84)                       | (5.40)                       |
| Repayment of long-term borrowings                                       | (11,201.68)                  | (209.35)                     |
| Receipts from long-term borrowings                                      | 6,605.00                     | 8,000.00                     |
| <b>Net cash flow (used in)/ generated from financing activities (C)</b> | <b>(6,009.22)</b>            | <b>7,500.48</b>              |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                | <b>503.69</b>                | <b>471.66</b>                |
| Cash and cash equivalents at the beginning of the year                  | 176.14                       | 1.40                         |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>979.83</b>                | <b>476.14</b>                |
| <b>Cash and cash equivalents comprises</b>                              |                              |                              |
| Cash in hand                                                            | 0.17                         | 1.38                         |
| <b>Balance with scheduled banks</b>                                     |                              |                              |
| -In current accounts                                                    | 979.66                       | 474.76                       |
| <b>Total cash and cash equivalents</b>                                  | <b>979.83</b>                | <b>476.14</b>                |

\*Including adjustments on account of capital work in progress, capital advances and capital creditors


Refer note 44 for reconciliation of liabilities arising from financing activities.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7, "Statement of Cash flows".

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached.

**For Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/M500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792  
  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454  
  
**Surbhi Arora**  
Company Secretary

Membership No. A33370

Place : New Delhi  
Date : May 03, 2021



**1.(i) Company background**

Apollo Tricoat Tubes Limited incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The Company has two manufacturing unit one at Bengaluru, Karnataka and second at Ghaziabad, Uttar Pradesh. The Company is a public company listed on Bombay Stock Exchange (BSE). The registered office of the Company is in New Delhi.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 03, 2021.

**(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").

**(b) Basis of preparation**

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 financial statements.

**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.





**Income Taxes**

Deferred tax assets and liabilities 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 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.

**Fair value measurement of 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**

The revenue is recognised once the entity satisfied that the performance obligation and control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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 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.

**(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) Services rendered**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.





**(g) 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(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 profit or loss on a systematic basis over the expected useful life of the related assets.

**(i) 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.

**As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(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. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

**(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 and 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. 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.





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

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 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 the principal item of the relevant assets.

The Company has a policy of capitalizing insurance spares having value more than or equal to ₹ 1 lakh.

**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**

Depreciable amount for assets is the cost of an asset less its estimated 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- 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 and server- 3 to 6 years

**(n) Intangible assets**

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

Computer software - 3 to 6 years

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

**(o) Earnings per share**

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

**(p) 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.

**(q) 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 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 and commitments are reviewed at each Balance Sheet date.





**(r) 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 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, 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.

**(s) 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.

**(t) 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.

**(u) 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')
- 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.

**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.

**(ii) 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 42 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.

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.

**(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.

**(t) 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.

**(u) Segment information**

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'.

**(v) Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of schedule III of the Act unless otherwise stated.

**(w) Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work in progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

-Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 : Property, plant and equipment**

Amount in ₹ lakhs

|                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| <b>Carrying amounts of :</b> |                         |                         |
| Freehold land                | 1,429.46                | 1,429.46                |
| Building                     | 5,599.02                | 5,494.03                |
| Furniture and fixtures       | 93.10                   | 69.86                   |
| Plant and machinery          | 24,906.84               | 21,666.26               |
| Office equipment             | 91.41                   | 109.27                  |
| Vehicles                     | 173.65                  | 42.28                   |
|                              | <b>32,293.48</b>        | <b>28,811.16</b>        |

Amount in ₹ lakhs

| Particulars                                           | Freehold land   | Buildings       | Furniture and fixtures | Plant and machinery | Office equipment | Vehicles      | Total            |
|-------------------------------------------------------|-----------------|-----------------|------------------------|---------------------|------------------|---------------|------------------|
| <b>Year ended March 31, 2020</b>                      |                 |                 |                        |                     |                  |               |                  |
| <b>Gross carrying amount</b>                          |                 |                 |                        |                     |                  |               |                  |
| Opening gross carrying amount                         | 2,025.14        | 806.40          | 32.21                  | 6,595.68            | 33.50            | 27.11         | 9,520.04         |
| Additions for the year                                | -               | 4,232.03        | 47.95                  | 15,952.78           | 95.30            | 31.30         | 20,359.36        |
| Transfer (regrouping of assets)                       | (595.68)        | -               | -                      | -                   | -                | -             | (595.68)         |
| Addition (regrouping of assets)                       | -               | 595.68          | -                      | -                   | -                | -             | 595.68           |
| Reclassification on account of adoption of Ind AS 116 | -               | -               | -                      | -                   | -                | (11.58)       | (11.58)          |
| <b>Closing gross carrying amount</b>                  | <b>1,429.46</b> | <b>5,634.11</b> | <b>80.16</b>           | <b>22,548.46</b>    | <b>128.80</b>    | <b>46.83</b>  | <b>29,867.82</b> |
| <b>Accumulated depreciation</b>                       |                 |                 |                        |                     |                  |               |                  |
| Opening accumulated depreciation                      | -               | 27.35           | 5.13                   | 37.16               | 2.42             | 1.19          | 73.25            |
| Depreciation charge for the year                      | -               | 112.73          | 5.18                   | 845.04              | 17.10            | 3.80          | 983.85           |
| Reclassification on account of adoption of Ind AS 116 | -               | -               | -                      | -                   | -                | (0.44)        | (0.44)           |
| <b>Closing accumulated depreciation</b>               | <b>-</b>        | <b>140.08</b>   | <b>10.31</b>           | <b>882.20</b>       | <b>19.52</b>     | <b>4.55</b>   | <b>1,056.66</b>  |
| <b>Net carrying amount as on March 31, 2020</b>       | <b>1,429.46</b> | <b>5,494.03</b> | <b>69.85</b>           | <b>21,666.26</b>    | <b>109.28</b>    | <b>42.28</b>  | <b>28,811.16</b> |
| <b>Year ended March 31, 2021</b>                      |                 |                 |                        |                     |                  |               |                  |
| <b>Gross carrying amount</b>                          |                 |                 |                        |                     |                  |               |                  |
| Opening gross carrying amount                         | 1,429.46        | 5,634.11        | 80.16                  | 22,548.46           | 128.80           | 46.83         | 29,867.82        |
| Additions for the year                                | -               | 304.11          | 32.49                  | 4,669.06            | 13.96            | 141.10        | 5,160.72         |
| Disposals for the year                                | -               | -               | -                      | (62.24)             | -                | -             | (62.24)          |
| <b>Closing gross carrying amount</b>                  | <b>1,429.46</b> | <b>5,938.22</b> | <b>112.65</b>          | <b>27,155.28</b>    | <b>142.76</b>    | <b>187.93</b> | <b>34,966.30</b> |
| <b>Accumulated depreciation</b>                       |                 |                 |                        |                     |                  |               |                  |
| Opening accumulated depreciation                      | -               | 140.08          | 10.31                  | 882.20              | 19.52            | 4.55          | 1,056.66         |
| Reversal on disposals for the year                    | -               | -               | -                      | (3.19)              | -                | -             | (3.19)           |
| Depreciation charge for the year                      | -               | 199.12          | 9.24                   | 1,369.43            | 31.83            | 9.73          | 1,619.35         |
| <b>Closing accumulated depreciation</b>               | <b>-</b>        | <b>339.20</b>   | <b>19.55</b>           | <b>2,248.44</b>     | <b>51.35</b>     | <b>14.28</b>  | <b>2,672.82</b>  |
| <b>Net carrying amount as on March 31, 2021</b>       | <b>1,429.46</b> | <b>5,599.02</b> | <b>93.10</b>           | <b>24,906.84</b>    | <b>91.41</b>     | <b>173.65</b> | <b>32,293.48</b> |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| <b>Note 3 : Intangible assets</b>               | <i>Amount in ₹ lakhs</i> |              |
|-------------------------------------------------|--------------------------|--------------|
| <b>Particulars</b>                              | <b>Computer software</b> |              |
| <b>Year ended March 31, 2020</b>                |                          |              |
| <b>Gross carrying amount</b>                    |                          |              |
| Opening gross carrying amount                   |                          | 28.08        |
| Additions for the year                          |                          | 19.50        |
| <b>Closing gross carrying amount</b>            |                          | <b>47.58</b> |
| <b>Accumulated amortisation</b>                 |                          |              |
| Opening accumulated amortisation                |                          | 1.85         |
| Amortisation for the year                       |                          | 11.79        |
| <b>Closing accumulated amortisation</b>         |                          | <b>13.64</b> |
| <b>Net carrying amount as on March 31, 2020</b> |                          | <b>33.94</b> |
| <b>Year ended March 31, 2021</b>                |                          |              |
| <b>Gross carrying amount</b>                    |                          |              |
| Opening gross carrying amount                   |                          | 47.58        |
| Additions for the year                          |                          | 3.43         |
| <b>Closing gross carrying amount</b>            |                          | <b>51.01</b> |
| <b>Accumulated amortisation</b>                 |                          |              |
| Opening accumulated amortisation                |                          | 13.64        |
| Amortisation for the year                       |                          | 16.20        |
| <b>Closing accumulated amortisation</b>         |                          | <b>29.84</b> |
| <b>Net carrying amount as on March 31, 2021</b> |                          | <b>21.17</b> |

| <b>Note 4 : Other financial assets (non- current)</b>       | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| Security deposit                                            | 175.33                   | 175.54                |
| <b>Total</b>                                                | <b>175.33</b>            | <b>175.54</b>         |

| <b>Note 5 : Other non-current assets</b>                    | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| (a) Capital advances                                        | 377.91                   | 1,052.28              |
| (b) Prepaid expenses                                        | 11.94                    | 19.92                 |
| <b>Total</b>                                                | <b>339.85</b>            | <b>1,072.20</b>       |

| <b>Note 6 : Inventories (refer note 1 (l))</b>   | <i>Amount in ₹ lakhs</i> |                       |
|--------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                               | <b>As at</b>             | <b>As at</b>          |
|                                                  | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| Raw material (including stock-in-transit)        | 2,678.96                 | 4,526.32              |
| Finished goods (including stock-in-transit)      | 3,065.14                 | 2,217.43              |
| Stores and spares                                | 619.40                   | 785.10                |
| Rejection and scrap (including stock-in-transit) | 75.25                    | 149.92                |
| <b>Total</b>                                     | <b>6,438.75</b>          | <b>7,678.77</b>       |

**Notes :**

(i) Cost of inventory recognised as expense during the year amounted to ₹ 1,22,723.90 lakhs (March 31, 2020 : ₹54,310.04 lakhs).

(ii) **Details of stock-in-transit**

|                     |          |       |
|---------------------|----------|-------|
| Raw material        | 84.18    | -     |
| Finished goods      | 1,217.53 | 98.54 |
| Rejection and scrap | 6.72     | -     |

| <b>Note 7 : Trade receivables</b>                           | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| (i) Related parties (Refer note 38)                         | 142.13                   | 227.34                |
| (ii) Other than related parties                             | 1,020.38                 | 3,566.87              |
| <b>Total</b>                                                | <b>1,162.51</b>          | <b>3,794.21</b>       |

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. There are no customers who represent more than 10% of the total balance of trade receivables except as follows :-





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| Particulars                  | Amount in ₹ lakhs |               |
|------------------------------|-------------------|---------------|
|                              | As at             |               |
|                              | March 31, 2021    |               |
| Customer A                   |                   | 177.92        |
| Customer B                   |                   | 170.39        |
| Customer C                   |                   | 132.74        |
| Customer D                   |                   | 130.06        |
|                              |                   | <b>611.11</b> |
| % of total trade receivables |                   | 52.57%        |

| Particulars                  | Amount in ₹ lakhs |                 |
|------------------------------|-------------------|-----------------|
|                              | As at             |                 |
|                              | March 31, 2020    |                 |
| Customer A                   |                   | 1,356.55        |
| Customer B                   |                   | 832.10          |
|                              |                   | <b>2,188.65</b> |
| % of total trade receivables |                   | 57.68%          |

(1) Ageing of trade receivables and credit risk arising there from is as below :

| Particulars         | Amount in ₹ lakhs |                                                    |                 |
|---------------------|-------------------|----------------------------------------------------|-----------------|
|                     | Gross credit risk | Allowance for credit losses<br>(refer note 42 (b)) | Net credit risk |
|                     | As at             |                                                    |                 |
|                     | March 31, 2021    |                                                    |                 |
| Amounts not yet due | 1,020.43          | -                                                  | 1,020.43        |
| 0-90 days overdue   | 142.08            | -                                                  | 142.08          |
|                     | <b>1,162.51</b>   |                                                    | <b>1,162.51</b> |

| Particulars          | Amount in ₹ lakhs |                                                    |                 |
|----------------------|-------------------|----------------------------------------------------|-----------------|
|                      | Gross credit risk | Allowance for credit losses<br>(refer note 42 (b)) | Net credit risk |
|                      | As at             |                                                    |                 |
|                      | March 31, 2020    |                                                    |                 |
| Amounts not yet due  | 3,639.62          | -                                                  | 3,639.62        |
| 0-90 days overdue    | 152.62            | -                                                  | 152.62          |
| 91-180 days overdue  | 0.81              | -                                                  | 0.81            |
| 181-270 days overdue | -                 | -                                                  | -               |
| 271-365 days overdue | 1.16              | -                                                  | 1.16            |
|                      | <b>3,794.21</b>   |                                                    | <b>3,794.21</b> |

**Note 8 : Cash and cash equivalents**

| Particulars                           | Amount in ₹ lakhs |                |
|---------------------------------------|-------------------|----------------|
|                                       | As at             | As at          |
|                                       | March 31, 2021    | March 31, 2020 |
| Cash on hand                          | 0.17              | 1.38           |
| Balances with banks -current accounts | 979.66            | 474.76         |
| <b>Total</b>                          | <b>979.83</b>     | <b>476.14</b>  |

**Note 9 : Loans (current)**

| Particulars                                                 | Amount in ₹ lakhs |                |
|-------------------------------------------------------------|-------------------|----------------|
|                                                             | As at             | As at          |
|                                                             | March 31, 2021    | March 31, 2020 |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                   |                |
| Loans to employees                                          | 4.88              | 12.89          |
| <b>Total</b>                                                | <b>4.88</b>       | <b>12.89</b>   |

**Note 10 : Other financial assets (current)**

| Particulars                                                 | Amount in ₹ lakhs |                |
|-------------------------------------------------------------|-------------------|----------------|
|                                                             | As at             | As at          |
|                                                             | March 31, 2021    | March 31, 2020 |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                   |                |
| Security deposit                                            | 1.00              | 1.00           |
| Claim receivables                                           | 38.62             | -              |
| <b>Total</b>                                                | <b>39.62</b>      | <b>1.00</b>    |

**Note 11 : Other current assets**

| Particulars                                                 | Amount in ₹ lakhs |                 |
|-------------------------------------------------------------|-------------------|-----------------|
|                                                             | As at             | As at           |
|                                                             | March 31, 2021    | March 31, 2020  |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                   |                 |
| Prepaid expenses                                            | 5.81              | 22.37           |
| Balances with government authorities                        | -                 | 1,701.28        |
| Sales tax appeal                                            |                   | 13.12           |
| Considered doubtful                                         | 13.12             | -               |
| Less : Provision made during the year                       | (13.12)           | -               |
| Advances to suppliers                                       | 1,595.97          | 212.24          |
| Advances to employees                                       | 0.01              | 2.66            |
| <b>Total</b>                                                | <b>1,601.79</b>   | <b>1,951.67</b> |



Note 12 : Equity share capital

| Particulars                                       | As at March 31, 2021 |               | As at March 31, 2020 |               |
|---------------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                                   | Number of shares     | Amount        | Number of shares     | Amount        |
| <b>(a) Share capital</b>                          |                      |               |                      |               |
| <b>(i) Authorised capital</b>                     |                      |               |                      |               |
| Equity shares of ₹ 2 each                         | 3,25,00,000          | 650.00        | 3,25,00,000          | 650.00        |
|                                                   | <b>3,25,00,000</b>   | <b>650.00</b> | <b>3,25,00,000</b>   | <b>650.00</b> |
| <b>(ii) Issued capital</b>                        |                      |               |                      |               |
| Equity shares of ₹ 2 each                         | 3,04,00,000          | 608.00        | 3,04,00,000          | 608.00        |
|                                                   | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |
| <b>(iii) Subscribed and fully paid up capital</b> |                      |               |                      |               |
| Equity shares of ₹ 2 each with voting rights      | 3,04,00,000          | 608.00        | 3,04,00,000          | 608.00        |
|                                                   | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |

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

| Particulars                              | As at March 31, 2021 |               | As at March 31, 2020 |               |
|------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                          | Number of shares     | Amount        | Number of shares     | Amount        |
| Equity shares with voting rights         |                      |               |                      |               |
| Outstanding at the beginning of the year | 2,04,00,000          | 608.00        | 2,77,00,000          | 554.00        |
| Add: Issued during the year              | -                    | -             | 27,00,000            | 54.00         |
| Outstanding at the end of the year       | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |

(c) Detail of shareholder holding more than 5% shares of the Company: \*

| Name of shareholder                                | As at March 31, 2021  |              | As at March 31, 2020  |              |
|----------------------------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                                    | Number of shares held | % of holding | Number of shares held | % of holding |
| Saket Agarwal                                      | -                     | -            | 35,48,321             | 11.67        |
| Shri Lakshmi Metal Udyog Limited (Holding Company) | 1,69,70,000           | 55.82        | 1,54,60,000           | 50.86        |

\* As per the records of the Company including its register of member.

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.

(e) During the quarter ended December 31, 2018, Shri Lakshmi Metal Udyog Limited ("SLMUL"), a wholly owned subsidiary of the APL Apollo Tubes Limited entered into a share purchase agreement for the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of Apollo Tricoat Tubes Limited ("the Company"). Pursuant to the said agreement, SLMUL made an open offer, which got completed on February 01, 2019. During the offer period, SLMUL acquired 13,25,000 equity shares from open market and 15,36,209 equity shares were tendered under open offer, aggregating to 28,61,209 equity shares, representing 10.33 % of the paid up share capital of the Company as on March 31, 2019. During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of the Company. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 1,51,91,239 equity shares representing 50.56% of paid up share capital of the Company. Accordingly, the Company became a subsidiary of SLMUL with effect from June 17, 2019.

Subsequent to June 17, 2019, SLMUL further acquired 17,78,761 equity shares of the Company. As at March 31, 2021, SLMUL holds 1,69,70,000 equity shares representing 55.82% of paid up share capital of the Company.

Note 13 : Other equity

| Particulars                        | Amount in ₹ lakhs    |                      |
|------------------------------------|----------------------|----------------------|
|                                    | As at March 31, 2021 | As at March 31, 2020 |
| Securities premium                 | 14,042.00            | 14,042.00            |
| Retained earnings                  | 15,745.59            | 5,274.76             |
| Capital reserve                    | 30.00                | 30.00                |
| Share warrants outstanding account | -                    | -                    |
| <b>Total</b>                       | <b>29,817.59</b>     | <b>19,346.76</b>     |

| Particulars                                   | Amount in ₹ lakhs    |                      |
|-----------------------------------------------|----------------------|----------------------|
|                                               | As at March 31, 2021 | As at March 31, 2020 |
| <b>(1) Securities premium</b>                 |                      |                      |
| Balance at the beginning of the year          | 14,042.00            | 10,856.00            |
| Add: addition during the year                 | -                    | 3,186.00             |
| Balance at the end of the year                | <b>14,042.00</b>     | <b>14,042.00</b>     |
| <b>(2) Retained earnings</b>                  |                      |                      |
| Balance at the beginning of the year          | 5,274.76             | 1,050.00             |
| Add: addition during the year                 | 10,470.83            | 4,224.76             |
| Balance at the end of the year                | <b>15,745.59</b>     | <b>5,274.76</b>      |
| <b>(3) Capital reserve</b>                    |                      |                      |
| Balance at the beginning of the year          | 30.00                | -                    |
| Add: addition during the year                 | -                    | 30.00                |
| Balance at the end of the year                | <b>30.00</b>         | <b>30.00</b>         |
| <b>(4) Share warrants outstanding account</b> |                      |                      |
| Balance at the beginning of the year          | -                    | 840.00               |
| Less: share issued during the year            | -                    | (840.00)             |
| Balance at the end of the year                | <b>-</b>             | <b>-</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) **Retained earnings:** It represents unallocated / undistributed profits of the Company. The same is available for distribution.

(iii) **Capital reserve:** Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

(iv) **Items of other comprehensive income :** It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.

(v) **Share warrants outstanding account:** Share warrant issued in earlier years were converted into equity shares.





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 14 : Borrowings (non- current)**

| Particulars                | Amount in ₹ lakhs       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Term loan:             |                         |                         |
| - From bank                |                         |                         |
| Secured (refer note below) | 4,898.91                | 9,820.00                |
| <b>Total</b>               | <b>4,898.91</b>         | <b>9,820.00</b>         |

| Particulars | As at<br>March 31, 2021  |                                                       | As at<br>March 31, 2020  |                                                       |
|-------------|--------------------------|-------------------------------------------------------|--------------------------|-------------------------------------------------------|
|             | Non-current<br>borrowing | Current<br>maturities of<br>non-current<br>borrowings | Non-current<br>borrowing | Current<br>maturities of<br>non-current<br>borrowings |

**Term loan from bank are secured as follows:**

**Term loan -1**

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 19 quarterly installments commencing from June 2021 and ending in December 2025. Applicable Rate of Interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

|          |          |          |        |
|----------|----------|----------|--------|
| 3,750.00 | 1,000.00 | 5,070.00 | 730.00 |
|----------|----------|----------|--------|

**Term loan -2**

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 9 unequal half yearly installments commencing from May 2021 and ending in May 2025. Applicable rate of interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

|          |        |          |        |
|----------|--------|----------|--------|
| 1,145.72 | 302.86 | 4,750.00 | 250.00 |
|----------|--------|----------|--------|

**Vehicle loan from bank are secured as follows:**

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, 2021 there were 34 installments outstanding. Applicable rate of interest is 7.75% p.a.

|      |      |   |   |
|------|------|---|---|
| 3.19 | 1.56 | - | - |
|------|------|---|---|

**Note 15 : Lease liabilities (non- current)**

| Particulars   | Amount in ₹ lakhs       |                         |
|---------------|-------------------------|-------------------------|
|               | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| On account of |                         |                         |
| - Building    | -                       | 0.85                    |
| -Vehicle      | -                       | 2.75                    |
| <b>Total</b>  | <b>-</b>                | <b>3.60</b>             |

**Note 16 : Provisions (non- current)**

| Particulars                            | Amount in ₹ lakhs       |                         |
|----------------------------------------|-------------------------|-------------------------|
|                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Provision for compensated absences     | 40.42                   | 14.72                   |
| Provision for gratuity (refer note 40) | 47.21                   | 13.65                   |
| <b>Total</b>                           | <b>87.63</b>            | <b>28.37</b>            |



APOLLO TRICOAT TUBES LIMITED  
NOTES TO FINANCIAL STATEMENTS

Note 17 : Deferred tax liabilities / assets (net)

(a) Component of deferred tax assets and liabilities are :-

| Particulars                                           | Amount in ₹ lakhs       |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
|                                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(i) Deferred tax liabilities on account of :</b>   |                         |                         |
| - Property, plant and equipment and Intangible assets | 1,244.50                | 776.77                  |
| <b>Total deferred tax liabilities (A)</b>             | <b>1,244.50</b>         | <b>776.77</b>           |
| <b>(ii) Deferred tax assets on account of :</b>       |                         |                         |
| - Provision for employee benefit expenses             | 28.72                   | 9.66                    |
| - Provision for sales tax                             | 3.30                    | -                       |
| <b>Total deferred tax assets (B)</b>                  | <b>32.02</b>            | <b>9.66</b>             |
| <b>Deferred tax liabilities (net)[A-B]</b>            | <b>1,212.48</b>         | <b>767.11</b>           |

(b) Movement in deferred tax liabilities / asset

| Particulars                                         | Amount in ₹ lakhs       |                                  |                                                |                         |
|-----------------------------------------------------|-------------------------|----------------------------------|------------------------------------------------|-------------------------|
|                                                     | As at<br>March 31, 2019 | Recognised in<br>profit and loss | Recognised in other<br>comprehensive<br>income | As at<br>March 31, 2020 |
| <b>Deferred tax liabilities (A)</b>                 |                         |                                  |                                                |                         |
| Property, plant and equipment and Intangible assets | 122.25                  | 654.52                           | -                                              | 776.77                  |
| <b>Total</b>                                        | <b>122.25</b>           | <b>654.52</b>                    | <b>-</b>                                       | <b>776.77</b>           |
| <b>Deferred tax assets (B)</b>                      |                         |                                  |                                                |                         |
| Provision for employee benefit expenses             | 1.47                    | 7.66                             | 0.53                                           | 9.66                    |
| Minimum alternate Tax                               | 72.78                   | (72.78)                          | -                                              | -                       |
| <b>Total</b>                                        | <b>74.25</b>            | <b>(65.12)</b>                   | <b>0.53</b>                                    | <b>9.66</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>         | <b>48.00</b>            | <b>719.64</b>                    | <b>(0.53)</b>                                  | <b>767.11</b>           |

Movement in deferred tax liabilities / asset

| Particulars                                         | Amount in ₹ lakhs       |                                  |                                                |                         |
|-----------------------------------------------------|-------------------------|----------------------------------|------------------------------------------------|-------------------------|
|                                                     | As at<br>March 31, 2020 | Recognised in<br>profit and loss | Recognised in other<br>comprehensive<br>income | As at<br>March 31, 2021 |
| <b>Deferred tax liabilities (A)</b>                 |                         |                                  |                                                |                         |
| Property, plant and equipment and intangible assets | 776.77                  | 467.73                           | -                                              | 1,244.50                |
| <b>Total</b>                                        | <b>776.77</b>           | <b>467.73</b>                    | <b>-</b>                                       | <b>1,244.50</b>         |
| <b>Deferred tax assets (B)</b>                      |                         |                                  |                                                |                         |
| Provision for employee benefit expenses             | 9.66                    | 8.78                             | 10.18                                          | 28.72                   |
| Provision for sales Tax                             | -                       | 3.30                             | -                                              | 3.30                    |
| <b>Total</b>                                        | <b>9.66</b>             | <b>12.08</b>                     | <b>10.18</b>                                   | <b>32.02</b>            |
| <b>Deferred tax liabilities (net - A-B)</b>         | <b>767.11</b>           | <b>455.65</b>                    | <b>(10.18)</b>                                 | <b>1,212.48</b>         |

Note (i) : Refer note 35 for effective tax reconciliation

Note (ii) : In previous year, the Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totaling to 25.17%). Accordingly, the Company has recognised provision for income-tax for the year ended March 31, 2020 and March 31, 2021 basis the revised rates. The Company has also remeasured its deferred tax liability on the basis of the reduced rate.





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 18 : Other non-current liabilities**

| Particulars      | Amount in ₹ lakhs |                 |
|------------------|-------------------|-----------------|
|                  | As at             | As at           |
|                  | March 31, 2021    | March 31, 2020  |
| Deferred income* | 2,073.81          | 1,686.93        |
| <b>Total</b>     | <b>2,073.81</b>   | <b>1,686.93</b> |

\*Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. (refer note 39)

**Note 19 : Borrowings (current)**

| Particulars              | Amount in ₹ lakhs |                |
|--------------------------|-------------------|----------------|
|                          | As at             | As at          |
|                          | March 31, 2021    | March 31, 2020 |
| Loan repayable on demand |                   |                |
| - From bank (Secured)    |                   |                |
| Cash credit              | -                 | 456.48         |
| <b>Total</b>             | <b>-</b>          | <b>456.48</b>  |

Cash credit and working capital facilities of Apollo Tricoat Tubes Limited from banks are secured by first pari passu charge on entire present and future current assets and second charge on entire present and future property, plant and equipment of the manufacturing unit situated at 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. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited) and corporate guarantee of APL Apollo Tubes Limited, the ultimate holding Company. Applicable rate of interest is 8.55% - 9.35% p.a (March 31, 2020: 9.35% - 10.00% p.a.).

**Note 20 : Trade payables**

| Particulars                                                                      | Amount in ₹ lakhs |                  |
|----------------------------------------------------------------------------------|-------------------|------------------|
|                                                                                  | As at             | As at            |
|                                                                                  | March 31, 2021    | March 31, 2020   |
| Outstanding dues to micro and small enterprises (refer note a)                   | 80.40             | -                |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 3,309.11          | 11,243.12        |
| <b>Total</b>                                                                     | <b>3,389.51</b>   | <b>11,243.12</b> |

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:

**Note a**

| Particulars                                                                                                                                                                                                                                                                              | Amount in ₹ lakhs |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|
|                                                                                                                                                                                                                                                                                          | As at             | As at          |
|                                                                                                                                                                                                                                                                                          | March 31, 2021    | March 31, 2020 |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year                                                                                                                                                             |                   |                |
| -Principal amount due to micro and small enterprises                                                                                                                                                                                                                                     | 80.40             | -              |
| -Interest due on above                                                                                                                                                                                                                                                                   | -                 | -              |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year                                                                              | -                 | -              |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006                                                           | -                 | -              |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                                                              | -                 | -              |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | -                 | -              |

**Note 21 : Lease liabilities (current)**

| Particulars                | Amount in ₹ lakhs |                |
|----------------------------|-------------------|----------------|
|                            | As at             | As at          |
|                            | March 31, 2021    | March 31, 2020 |
| On account of              |                   |                |
| - Building (refer note 37) | 2.81              | 1.93           |
| - Vehicle (refer note 37)  | 2.90              | 3.47           |
| <b>Total</b>               | <b>5.71</b>       | <b>5.40</b>    |

**Note 22 : Other financial liabilities (current)**

| Particulars                                           | Amount in ₹ lakhs |                 |
|-------------------------------------------------------|-------------------|-----------------|
|                                                       | As at             | As at           |
|                                                       | March 31, 2021    | March 31, 2020  |
| Current maturities of long term debts (refer note 14) | 1,304.42          | 980.00          |
| Capital creditors                                     | 162.73            | 154.42          |
| Interest accrued but not due                          | 43.16             | 25.64           |
| <b>Total</b>                                          | <b>1,510.31</b>   | <b>1,160.06</b> |

**Note 23 : Other current liabilities (current)**

| Particulars            | Amount in ₹ lakhs |                |
|------------------------|-------------------|----------------|
|                        | As at             | As at          |
|                        | March 31, 2021    | March 31, 2020 |
| Statutory dues payable | 998.47            | 66.29          |
| Advance from customers | 730.31            | 60.17          |
| Advance from employees | 0.76              | 0.24           |
| Deferred income**      | 112.74            | 93.14          |
| <b>Total</b>           | <b>1,842.28</b>   | <b>219.84</b>  |

\*\*Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. (refer note 39)

**Note 24 : Provisions (current)**

| Particulars                            | Amount in ₹ lakhs |                |
|----------------------------------------|-------------------|----------------|
|                                        | As at             | As at          |
|                                        | March 31, 2021    | March 31, 2020 |
| Provision for compensated absences     | 5.76              | 9.82           |
| Provision for gratuity (refer note 40) | 20.34             | 0.16           |
| <b>Total</b>                           | <b>26.10</b>      | <b>9.98</b>    |

**Note 25 : Current tax liabilities (net)**

| Particulars                                                                              | Amount in ₹ lakhs |                |
|------------------------------------------------------------------------------------------|-------------------|----------------|
|                                                                                          | As at             | As at          |
|                                                                                          | March 31, 2021    | March 31, 2020 |
| Provision for tax (net of prepaid taxes ₹ 2,862.61 lakhs, March 31, 2020 ₹ 811.48 lakhs) | 170.08            | 151.89         |
| <b>Total</b>                                                                             | <b>170.08</b>     | <b>151.89</b>  |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 26 : Revenue from operations**

| Particulars               | Amount in ₹ lakhs                    |                                      |
|---------------------------|--------------------------------------|--------------------------------------|
|                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Sale of products          | 1,41,077.99                          | 63,711.51                            |
| Other operating revenue * | 6,203.06                             | 2,613.55                             |
| <b>Total</b>              | <b>1,47,281.05</b>                   | <b>66,325.06</b>                     |

**Disclosure on revenue pursuant to Ind AS 115- Revenue from contract with customers:**

**(i) Reconciliation of revenue recognised with contract price :**

| Particulars                    | Amount in ₹ lakhs                    |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Contract price                 | 1,44,500.22                          | 65,495.09                            |
| Adjustments for:               |                                      |                                      |
| Discount and incentives        | (3,422.23)                           | (1,783.58)                           |
| <b>Revenue from operations</b> | <b>1,41,077.99</b>                   | <b>63,711.51</b>                     |

**(ii) Change in the contract liabilities balances during the year are as follows:**

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Balance at the beginning of the year      | 60.17                                | -                                    |
| Addition during the year                  | 730.31                               | 60.17                                |
| Revenue recognised during the year        | (60.17)                              | -                                    |
| <b>Balance at the closing of the year</b> | <b>730.31</b>                        | <b>60.17</b>                         |

**\* Other operating revenue**

| Particulars   | Amount in ₹ lakhs                    |                                      |
|---------------|--------------------------------------|--------------------------------------|
|               | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Sale of scrap | 4,115.39                             | 2,248.48                             |
| Job work      | 2,087.67                             | 365.07                               |
| <b>Total</b>  | <b>6,203.06</b>                      | <b>2,613.55</b>                      |

**Note 27 : Other income**

| Particulars                                   | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
|                                               | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Interest income - fixed deposit with banks    | -                                    | 17.73                                |
| Profit on foreign currency transactions (net) | 53.12                                | -                                    |
| Miscellaneous income*                         | 126.52                               | 96.24                                |
| <b>Total</b>                                  | <b>179.64</b>                        | <b>113.97</b>                        |

\* Miscellaneous income includes unwinding of deferred income ₹ 102.47 lakhs (March 31, 2020 ₹ 79.19 lakhs)

**Note 28 : Cost of material consumed**

| Particulars                                               | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Raw material</b>                                       |                                      |                                      |
| Inventories of raw material at the beginning of the year  | 4,526.32                             | 657.11                               |
| Add : Purchases during the year (net)                     | 1,19,160.18                          | 59,838.88                            |
| Less : Inventories of raw material at the end of the year | 2,678.96                             | 4,526.32                             |
| <b>Total</b>                                              | <b>1,21,007.54</b>                   | <b>65,069.67</b>                     |

**Note 29 : Changes in Inventories of finished goods, stock-in-trade and rejection and scrap**

| Particulars                                      | Amount in ₹ lakhs                    |                                      |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Inventories at the end of the year:</b>       |                                      |                                      |
| Finished goods                                   | 3,065.14                             | 2,217.43                             |
| Rejection and scrap                              | 75.25                                | 149.92                               |
|                                                  | <b>3,140.39</b>                      | <b>2,367.35</b>                      |
| <b>Inventories at the beginning of the year:</b> |                                      |                                      |
| Finished goods                                   | 2,217.43                             | 114.93                               |
| Rejection and scrap                              | 149.92                               | 16.72                                |
|                                                  | <b>2,367.35</b>                      | <b>131.65</b>                        |
| <b>Total</b>                                     | <b>(773.04)</b>                      | <b>(2,235.70)</b>                    |

**Note 30 : Employee benefits expense**

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Salaries and wages                        | 1,821.89                             | 1,154.43                             |
| Contribution to provident and other funds | 66.09                                | 46.30                                |
| Staff welfare expenses                    | 16.64                                | 11.00                                |
| <b>Total</b>                              | <b>1,904.62</b>                      | <b>1,211.73</b>                      |

During the year, the Company recognized an amount of ₹ 248.20 lakhs (Year ended March 31, 2020 ₹ 174.19 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| - Short term employee benefits      | 219.45        | 164.30        |
| - Post employment benefits          | 6.99          | 9.01          |
| - Other long term employee benefits | 21.76         | 0.88          |
| <b>Total</b>                        | <b>248.20</b> | <b>174.19</b> |

**Note 31 : Finance costs**

| Particulars                                         | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                     | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>(a) Interest expense :</b>                       |                                      |                                      |
| - Term loan                                         | 554.20                               | 341.83                               |
| - Interest on cash credit                           | 54.67                                | 99.59                                |
| - delayed payment of Income tax                     | 52.45                                | -                                    |
| - On account of Ind AS 116 "Leases" (refer note 37) | 0.55                                 | 1.02                                 |
| <b>(b) Other borrowing costs</b>                    | <b>308.41</b>                        | <b>158.66</b>                        |
| <b>Total</b>                                        | <b>970.28</b>                        | <b>601.10</b>                        |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 32 : Depreciation and amortisation expense**

| Particulars                                                  | Amount in ₹ lakhs                    |                                      |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                              | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Depreciation on property, plant and equipment (refer note 2) | 1,619.35                             | 983.85                               |
| Amortisation of intangible assets (refer note 3)             | 16.20                                | 11.79                                |
| Depreciation on right of use assets (refer note 37)          | 17.19                                | 17.27                                |
| <b>Total</b>                                                 | <b>1,652.74</b>                      | <b>1,012.91</b>                      |

**Note 33 : Other expenses**

| Particulars                                              | Amount in ₹ lakhs                    |                                      |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                          | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Consumption of stores and spare parts                    | 2,489.40                             | 576.07                               |
| Power and fuel                                           | 2,016.11                             | 1,010.53                             |
| Rent expense (refer note 37)                             | 0.42                                 | 0.15                                 |
| Legal and professional charges*                          | 61.22                                | 64.87                                |
| Repair and maintenance:                                  |                                      |                                      |
| -Building                                                | 16.36                                | -                                    |
| -Plant and machinery                                     | 125.30                               | -                                    |
| -Others                                                  | 74.19                                | 11.36                                |
| Insurance expenses                                       | 26.81                                | 3.55                                 |
| Rates and taxes                                          | 14.17                                | 14.10                                |
| Freight outward                                          | 2,977.50                             | 1,408.62                             |
| Advertisement and sales promotion                        | 99.39                                | 77.46                                |
| Job work charges                                         | 11.48                                | 25.91                                |
| Corporate social responsibility expenses (refer note 34) | 48.52                                | -                                    |
| Loss on foreign currency transactions (net)              | -                                    | 0.90                                 |
| Travelling and conveyance                                | 7.94                                 | 30.82                                |
| Security services                                        | 54.78                                | 27.03                                |
| Director sitting fee                                     | 16.50                                | 9.32                                 |
| Management support services                              | 357.06                               | 505.85                               |
| Miscellaneous expenses                                   | 376.30                               | 188.97                               |
| <b>Total</b>                                             | <b>8,773.45</b>                      | <b>3,955.51</b>                      |

\*Legal and professional charges include auditor's remuneration as follows:

| To Statutory auditors                   |       |      |
|-----------------------------------------|-------|------|
| For audit (including quarterly reviews) | 14.00 | 1.00 |
| For taxation matters                    | -     | 1.00 |
| For GST audit                           | -     | 0.50 |
| For reimbursement of expenses           | 0.08  | 0.18 |

**Note 34 : Corporate social responsibility**

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR Expenditure as required by the Management are as follows :

| Particulars                                                      | Amount in ₹ lakhs                    |                                      |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Gross amount required to be spent by the Company during the year | 48.52                                | 10.51                                |
| Amount spent during the year on the following:                   |                                      |                                      |
| (a) Construction/acquisition of any asset                        | -                                    | -                                    |
| (b) On purposes other than (a) above                             | 41.00                                | -                                    |
| <b>Total</b>                                                     | <b>41.00</b>                         | <b>-</b>                             |

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("The Rules"), the Company has transferred the unspent amount of ₹ 8.00 lakhs to a separate bank account subsequent to the balance sheet date.

**Note 35 : Income tax expense**

| Particulars                                  | Amount in ₹ lakhs                    |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
|                                              | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Current tax</b>                           |                                      |                                      |
| Current tax on profits for the year          | 3,024.91                             | 977.85                               |
| Adjustments for current tax of prior periods | (56.56)                              | -                                    |
| <b>Total current tax expense</b>             | <b>2,968.35</b>                      | <b>977.85</b>                        |
| <b>Deferred tax</b>                          |                                      |                                      |
| Increase in deferred tax liabilities         | 455.65                               | 719.64                               |
| <b>Total tax expense</b>                     | <b>3,424.00</b>                      | <b>1,697.49</b>                      |

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for the year ended March 31, 2021:**

| Particulars                                           | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                       | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Profit before tax as per statement of profit and loss | 13,925.10                            | 5,923.81                             |
| Enacted tax rates in India                            | 25.17%                               | 25.17%                               |
| Computed expected income tax expense                  | 3,504.67                             | 1,490.91                             |
| Non deductible expenses                               | 31.29                                | 209.69                               |
| Utilisation of previously unrecognized tax losses     | -                                    | (33.49)                              |
| Income not chargeable to tax                          | (1.81)                               | -                                    |
| Other adjustments                                     | (53.59)                              | 30.38                                |
| <b>Tax expense as reported</b>                        | <b>3,480.56</b>                      | <b>1,697.49</b>                      |
| Effective tax rate                                    | 24.99%                               | 28.65%                               |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 36 : Earnings per share**

| Particulars                                                                                | Amount in ₹ lakhs            |                              |
|--------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                            | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Basic and diluted earnings per share</b>                                                |                              |                              |
| Profit attributable to equity shareholders- (A)                                            | 1,05,01,09,849               | 42,26,31,600                 |
| Equity shares outstanding at the beginning of the year                                     | 3,04,00,000                  | 2,77,00,000                  |
| <b>Add:</b> Weighted average number of equity shares issued during the year                | -                            | 27,00,000                    |
| The weighted average number of equity shares outstanding during the year- (B)              | 3,04,00,000                  | 3,04,00,000                  |
| Basic and diluted earnings per share of ₹ 2/- each (March 31, 2020: ₹ 2/- each)- (A) / (B) | 34.54                        | 14.01                        |

The Company does not have any potential equity shares and thus, weighted average number of equity shares for computation of basic earnings per share and diluted earnings per share remains same.

**Note 37 : Disclosure on lease transactions pursuant to Ind AS 116 - Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

On transition, the adoption of the new standard resulted in recognition of 'right of use' asset of ₹13.64 crore and a lease liability of ₹9.00 lakhs. The effect of this adoption was insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 results in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right of use asset at the date of initial application

The Interest rate applied to lease liabilities as at April 01, 2019 is 9% p.a.

The Company's lease asset classes primarily consist of leases for land and office premises that can be renewed after the mutual agreement of both the parties.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right of use assets can only be used by the Company. Leases are either non cancellable or may only be cancelled by incurring a substantive termination fee. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020:

| Particulars                                     | Category of right of use assets |               |               | Total           |
|-------------------------------------------------|---------------------------------|---------------|---------------|-----------------|
|                                                 | Land                            | Building      | Vehicle       |                 |
| <b>Year ended March 31, 2020</b>                |                                 |               |               |                 |
| <b>Gross carrying amount</b>                    |                                 |               |               |                 |
| Opening gross carrying amount                   | -                               | -             | -             | -               |
| Additions for the year                          | 1,365.95                        | 4.03          | 11.14         | 1,381.12        |
| Deletions                                       | -                               | -             | -             | -               |
| <b>Closing gross carrying amount</b>            | <b>1,365.95</b>                 | <b>4.03</b>   | <b>11.14</b>  | <b>1,381.12</b> |
| <b>Accumulated depreciation</b>                 |                                 |               |               |                 |
| Opening accumulated depreciation                | -                               | -             | -             | -               |
| Depreciation charge for the year                | (14.02)                         | (1.87)        | (1.38)        | (17.27)         |
| <b>Closing accumulated depreciation</b>         | <b>(14.02)</b>                  | <b>(1.87)</b> | <b>(1.38)</b> | <b>(17.27)</b>  |
| <b>Net carrying amount as on March 31, 2020</b> | <b>1,351.93</b>                 | <b>2.16</b>   | <b>9.76</b>   | <b>1,363.85</b> |
| <b>Year ended March 31, 2021</b>                |                                 |               |               |                 |
| Opening gross carrying amount                   | 1,365.95                        | 4.03          | 11.14         | 1,381.12        |
| Additions for the year                          | -                               | -             | -             | -               |
| <b>Closing gross carrying amount</b>            | <b>1,365.95</b>                 | <b>4.03</b>   | <b>11.14</b>  | <b>1,381.12</b> |
| <b>Accumulated depreciation</b>                 |                                 |               |               |                 |
| Opening accumulated depreciation                | (14.02)                         | (1.87)        | (1.38)        | (17.27)         |
| Depreciation charge for the year                | (13.96)                         | (1.86)        | (1.37)        | (17.19)         |
| <b>Closing accumulated depreciation</b>         | <b>(27.98)</b>                  | <b>(3.73)</b> | <b>(2.75)</b> | <b>(34.46)</b>  |
| <b>Net carrying amount as on March 31, 2021</b> | <b>1,337.97</b>                 | <b>0.30</b>   | <b>8.39</b>   | <b>1,346.66</b> |

The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the Statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

| Particulars                 | Amount in ₹ lakhs       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Current lease liability     | 5.71                    | 5.40                    |
| Non-current lease liability | -                       | 3.60                    |
| <b>Total</b>                | <b>5.71</b>             | <b>9.00</b>             |

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

| Particulars                             | Amount in ₹ lakhs       |                         |
|-----------------------------------------|-------------------------|-------------------------|
|                                         | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Balance at the beginning</b>         | 9.00                    | 13.38                   |
| Finance cost incurred during the period | 0.55                    | 1.02                    |
| Payment of lease liabilities            | (3.84)                  | (5.40)                  |
| <b>Balance at the end</b>               | <b>5.71</b>             | <b>9.00</b>             |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020:

| Particulars          | Amount in ₹ lakhs    |                 |                   |
|----------------------|----------------------|-----------------|-------------------|
|                      | As at March 31, 2021 |                 |                   |
|                      | Lease payments       | Finance charges | Net present value |
| Less than one year   | 5.82                 | 0.11            | 5.71              |
| One to five years    | -                    | -               | -                 |
| More than five years | -                    | -               | -                 |
| <b>Total</b>         | <b>5.82</b>          | <b>0.11</b>     | <b>5.71</b>       |

| Particulars          | Amount in ₹ lakhs    |                 |                   |
|----------------------|----------------------|-----------------|-------------------|
|                      | As at March 31, 2020 |                 |                   |
|                      | Lease payments       | Finance charges | Net present value |
| Less than one year   | 5.97                 | 0.57            | 5.40              |
| One to five years    | 3.71                 | 0.11            | 3.60              |
| More than five years | -                    | -               | -                 |
| <b>Total</b>         | <b>9.68</b>          | <b>0.68</b>     | <b>9.00</b>       |

Total cash outflow pertaining to leases during the year ended March 31, 2021 is ₹ 3.84 lakhs (March 31, 2020 ₹ 5.40 lakhs)

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.

Rental expense recorded for short-term leases is ₹ 0.42 lakh for the year ended March 31, 2021 (March 31, 2020 ₹ 0.15 lakh).

Rental income on assets given on operating lease is ₹ 24.00 lakhs for the year ended March 31, 2021 (March 31, 2020 ₹ 12.53 lakhs).

**Note 38 : Related party disclosures (as per Ind AS 24)**

**Details of related parties:**

**(a) Details of related parties :**

|                                                                      |                                                                     |
|----------------------------------------------------------------------|---------------------------------------------------------------------|
| (i) Ultimate Holding Company                                         | APL Apollo Tubes Limited (w.e.f. June 17, 2019)                     |
| (ii) Holding Company                                                 | Shri Lakshmi Metal Udyog Limited (w.e.f. June 17, 2019)             |
| (iii) Fellow Subsidiary                                              | Apollo Metalex Private Limited (w.e.f. June 17, 2019)               |
|                                                                      | APL Apollo Building Products Private Limited                        |
| (iv) Key Management Personnel (KMP)                                  | Mr. Rahul Gupta (Managing Director )                                |
| (with whom transactions have taken place during the year)            | Mr. Romi Sehgal (Whole Time Director)<br>(w.e.f. February 01, 2020) |
|                                                                      | Mr. Vinay Gupta (Director) (w.e.f. October 23, 2020)                |
|                                                                      | Mrs. Megha Gupta (upto October 23, 2020)                            |
|                                                                      | Mr. Nandlal Bansal (Chief Financial Officer )                       |
|                                                                      | Mrs. Surbhi Arora (Company Secretary)                               |
| (v) Relative of KMP                                                  | Mrs. Saroj Rani Gupta (Grandmother of Mr. Rahul Gupta)              |
| (with whom transactions have taken place during the year)            | Mrs. Neera Gupta (Mother of Mr. Rahul Gupta)                        |
|                                                                      | Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)                        |
| (vi) Enterprises significantly influenced by KMP and their relatives | APL Infrastructure Private Limited                                  |
| (with whom transactions have taken place during the year)            | Apollo Pipes Limited                                                |
|                                                                      | Apollo Metalex Private Limited (upto June 16, 2019)                 |
|                                                                      | APL Apollo Tubes Limited (upto June 16, 2019)                       |
|                                                                      | Shri Lakshmi Metal Udyog Limited (upto June 16, 2019)               |



Amount in ₹ lakhs

| Particulars                                    | Ultimate Holding Company | Holding Company   | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total              |
|------------------------------------------------|--------------------------|-------------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|--------------------|
| <b>(b) Transactions during the year</b>        |                          |                   |                   |                                |                  |                                                                 |                    |
| <b>Sale of goods (net of discounts)</b>        |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 21,979.26                | -                 | -                 | -                              | -                | -                                                               | 21,979.26          |
|                                                | (11,025.92)              | (-)               | (-)               | (-)                            | (-)              | (1,321.74)                                                      | (12,347.66)        |
| Shri Lakshmi Metal Udyog Limited               | -                        | 411.88            | -                 | -                              | -                | -                                                               | 411.88             |
|                                                | (-)                      | (627.90)          | (-)               | (-)                            | (-)              | (-)                                                             | (627.90)           |
| Apollo Metalex Private Limited                 | -                        | -                 | 3.41              | -                              | -                | -                                                               | 3.41               |
|                                                | (-)                      | (-)               | (1.74)            | (-)                            | (-)              | (-)                                                             | (1.74)             |
| APL Infrastructure Private Limited             | -                        | -                 | -                 | -                              | -                | 0.26                                                            | 0.26               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>21,979.26</b>         | <b>411.88</b>     | <b>3.41</b>       | <b>-</b>                       | <b>-</b>         | <b>0.26</b>                                                     | <b>22,394.81</b>   |
|                                                | <b>(11,025.92)</b>       | <b>(627.90)</b>   | <b>(1.74)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(1,321.74)</b>                                               | <b>(12,977.30)</b> |
| <b>Sale of scrap (other operating revenue)</b> |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 296.06                   | -                 | -                 | -                              | -                | -                                                               | 296.06             |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>296.06</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>296.06</b>      |
|                                                | <b>(-)</b>               | <b>(-)</b>        | <b>(-)</b>        | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(-)</b>         |
| <b>Sale of raw material (net of discounts)</b> |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 8,276.75                 | -                 | -                 | -                              | -                | -                                                               | 8,276.75           |
|                                                | (2,494.56)               | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (2,494.56)         |
| Shri Lakshmi Metal Udyog Limited               | -                        | 5,126.54          | -                 | -                              | -                | -                                                               | 5,126.54           |
|                                                | (-)                      | (1,052.71)        | (-)               | (-)                            | (-)              | (325.15)                                                        | (1,377.86)         |
| Apollo Metalex Private Limited                 | -                        | -                 | 4,887.66          | -                              | -                | -                                                               | 4,887.66           |
|                                                | (-)                      | (-)               | (1,046.95)        | (-)                            | (-)              | (-)                                                             | (1,046.95)         |
|                                                | <b>8,276.75</b>          | <b>5,126.54</b>   | <b>4,887.66</b>   | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>18,290.95</b>   |
|                                                | <b>(2,494.56)</b>        | <b>(1,052.71)</b> | <b>(1,046.95)</b> | <b>(-)</b>                     | <b>(-)</b>       | <b>(325.15)</b>                                                 | <b>(4,919.37)</b>  |
| <b>Sale of property, plant and equipment</b>   |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 669.22                   | -                 | -                 | -                              | -                | -                                                               | 669.22             |
|                                                | (12.83)                  | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (12.83)            |
| Shri Lakshmi Metal Udyog Limited               | -                        | 0.10              | -                 | -                              | -                | -                                                               | 0.10               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Apollo Metalex Private Limited                 | -                        | -                 | 2.25              | -                              | -                | -                                                               | 2.25               |
|                                                | (-)                      | (-)               | (1.95)            | (-)                            | (-)              | (-)                                                             | (1.95)             |
|                                                | <b>669.22</b>            | <b>0.10</b>       | <b>2.25</b>       | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>671.57</b>      |
|                                                | <b>(12.83)</b>           | <b>(-)</b>        | <b>(1.95)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(14.78)</b>     |
| <b>Sale of stores and spares</b>               |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 28.90                    | -                 | -                 | -                              | -                | -                                                               | 28.90              |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Shri Lakshmi Metal Udyog Limited               | -                        | 3.21              | -                 | -                              | -                | -                                                               | 3.21               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Apollo Metalex Private Limited                 | -                        | -                 | 13.00             | -                              | -                | -                                                               | 13.00              |
|                                                | (-)                      | (-)               | (0.90)            | (-)                            | (-)              | (-)                                                             | (0.90)             |
| APL Apollo Building Products Private Limited   | -                        | -                 | 1.00              | -                              | -                | -                                                               | 1.00               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>28.90</b>             | <b>3.21</b>       | <b>14.00</b>      | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>46.11</b>       |
|                                                | <b>(-)</b>               | <b>(-)</b>        | <b>(0.90)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(0.90)</b>      |





APOLLO TRICOAT TUBES LIMITED  
NOTES TO FINANCIAL STATEMENTS

Amount in ₹ lakhs

| Particulars                                          | Ultimate Holding Company             | Holding Company                    | Fellow Subsidiary                    | Key Management Personnel (KMP) | Relatives of KMP       | Enterprises significantly influenced by KMP and their relatives | Total                                  |
|------------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------|------------------------|-----------------------------------------------------------------|----------------------------------------|
| <b>Purchase of property, plant and equipment</b>     |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 478.70<br>(193.30)                   | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(499.82)                                                   | 478.70<br>(693.12)                     |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | -<br>(49.97)                       | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(2.66)                                                     | -<br>(52.65)                           |
| Apollo Metalex Private Limited                       | -<br>(-)                             | -<br>(-)                           | 4.60<br>(201.84)                     | -<br>(-)                       | -<br>(-)               | -<br>(18.43)                                                    | 4.60<br>(220.27)                       |
| Apollo Pipes Limited                                 | -<br>(-)                             | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | 0.60<br>(-)                                                     | 0.60<br>(-)                            |
|                                                      | <b>478.70</b><br><b>(193.30)</b>     | <b>-</b><br><b>(49.97)</b>         | <b>4.60</b><br><b>(201.84)</b>       | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>0.60</b><br><b>(520.93)</b>                                  | <b>483.90</b><br><b>(966.04)</b>       |
| <b>Purchase of stock-in-trade (net of discounts)</b> |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 274.45<br>(83.19)                    | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 274.45<br>(83.19)                      |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | 0.41<br>(-)                        | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 0.41<br>(-)                            |
|                                                      | <b>274.45</b><br><b>(83.19)</b>      | <b>0.41</b><br><b>(-)</b>          | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                                          | <b>274.86</b><br><b>(83.19)</b>        |
| <b>Purchase of raw material (net of discounts)</b>   |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 3,981.75<br>(1,391.04)               | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(228.70)                                                   | 3,981.75<br>(1,619.74)                 |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | 802.13<br>(5,404.69)               | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(2,131.27)                                                 | 802.13<br>(7,535.96)                   |
| Apollo Metalex Private Limited                       | -<br>(-)                             | -<br>(-)                           | 5,771.67<br>(4,306.24)               | -<br>(-)                       | -<br>(-)               | -<br>(10.06)                                                    | 5,771.67<br>(4,316.30)                 |
| Apollo Pipes Limited                                 | -<br>(-)                             | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(7.04)                                                     | -<br>(7.04)                            |
|                                                      | <b>3,981.75</b><br><b>(1,391.04)</b> | <b>802.13</b><br><b>(5,404.69)</b> | <b>5,771.67</b><br><b>(4,306.24)</b> | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(2,377.07)</b>                                   | <b>10,555.55</b><br><b>(13,479.04)</b> |
| <b>Purchase of stores and spares</b>                 |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 8.10<br>(17.94)                      | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(0.98)                                                     | 8.10<br>(18.92)                        |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | 2.29<br>(3.17)                     | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(2.28)                                                     | 2.29<br>(5.45)                         |
| Apollo Metalex Private Limited                       | -<br>(-)                             | -<br>(-)                           | 10.46<br>(10.50)                     | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 10.46<br>(10.50)                       |
|                                                      | <b>8.10</b><br><b>(17.94)</b>        | <b>2.29</b><br><b>(3.17)</b>       | <b>10.46</b><br><b>(10.50)</b>       | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(3.26)</b>                                       | <b>20.85</b><br><b>(34.87)</b>         |
| <b>Purchases of scrap</b>                            |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 39.16<br>(-)                         | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 39.16<br>(-)                           |
|                                                      | <b>39.16</b><br><b>(-)</b>           | <b>-</b><br><b>(-)</b>             | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                                          | <b>39.16</b><br><b>(-)</b>             |
| <b>Management fee paid</b>                           |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 397.47<br>(488.30)                   | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 397.47<br>(488.30)                     |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | -<br>(12.92)                       | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(4.63)                                                     | -<br>(17.55)                           |
|                                                      | <b>397.47</b><br><b>(488.30)</b>     | <b>-</b><br><b>(12.92)</b>         | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(4.63)</b>                                       | <b>397.47</b><br><b>(505.85)</b>       |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Amount in ₹ lakhs

| Particulars                              | Ultimate Holding Company | Holding Company | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total           |
|------------------------------------------|--------------------------|-----------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|-----------------|
| <b>Management support service income</b> |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 30.70                    | -               | -                 | -                              | -                | -                                                               | 30.70           |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Shri Lakshmi Metal Udyog Limited         | -                        | 3.52            | -                 | -                              | -                | -                                                               | 3.52            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Apollo Metalex Private Limited           | -                        | -               | 6.19              | -                              | -                | -                                                               | 6.19            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
|                                          | <b>30.70</b>             | <b>3.52</b>     | <b>6.19</b>       | -                              | -                | -                                                               | <b>40.41</b>    |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| <b>Reimbursement of expenses</b>         |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 1,617.55                 | -               | -                 | -                              | -                | -                                                               | 1,617.55        |
|                                          | (553.46)                 | (-)             | (-)               | (-)                            | (-)              | (4.31)                                                          | (557.77)        |
|                                          | <b>1,617.55</b>          | -               | -                 | -                              | -                | -                                                               | <b>1,617.55</b> |
|                                          | (553.46)                 | (-)             | (-)               | (-)                            | (-)              | (4.31)                                                          | (557.77)        |
| <b>Loan taken</b>                        |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 6,600                    | -               | -                 | -                              | -                | -                                                               | 6,600           |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
|                                          | <b>6,600</b>             | -               | -                 | -                              | -                | -                                                               | <b>6,600</b>    |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
| <b>Loan paid off</b>                     |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 6,600                    | -               | -                 | -                              | -                | -                                                               | 6,600           |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
|                                          | <b>6,600.00</b>          | -               | -                 | -                              | -                | -                                                               | <b>6,600</b>    |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
| <b>Rent income</b>                       |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 24.00                    | -               | -                 | -                              | -                | -                                                               | 24.00           |
|                                          | (9.53)                   | (-)             | (-)               | (-)                            | (-)              | (3.00)                                                          | (12.53)         |
|                                          | <b>24.00</b>             | -               | -                 | -                              | -                | -                                                               | <b>24.00</b>    |
|                                          | (9.53)                   | (-)             | (-)               | (-)                            | (-)              | (3.00)                                                          | (12.53)         |
| <b>Rent expense</b>                      |                          |                 |                   |                                |                  |                                                                 |                 |
| Mrs Vandana Gupta                        | -                        | -               | -                 | -                              | 0.21             | -                                                               | 0.21            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Mrs. Neera Gupta                         | -                        | -               | -                 | -                              | 0.48             | -                                                               | 0.48            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.48)           | (-)                                                             | (0.48)          |
| Mrs. Saroj Rani Gupta                    | -                        | -               | -                 | -                              | 0.60             | -                                                               | 0.60            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.48)           | (-)                                                             | (0.48)          |
|                                          | (-)                      | (-)             | (-)               | (-)                            | <b>1.29</b>      | -                                                               | <b>1.29</b>     |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.96)           | (-)                                                             | (0.96)          |
| <b>Job work expenses</b>                 |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | -                        | -               | -                 | -                              | -                | -                                                               | -               |
|                                          | (12.22)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (12.22)         |
| Shri Lakshmi Metal Udyog Limited         | -                        | 1.22            | -                 | -                              | -                | -                                                               | 1.22            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
|                                          | -                        | <b>1.22</b>     | -                 | -                              | -                | -                                                               | <b>1.22</b>     |
|                                          | (12.22)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (12.22)         |
| <b>Job work income</b>                   |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 77.55                    | -               | -                 | -                              | -                | -                                                               | 77.55           |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Shri Lakshmi Metal Udyog Limited         | -                        | 2,010.12        | -                 | -                              | -                | -                                                               | 2,010.12        |
|                                          | (-)                      | (366.37)        | (-)               | (-)                            | (-)              | (-)                                                             | (366.37)        |
|                                          | <b>77.55</b>             | <b>2,010.12</b> | -                 | -                              | -                | -                                                               | <b>2,087.67</b> |
|                                          | (-)                      | (366.37)        | (-)               | (-)                            | (-)              | (-)                                                             | (366.37)        |



Amount in ₹ lakhs

| Particulars                                            | Ultimate Holding Company         | Holding Company            | Fellow Subsidiary          | Key Management Personnel (KMP)   | Relatives of KMP       | Enterprises significantly influenced by KMP and their relatives | Total                            |
|--------------------------------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------------|------------------------|-----------------------------------------------------------------|----------------------------------|
| <b>Interest expense</b>                                |                                  |                            |                            |                                  |                        |                                                                 |                                  |
| APL Apollo Tubes Limited                               | 202.43<br>(187.25)               | -<br>(-)                   | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(-)                                                        | 202.43<br>(187.25)               |
| Shri Lakshmi Metal Udyog Limited                       | -<br>(-)                         | -<br>(76.40)               | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(-)                                                        | -<br>(76.40)                     |
| Apollo Metalex Private Limited                         | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(19.63)                                                    | -<br>(19.63)                     |
|                                                        | <b>202.43</b><br><b>(187.25)</b> | <b>-</b><br><b>(76.40)</b> | <b>-</b><br><b>(-)</b>     | <b>-</b><br><b>(-)</b>           | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(19.63)</b>                                      | <b>202.43</b><br><b>(283.28)</b> |
| <b>Import licence purchases</b>                        |                                  |                            |                            |                                  |                        |                                                                 |                                  |
| APL Apollo Tubes Limited                               | -<br>(19.76)                     | -<br>(-)                   | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(-)                                                        | -<br>(19.76)                     |
|                                                        | <b>(19.76)</b>                   | <b>(-)</b>                 | <b>(-)</b>                 | <b>(-)</b>                       | <b>(-)</b>             | <b>(-)</b>                                                      | <b>(19.76)</b>                   |
| <b>Salary</b>                                          |                                  |                            |                            |                                  |                        |                                                                 |                                  |
| Mr. Rahul Gupta                                        | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | 120.00<br>(120.00)               | -<br>(-)               | -<br>(-)                                                        | 120.00<br>(120.00)               |
| Mr. Romi Sehgal                                        | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | 95.95<br>(24.49)                 | -<br>(-)               | -<br>(-)                                                        | 95.95<br>(24.49)                 |
| Mr. Nandlal Bansal                                     | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | 22.45<br>(20.49)                 | -<br>(-)               | -<br>(-)                                                        | 22.45<br>(20.49)                 |
| Mrs. Surbhi Arora                                      | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | 9.80<br>(9.21)                   | -<br>(-)               | -<br>(-)                                                        | 9.80<br>(9.21)                   |
|                                                        | <b>-</b><br><b>(-)</b>           | <b>-</b><br><b>(-)</b>     | <b>-</b><br><b>(-)</b>     | <b>248.20</b><br><b>(174.19)</b> | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                                          | <b>248.20</b><br><b>(174.19)</b> |
| <b>Director sitting fees paid</b>                      |                                  |                            |                            |                                  |                        |                                                                 |                                  |
| Mrs. Megha Gupta                                       | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | -<br>(0.55)                      | -<br>(-)               | -<br>(-)                                                        | -<br>(0.55)                      |
|                                                        | <b>(-)</b>                       | <b>(-)</b>                 | <b>(-)</b>                 | <b>(0.55)</b>                    | <b>(-)</b>             | <b>(-)</b>                                                      | <b>(0.55)</b>                    |
| <b>(c) Balances outstanding at the end of the year</b> |                                  |                            |                            |                                  |                        |                                                                 |                                  |
| <b>Trade receivables</b>                               |                                  |                            |                            |                                  |                        |                                                                 |                                  |
| APL Apollo Tubes Limited                               | -<br>(227.01)                    | -<br>(-)                   | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(-)                                                        | -<br>(227.01)                    |
| Shri Lakshmi Metal Udyog Limited                       | -<br>(-)                         | 54.02<br>(-)               | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(-)                                                        | 54.02<br>(-)                     |
| Apollo Metalex Private Limited                         | -<br>(-)                         | -<br>(-)                   | 88.11<br>(-)               | -<br>(-)                         | -<br>(-)               | -<br>(0.33)                                                     | 88.11<br>(0.33)                  |
|                                                        | <b>(227.01)</b>                  | <b>54.02</b><br><b>(-)</b> | <b>88.11</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>           | <b>-</b><br><b>(-)</b> | <b>(0.33)</b>                                                   | <b>142.13</b><br><b>(227.34)</b> |
| <b>Trade payables</b>                                  |                                  |                            |                            |                                  |                        |                                                                 |                                  |
| APL Apollo Tubes Limited                               | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(-)                                                        | -<br>(-)                         |
| Shri Lakshmi Metal Udyog Limited                       | -<br>(-)                         | (1,643.41)                 | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | -<br>(-)                                                        | (1,643.41)                       |
| Apollo Pipes Limited                                   | -<br>(-)                         | -<br>(-)                   | -<br>(-)                   | -<br>(-)                         | -<br>(-)               | (1.07)                                                          | (1.07)                           |
|                                                        | <b>(-)</b>                       | <b>(1,643.41)</b>          | <b>(-)</b>                 | <b>(-)</b>                       | <b>(-)</b>             | <b>(1.07)</b>                                                   | <b>(1,644.48)</b>                |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| Particulars                  |                          |                 |                   |                                |                  |                                                                 | <i>Amount in ₹ lakhs</i> |
|------------------------------|--------------------------|-----------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|--------------------------|
|                              | Ultimate Holding Company | Holding Company | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                    |
| <b>Advance from customer</b> |                          |                 |                   |                                |                  |                                                                 |                          |
| APL Apollo Tubes Limited     | 552.50                   | -               | -                 | -                              | -                | -                                                               | <b>562.50</b>            |
|                              | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)                      |
|                              | <b>562.50</b>            | -               | -                 | -                              | -                | -                                                               | <b>562.50</b>            |
|                              | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)                      |

**Notes :**

(1) Figures in the bracket relates to previous year ended March 31, 2020.

(2) Amount of expense of gratuity and compensated absences is taken on actuarial basis.

(3) The term loan and other credit facilities of the Company are also secured by corporate guarantee of APL Apollo Tubes Limited, ultimate holding Company, personal guarantee of directors of the APL Apollo Tubes Limited, ultimate holding Company, Mr. Sanjay Gupta and Mr. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited).

*(This space has been intentionally left blank)*





**Note 39 : Contingent liabilities and commitments (to the extent not provided for)**

**(a) Contingent liabilities**

Contingent liabilities for the year ended March 31, 2021 ₹ nil (March 31, 2020 ₹ nil)

**(b) Commitments**

(1) Estimated amount of contracts remaining to be executed on capital account and not provided for

| Particulars                   | Amount in ₹ lakhs       |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Property, plant and equipment | 1,312.74                | 2,250.07                |

(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 ₹ 14,230.32 lakhs (March 31, 2020 ₹ 11,176.62 lakhs) against which the Company has saved a duty of ₹ 2,371.72 lakhs (March 31, 2020 ₹ 1,862.77 lakhs).

(3) The Company does not have any other long term commitments or material non-cancellable contractual commitments /contracts.

**Note 40 : Employee benefit plan**

**a. General description of the employee benefit plan**

The Company has an obligation towards gratuity, unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

**b. Plan typically exposes the Company to actuarial risks such as : investment risks, interest rate risk, longevity risk and salary risk.**

**Investment risk**

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount risk which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest rate risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt .

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

In respect of the plan in India, the most recent actuarial valuation the present value of the defined benefit obligation were carried out as at March 31, 2021 by an actuary. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the projected unit credit method.

The Company has classified the various benefits provided to employees as under:

**A. Defined contribution plans**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognised the following amounts towards defined contribution plan in the Statement of Profit and Loss -

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Employer's contribution to provident fund | 60.14                                | 42.75                                |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**B. Other long term benefits and defined benefit plans**

**(i) Change in present value of obligation**

| Particulars                                                 | Amount in ₹ lakhs            |                              |
|-------------------------------------------------------------|------------------------------|------------------------------|
|                                                             | Gratuity                     |                              |
|                                                             | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Present value of obligation as at the beginning of the year | 13.81                        | 2.93                         |
| Interest cost                                               | 0.93                         | 0.23                         |
| Service cost                                                | 12.65                        | 8.56                         |
| Benefits paid                                               | (0.34)                       | -                            |
| Acquisition /Business Combination / Divestiture             | 0.05                         | -                            |
| Total actuarial loss on obligation                          | 40.45                        | 2.09                         |
| <b>Present value of obligation as at the end of year</b>    | <b>67.55</b>                 | <b>13.81</b>                 |

**(ii) Liabilities recognized in the balance sheet**

| Particulars                                            | Amount in ₹ lakhs       |                         |
|--------------------------------------------------------|-------------------------|-------------------------|
|                                                        | Gratuity                |                         |
|                                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Net defined benefit liability at the start of the year | 13.81                   | 2.93                    |
| Total service cost                                     | 12.65                   | 8.56                    |
| Net interest cost                                      | 0.93                    | 0.23                    |
| Re-measurements                                        | 40.45                   | 2.09                    |
| Benefit paid directly by the enterprise                | (0.34)                  | -                       |
| Acquisition /Business Combination / Divestiture        | 0.05                    | -                       |
| <b>Net liability recognized in balance sheet</b>       | <b>67.55</b>            | <b>13.81</b>            |
| Recognized under:                                      |                         |                         |
| Long term provision                                    | 47.21                   | 13.65                   |
| Short term provision                                   | 20.34                   | 0.16                    |
| <b>Total</b>                                           | <b>67.55</b>            | <b>13.81</b>            |

**(iii) Expense recognized in the statement of profit and loss**

| Particulars                                                   | Amount in ₹ lakhs            |                              |
|---------------------------------------------------------------|------------------------------|------------------------------|
|                                                               | Gratuity                     |                              |
|                                                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Service cost                                                  | 12.65                        | 8.56                         |
| Interest cost                                                 | 0.93                         | 0.23                         |
| <b>Expense recognized in the statement of profit and loss</b> | <b>13.58</b>                 | <b>8.79</b>                  |

**(iv) Other comprehensive income (OCI)**

| Particulars                                               | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                           | Gratuity                             |                                      |
|                                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Actuarial loss for the year on defined benefit obligation | 40.45                                | 2.09                                 |

**(v) Principal actuarial assumptions**

The significant actuarial assumptions for gratuity and compensated absences are as follows:

| Particulars                               | Year ended       | Year ended       |
|-------------------------------------------|------------------|------------------|
|                                           | March 31, 2021   | March 31, 2020   |
| Discount rate per annum                   | 7.09%            | 6.77%            |
| Salary escalation rate per annum          | 8.00%            | 4.00%            |
| Retirement age                            | 60 Years         | 60 Years         |
| Mortality tables                          | IALM [2012-2014] | IALM [2012-2014] |
| <b>Employee turnover / Attrition rate</b> |                  |                  |
| 18 In 30 Years                            | 3.00%            | 3.00%            |
| 30 to 45 Years                            | 2.00%            | 2.00%            |
| Above 45 Years                            | 1.00%            | 1.00%            |

**(vi) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

| Particulars                   | Amount in ₹ lakhs            |                              |
|-------------------------------|------------------------------|------------------------------|
|                               | Gratuity                     |                              |
|                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Discount rate</b>          |                              |                              |
| Increased by 1%               | (7.02)                       | (1.84)                       |
| Decreased by 1%               | 8.83                         | 2.28                         |
| <b>Salary escalation rate</b> |                              |                              |
| Increased by 1%               | 8.65                         | 2.32                         |
| Decreased by 1%               | (7.02)                       | (1.90)                       |
| <b>Attrition rate</b>         |                              |                              |
| Increased by 1%               | (1.18)                       | (0.08)                       |
| Decreased by 1%               | 1.82                         | 0.16                         |

**(vii) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 19.77 years in case of gratuity. The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars         | Amount in ₹ lakhs            |                              |
|---------------------|------------------------------|------------------------------|
|                     | Gratuity                     |                              |
|                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 20.40                        | 0.18                         |
| Between 1 - 2 years | 0.64                         | 0.24                         |
| Between 2 - 3 years | 0.57                         | 0.33                         |
| Between 3 - 4 years | 2.41                         | 0.48                         |
| Between 4 - 5 years | 16.58                        | 1.22                         |
| Beyond 5 years      | 51.46                        | 29.26                        |
| <b>Total</b>        | <b>92.06</b>                 | <b>31.71</b>                 |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 41 : Financial instruments**

**Financial instruments by category**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

| Particulars                                | As at March 31, 2021     |        |                  | As at March 31, 2020 |        |                  |
|--------------------------------------------|--------------------------|--------|------------------|----------------------|--------|------------------|
|                                            | <i>Amount in ₹ lakhs</i> |        |                  |                      |        |                  |
|                                            | FVTPL                    | FVTOCI | Amortised cost * | FVTPL                | FVTOCI | Amortised cost * |
| <b>Financial assets - non current</b>      |                          |        |                  |                      |        |                  |
| Security deposit                           | -                        | -      | 175.33           | -                    | -      | 175.54           |
| <b>Financial assets - current</b>          |                          |        |                  |                      |        |                  |
| Loans to employees                         | -                        | -      | 4.88             | -                    | -      | 12.89            |
| Trade receivables                          | -                        | -      | 1,162.51         | -                    | -      | 3,794.21         |
| Cash and cash equivalents                  | -                        | -      | 0.17             | -                    | -      | 1.38             |
| Balances with banks                        | -                        | -      | 979.66           | -                    | -      | 474.76           |
| Security deposit                           | -                        | -      | 1.00             | -                    | -      | 1.00             |
| Claim receivables                          | -                        | -      | 38.62            | -                    | -      | -                |
| <b>Total financial assets</b>              | -                        | -      | <b>2,362.17</b>  | -                    | -      | <b>4,459.78</b>  |
| <b>Financial liabilities - non current</b> |                          |        |                  |                      |        |                  |
| Borrowings                                 | -                        | -      | 4,898.91         | -                    | -      | 9,820.00         |
| Lease liabilities                          | -                        | -      | -                | -                    | -      | 3.60             |
| <b>Financial liabilities -current</b>      |                          |        |                  |                      |        |                  |
| Borrowings                                 | -                        | -      | -                | -                    | -      | 456.48           |
| Trade payable                              | -                        | -      | 3,389.51         | -                    | -      | 11,243.12        |
| Lease liabilities                          | -                        | -      | 5.71             | -                    | -      | 5.40             |
| Current maturities of long term debts      | -                        | -      | 1,304.42         | -                    | -      | 980.00           |
| Capital creditors                          | -                        | -      | 162.73           | -                    | -      | 154.42           |
| Interest accrued but not due               | -                        | -      | 43.16            | -                    | -      | 25.64            |
| <b>Total financial liabilities</b>         | -                        | -      | <b>9,804.44</b>  | -                    | -      | <b>22,688.66</b> |

**Valuation technique to determine fair value**

Cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the lease payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

**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.

**\*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.



**Note 42 : 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. Company's treasury department identifies and evaluates 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.

**(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, equity price fluctuations, 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 the costs of imports, primarily in relation to capital assets.

The Company has limited exposure to foreign currency risk and thereby it mainly relies on natural hedge. To further mitigate the Company's exposure to foreign currency risk, non-INR cash flows are continuously monitored.

**Details on unhedged foreign currency exposures**

(1) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                        | As at          | As at          |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2021 | March 31, 2020 |
| <b>Payables:</b>                |                |                |
| USD                             | 64,500.00      | 1,01,800.00    |
| Equivalent amount in ₹ in lakhs | 47.16          | 74.96          |
| <b>Advance paid to vendors:</b> |                |                |
| USD                             | 1,79,082.26    | 9,01,870.63    |
| Equivalent amount in ₹ in lakhs | 136.17         | 619.86         |
| EURO                            | 16,994.77      | 1,44,906.22    |
| Equivalent amount in ₹ in lakhs | 15.05          | 113.94         |

**Sensitivity**

If INR is depreciated or appreciated by 0.5% vis-a-vis foreign currency, the impact thereof on the profit (after tax) of the Company are given below:

| Particulars               | Amount in ₹ lakhs          |                |
|---------------------------|----------------------------|----------------|
|                           | Impact on profit after tax |                |
|                           | As at                      | As at          |
|                           | March 31, 2021             | March 31, 2020 |
| USD sensitivity           |                            |                |
| INR/USD increases by 0.5% | (0.18)                     | (0.28)         |
| INR/USD decreases by 0.5% | 0.18                       | 0.28           |

**(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 with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and MCLR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

| Particulars              | Amount in ₹ lakhs |                  |
|--------------------------|-------------------|------------------|
|                          | As at             | As at            |
|                          | March 31, 2021    | March 31, 2020   |
| Variable rate borrowings | 6,198.58          | 11,256.48        |
| Fixed rate borrowings    | 4.75              | -                |
| <b>Total borrowings</b>  | <b>6,203.33</b>   | <b>11,256.48</b> |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                | Amount in ₹ lakhs    |                      |
|----------------------------|----------------------|----------------------|
|                            | Balance              | % of total loans     |
|                            | As at March 31, 2021 | As at March 31, 2020 |
| Bank loans and Cash credit | 6,198.58             | 99.92%               |
| Bank loans and Cash credit | 11,256.48            | 100%                 |

**Sensitivity analysis for variable-rate instruments**

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                        | Amount in ₹ lakhs          |                |
|------------------------------------|----------------------------|----------------|
|                                    | Impact on profit after tax |                |
|                                    | Year ended                 | Year ended     |
|                                    | March 31, 2021             | March 31, 2020 |
| Interest rates – increases by 0.5% | (23.19)                    | (42.12)        |
| Interest rates – decreases by 0.5% | 23.19                      | 42.12          |





(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company evaluates the credit worthiness of the customers based on publicly available information and the Company's historical experiences. The Company's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue receivables.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty. Trade receivables consist of a large number of customers of various scales and in different geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables. In case the receivables are not recovered even after regular follow up, measures are taken to stop further supplies to the concerned customer. The company recognises lifetime expected credit loss on trade receivables using simplified approach.

Credit risk relating to cash and cash equivalent and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such bank to be good and reviews the banking relationships on an on-going basis.

(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        | Amount in ₹ lakhs       |                         |
|--------------------|-------------------------|-------------------------|
|                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Floating rate      | 18,000.00               | 15,543.52               |
| Nature of facility | Working Capital         | Working Capital         |

(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.

| Particulars                                          | Amount in ₹ lakhs                                                           |                 |                   |                  |
|------------------------------------------------------|-----------------------------------------------------------------------------|-----------------|-------------------|------------------|
|                                                      | Contractual maturities of financial liabilities :-<br>Not later than 1 year | 1 to 5 years    | 5 years and above | Total            |
| <b>Non-derivatives</b>                               |                                                                             |                 |                   |                  |
| <b>March 31, 2021</b>                                |                                                                             |                 |                   |                  |
| Borrowings*                                          | 1,304.42                                                                    | 4,898.91        | -                 | 6,203.33         |
| Lease liabilities*                                   | 5.71                                                                        | -               | -                 | 5.71             |
| Payable on purchase of property, plant and equipment | 162.73                                                                      | -               | -                 | 162.73           |
| Trade payable                                        | 3,389.51                                                                    | -               | -                 | 3,389.51         |
| Interest accrued but not due on borrowings           | 43.16                                                                       | -               | -                 | 43.16            |
| <b>Total non-derivative liabilities</b>              | <b>4,905.53</b>                                                             | <b>4,898.91</b> | <b>-</b>          | <b>9,804.44</b>  |
| <b>Non-derivatives</b>                               |                                                                             |                 |                   |                  |
| <b>March 31, 2020</b>                                |                                                                             |                 |                   |                  |
| Borrowings*                                          | 1,436.48                                                                    | 8,490.00        | 1,330.00          | 11,256.48        |
| Lease liabilities*                                   | 5.40                                                                        | 3.60            | -                 | 9.00             |
| Payable on purchase of property, plant and equipment | 154.42                                                                      | -               | -                 | 154.42           |
| Trade payable                                        | 11,243.12                                                                   | -               | -                 | 11,243.12        |
| Interest accrued but not due on borrowings           | 25.64                                                                       | -               | -                 | 25.64            |
| <b>Total non-derivative liabilities</b>              | <b>12,865.06</b>                                                            | <b>8,493.60</b> | <b>1,330.00</b>   | <b>22,688.66</b> |

\* The amounts do not include interest payments.

**Note 43 : 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.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowing 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 acquisition, 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 borrowing less cash and cash equivalents, bank balances other than cash and cash equivalents.



| Particulars                                  | Amount in ₹ lakhs       |                         |
|----------------------------------------------|-------------------------|-------------------------|
|                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Non current borrowing                        | 4,898.91                | 9,820.00                |
| Current maturities of non current borrowings | 1,304.42                | 980.00                  |
| Current borrowings                           | -                       | 456.48                  |
| Less :- cash and cash equivalents            | (979.83)                | (476.14)                |
| <b>Net debts</b>                             | <b>5,223.50</b>         | <b>10,780.34</b>        |
| <b>Total equity</b>                          | <b>30,425.59</b>        | <b>19,954.76</b>        |
| <b>Gearing ratio</b>                         | <b>0.17</b>             | <b>0.54</b>             |

Equity includes all capital and revenue reserves of the Company that are managed as capital.

| Note 44 : Reconciliation of liabilities arising from financing activities |                 |                 |                   | Amount in ₹ lakhs |                  |
|---------------------------------------------------------------------------|-----------------|-----------------|-------------------|-------------------|------------------|
| Particulars                                                               | As at           | Cash flows      | Interest expenses | As at             |                  |
|                                                                           | March 31, 2019  |                 |                   | March 31, 2020    |                  |
| Non-current borrowings                                                    | 2,906.22        | 6,913.78        | -                 | -                 | 9,820.00         |
| Current borrowings                                                        | 2,547.36        | (2,090.88)      | -                 | -                 | 456.48           |
| Current maturities of non-current borrowings                              | 103.13          | 876.87          | -                 | -                 | 980.00           |
| Lease liabilities                                                         | 13.38           | (5.40)          | 1.02              | -                 | 9.00             |
| <b>Total liabilities from financing activities</b>                        | <b>5,570.09</b> | <b>5,699.77</b> | <b>1.02</b>       | -                 | <b>11,256.48</b> |

| Particulars                                        | As at            | Cash flows        | Interest expenses | As at          |                 |
|----------------------------------------------------|------------------|-------------------|-------------------|----------------|-----------------|
|                                                    | March 31, 2020   |                   |                   | March 31, 2021 |                 |
| Non-current borrowings                             | 9,820.00         | (4,921.09)        | -                 | -              | 4,898.91        |
| Current borrowings                                 | 456.48           | (456.48)          | -                 | -              | -               |
| Current maturities of non-current borrowings       | 980.00           | 324.42            | -                 | -              | 1,304.42        |
| Lease liabilities                                  | 9.00             | (3.84)            | 0.55              | -              | 5.71            |
| <b>Total liabilities from financing activities</b> | <b>11,265.48</b> | <b>(5,056.99)</b> | <b>0.55</b>       | -              | <b>6,209.04</b> |

**Note 45 :** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**Note 46 :** The Board of Directors of Apollo Tricoat Tubes Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation of the Company and Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") with APL Apollo Tubes Limited ("APL Apollo"), its ultimate holding Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.

**Note 47 :** Figures for the previous year have regrouped/ reclassified wherever necessary.

**For Walker Chandio & Co LLP**

Chartered Accountants  
Firm Reg. No. 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



Place : New Delhi  
Date : May 03, 2021

**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd**



**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary  
Membership No. A33370

**APL APOLLO TUBES LIMITED**

**AUDITED STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH, 2021**



## 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, 2021, 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, 2021, 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 specified under section 143(10) of the Act (SAs). 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, but does not include the standalone financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and will 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 identified above when it becomes available 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.





When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 system 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.

#### **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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 no 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 no 38(b)(5) 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 no 38(c) of the standalone financial statements).

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)

**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 Over Financial Reporting under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **APL Apollo Tubes Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding





## **Deloitte Haskins & Sells LLP**

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting 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)



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets (Property, Plant and Equipment) :
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed asset to cover all items once in 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, fixed assets were physically verified by the Management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings 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:

| Particulars of the land and building                                                | Gross Block as at March 31, 2021 (Rupees in crore) | Net Block as at March 31, 2021 (Rupees in crore) | Remarks                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Freehold land and building located at Murbad, Maharashtra admeasuring 37,800 Sq. ft | 1.47                                               | 1.18                                             | The conveyance deed is in the name of Llyod Line Pipe Limited, 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 |

- ii. As explained to us, the inventories (other than inventories in transit and inventories lying with third party) were physically verified during the year by the Management at the reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans. In case of inventories lying with the third party, confirmation have been received by the Management for the stock held at year end and no material discrepancies was noted in respect of such confirmation.
- iii. According to the information and explanations given to us, the Company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which
  - a. The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.



- c. There are no overdue amounts remaining outstanding as at year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, , Goods and Services Tax, Custom Duty and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable. The operations of the Company didn't give rise to Excise duty. Also refer to the note 38(a)(5) to the standalone financial statements regarding management assessment on certain matters relating to the provident fund.
- (b) Details of dues of Income tax, Service tax, Value added tax and Excise Duty which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute                        | Nature of Dues  | Forum where Dispute is Pending                    | Period to which the Amount Relates | Amount (net of payment) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------------------------|-----------------|---------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|
| Uttar Pradesh Value Added Tax Act 2008 | Value Added Tax | High Court of Allahabad                           | 2007-2008                          | 0.61                                      | -                                           |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2011-2012                          | 2.30                                      | 0.25                                        |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2012-2013                          | 1.13                                      | 0.16                                        |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2013-2014                          | 1.87                                      | -                                           |
|                                        | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2014-2015                          | 0.03                                      | 0.28                                        |
|                                        | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2016-2017                          | 0.40                                      | 0.06                                        |



| Name of Statute                  | Nature of Dues  | Forum where Dispute is Pending                    | Period to which the Amount Relates | Amount (net of payment) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------------------|-----------------|---------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|
|                                  | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2015-2016                          | 1.08                                      | 0.23                                        |
| Tamil Nadu Value Added Tax, 2006 | Value Added Tax | High Court of Chennai                             | 2010-11 and 2011-12                | 0.81                                      | -                                           |
| 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                                        |
|                                  | Excise Duty     | Commissioner (Appeals), Thane                     | 2014-15 & 2015-16                  | 0.48                                      | 0.02                                        |
|                                  | Excise Duty     | Commissioner (Appeals), Thane                     | 2016-17, 2017-18 & 2018-19         | 0.29                                      | 0.02                                        |
| Finance Act, 1994                | 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)              | 2016-2017                          | 2.48                                      | 0.92                                        |

We have been informed that there are no other dues of Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2021 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.





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- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)

**APL APOLLO TUBES LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**

| Particulars                                                     | Notes       | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------------|-------------------------|-------------------------|
|                                                                 |             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>I. ASSETS</b>                                                |             |                         |                         |
| <b>(1) Non-current assets</b>                                   |             |                         |                         |
| (a) Property, plant and equipment                               | 2(a)        | 872.45                  | 936.25                  |
| (b) Capital work-in-progress                                    | 2(b)        | 52.89                   | 6.24                    |
| (c) Right of use assets                                         | 2(c)        | 17.56                   | 18.46                   |
| (d) Intangible assets                                           | 2(d)        | 1.62                    | 2.39                    |
| (e) Investment in subsidiaries                                  | 3(a)        | 524.33                  | 394.07                  |
| (f) Financial assets                                            |             |                         |                         |
| (i) Investments                                                 | 3(b) & 3(c) | 1.48                    | 1.52                    |
| (ii) Loans                                                      | 4           | 107.29                  | 75.00                   |
| (iii) Other financial assets                                    | 5           | 18.63                   | 19.78                   |
| (g) Non-current tax assets (net)                                | 6           | 5.23                    | 10.19                   |
| (h) Other non-current assets                                    | 7           | 50.71                   | 45.85                   |
| <b>Total non-current assets</b>                                 |             | <b>1,652.19</b>         | <b>1,509.75</b>         |
| <b>(2) Current assets</b>                                       |             |                         |                         |
| (a) Inventories                                                 | 8           | 550.39                  | 590.27                  |
| (b) Financial assets                                            |             |                         |                         |
| (i) Trade receivables                                           | 9           | 87.18                   | 306.94                  |
| (ii) Cash and cash equivalents                                  | 10          | 3.19                    | 38.85                   |
| (iii) Bank balance other than (ii) above                        | 11          | 341.30                  | 1.07                    |
| (iv) Loans                                                      | 12          | 1.11                    | 1.04                    |
| (v) Other financial assets                                      | 13          | 13.71                   | 28.20                   |
| (c) Other current assets                                        | 14          | 108.31                  | 96.63                   |
|                                                                 |             | <b>1,105.19</b>         | <b>1,063.00</b>         |
| <b>Assets classified as held for sale</b>                       | 2(e)        | 62.51                   | 1.65                    |
| <b>Total current assets</b>                                     |             | <b>1,167.70</b>         | <b>1,064.65</b>         |
| <b>Total Assets</b>                                             |             | <b>2,819.89</b>         | <b>2,574.40</b>         |
| <b>II. EQUITY AND LIABILITIES</b>                               |             |                         |                         |
| <b>(1) Equity</b>                                               |             |                         |                         |
| (a) Equity share capital                                        | 15(a)       | 24.98                   | 24.87                   |
| (b) Other equity                                                | 15(b)       | 1,423.81                | 1,250.37                |
| <b>Total equity</b>                                             |             | <b>1,448.79</b>         | <b>1,275.24</b>         |
| <b>(2) Non-current liabilities</b>                              |             |                         |                         |
| (a) Financial liabilities                                       |             |                         |                         |
| (i) Borrowings                                                  | 16          | 224.48                  | 245.29                  |
| (ii) Lease liabilities                                          | 2(c)        | -                       | 0.08                    |
| (iii) Other financial liabilities                               | 17          | 0.78                    | 0.72                    |
| (b) Provisions                                                  | 18          | 11.69                   | 12.73                   |
| (c) Deferred tax liabilities (net)                              | 19          | 76.39                   | 72.16                   |
| (d) Other non-current liabilities                               | 20          | 48.77                   | 44.77                   |
| <b>Total non-current liabilities</b>                            |             | <b>362.11</b>           | <b>375.75</b>           |
| <b>(3) Current liabilities</b>                                  |             |                         |                         |
| (a) Financial liabilities                                       |             |                         |                         |
| (i) Borrowings                                                  | 21          | 208.42                  | 244.61                  |
| (ii) Lease liabilities                                          | 2(c)        | 0.08                    | 0.52                    |
| (iii) Trade payables                                            | 22          |                         |                         |
| - total outstanding dues of micro and small enterprises         |             | 3.85                    | 0.85                    |
| - total outstanding dues other than micro and small enterprises |             | 693.02                  | 586.65                  |
| (iv) Other financial liabilities                                | 23          | 66.18                   | 78.33                   |
| (b) Other current liabilities                                   | 24          | 35.85                   | 11.94                   |
| (c) Provisions                                                  | 25          | 0.57                    | 0.51                    |
| (d) Current tax liabilities (net)                               | 26          | 1.02                    | -                       |
| <b>Total current liabilities</b>                                |             | <b>1,008.99</b>         | <b>923.41</b>           |
| <b>Total Equity and Liabilities</b>                             |             | <b>2,819.89</b>         | <b>2,574.40</b>         |

See accompanying notes to the standalone financial statements 1-47

In terms of our report attached,

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



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



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                                         | Notes | (Rupees in crore)            |                              |
|-----------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                                     |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>I</b> Revenue from operations                                                                    | 27    | 6,007.96                     | 5,930.81                     |
| <b>II</b> Other income                                                                              | 28    | 44.11                        | 27.23                        |
| <b>III Total income (I +II)</b>                                                                     |       | <b>6,052.07</b>              | <b>5,958.04</b>              |
| <b>IV Expenses</b>                                                                                  |       |                              |                              |
| (a) Cost of materials consumed                                                                      | 29    | 4,475.04                     | 4,709.18                     |
| (b) Purchase of stock-in-trade                                                                      |       | 894.04                       | 601.20                       |
| (c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap | 30    | (20.24)                      | (73.60)                      |
| (d) Employee benefits expense                                                                       | 31    | 76.12                        | 92.63                        |
| (e) Finance costs                                                                                   | 32    | 54.89                        | 82.14                        |
| (f) Depreciation and amortisation expense                                                           | 33    | 68.18                        | 68.91                        |
| (g) Other expenses                                                                                  | 34    | 299.03                       | 363.79                       |
| <b>Total expenses</b>                                                                               |       | <b>5,847.06</b>              | <b>5,844.25</b>              |
| <b>V Profit before tax (III - IV)</b>                                                               |       | <b>205.01</b>                | <b>113.79</b>                |
| <b>VI Tax expense:</b>                                                                              |       |                              |                              |
| (a) Current tax                                                                                     |       | 47.38                        | 26.35                        |
| (b) Deferred tax (credit) / charge (net)                                                            | 19    | 3.10                         | (26.01)                      |
| (c) Income tax / deferred tax (credit) / expense of earlier year                                    | 19    | 0.75                         | (1.56)                       |
| <b>Total tax (credit) / expense</b>                                                                 | 42    | <b>51.23</b>                 | <b>(1.22)</b>                |
| <b>VII Profit for the year (V-VI)</b>                                                               |       | <b>153.78</b>                | <b>115.01</b>                |
| <b>VIII Other comprehensive income for the year</b>                                                 |       |                              |                              |
| <b>Add : (less) items that will not be reclassified to profit or loss</b>                           |       |                              |                              |
| (a) Remeasurements of post employment benefit obligation                                            |       | 1.49                         | (1.52)                       |
| (b) Income tax relating to above item                                                               |       | (0.38)                       | 0.38                         |
| <b>Other comprehensive (loss) for the year</b>                                                      |       | <b>1.11</b>                  | <b>(1.14)</b>                |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                                        |       | <b>154.89</b>                | <b>113.87</b>                |
| <b>X Earnings per equity share of Rupees 2 each</b>                                                 |       |                              |                              |
| (a) Basic (in Rupees)                                                                               | 37    | 12.34                        | 9.39                         |
| (b) Diluted (in Rupees)                                                                             | 37    | 12.30                        | 9.31                         |
| See accompanying notes to the standalone financial statements                                       | 1-47  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



Place : New Delhi  
Date : June 3, 2021

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 : June 3, 2021

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060





**APL APOLLO TUBES LIMITED**  
STATEMENT OF CHANGES IN STANDALONE EQUITY FOR THE YEAR ENDED MARCH 31, 2021

**a) Equity share capital**

| Particulars                                  | (Rupees in crore) |
|----------------------------------------------|-------------------|
| Amount                                       |                   |
| Opening balance as at April 1, 2019          | 23.85             |
| Changes during the year ended March 31, 2020 | 1.02              |
| <b>Balance as at March 31, 2020</b>          | <b>24.87</b>      |
| Changes during the year ended March 31, 2021 | 0.11              |
| <b>Balance as at March 31, 2021</b>          | <b>24.98</b>      |

**b) Other equity**

| Particulars                                         | Reserves and surplus          |                       |                    |                    |                      |                                        | Total           |
|-----------------------------------------------------|-------------------------------|-----------------------|--------------------|--------------------|----------------------|----------------------------------------|-----------------|
|                                                     | Debtore<br>redemption reserve | Securities<br>premium | General<br>reserve | Capital<br>Reserve | Retained<br>earnings | Share option<br>outstanding<br>account |                 |
| <b>Opening balance as at April 1, 2019</b>          | <b>80.00</b>                  | <b>212.59</b>         | <b>25.52</b>       | -                  | <b>658.17</b>        | <b>7.65</b>                            | <b>983.93</b>   |
| Profit for the year ended March 31, 2020            | -                             | -                     | -                  | -                  | 115.01               | -                                      | <b>115.01</b>   |
| Other comprehensive (loss) for the year, net of tax | -                             | -                     | -                  | -                  | (1.14)               | -                                      | <b>(1.14)</b>   |
| <b>Total comprehensive Income for the year</b>      | -                             | -                     | -                  | -                  | <b>113.87</b>        | -                                      | <b>113.87</b>   |
| <b>Allocations/Appropriations:</b>                  |                               |                       |                    |                    |                      |                                        |                 |
| Dividend paid                                       | -                             | -                     | -                  | -                  | (33.95)              | -                                      | <b>(33.95)</b>  |
| Dividend distribution tax                           | -                             | -                     | -                  | -                  | (6.98)               | -                                      | <b>(6.98)</b>   |
| Share option outstanding account                    | -                             | -                     | -                  | -                  | -                    | 3.68                                   | <b>3.68</b>     |
| Transfer to Securities premium                      | -                             | 2.19                  | -                  | -                  | -                    | (2.19)                                 | -               |
| Transfer to Capital Reserve (see note 46)           | -                             | -                     | -                  | 13.38              | -                    | -                                      | <b>13.38</b>    |
| Securities premium on issue of shares               | -                             | 176.44                | -                  | -                  | -                    | -                                      | <b>176.44</b>   |
| Transfer from Debtore Redemption Reserve            | (80.00)                       | -                     | -                  | -                  | 80.00                | -                                      | -               |
|                                                     | <b>(80.00)</b>                | <b>178.63</b>         | -                  | <b>13.38</b>       | <b>39.07</b>         | <b>1.49</b>                            | <b>152.57</b>   |
| <b>Balance as at March 31, 2020</b>                 | -                             | <b>391.22</b>         | <b>25.52</b>       | <b>13.38</b>       | <b>811.11</b>        | <b>9.14</b>                            | <b>1,250.37</b> |
| Profit for the year ended March 31, 2021            | -                             | -                     | -                  | -                  | 153.78               | -                                      | <b>153.78</b>   |
| Other comprehensive income for the year, net of tax | -                             | -                     | -                  | -                  | 1.11                 | -                                      | <b>1.11</b>     |
| <b>Total comprehensive Income for the year</b>      | -                             | -                     | -                  | -                  | <b>154.89</b>        | -                                      | <b>154.89</b>   |
| <b>Allocations/Appropriations:</b>                  |                               |                       |                    |                    |                      |                                        |                 |
| Share option outstanding account                    | -                             | -                     | -                  | -                  | -                    | 3.27                                   | <b>3.27</b>     |
| Transfer to Securities premium                      | -                             | 8.63                  | -                  | -                  | -                    | (8.63)                                 | -               |
| Securities premium on issue of shares               | -                             | 15.28                 | -                  | -                  | -                    | -                                      | <b>15.28</b>    |
|                                                     | -                             | <b>23.91</b>          | -                  | -                  | -                    | <b>(5.36)</b>                          | <b>18.55</b>    |
| <b>Balance as at March 31, 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> |

See accompanying notes to the standalone financial statements

1-47

In terms of our report attached.

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

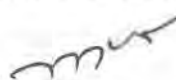
  
**RASHIM TANDON**  
Partner

Membership No. 95540



Place : New Delhi  
Date : June 3, 2021

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 : June 3, 2021

  
**VINAY GUPTA**  
Director

DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5050





**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                              | Notes | (Rupees in crore)            |                              |
|------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                          |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>A. Cash flow from operating activities</b>                                            |       |                              |                              |
| Profit before tax                                                                        |       | 205.01                       | 113.79                       |
| Adjustments for:                                                                         |       |                              |                              |
| Depreciation and amortisation expense                                                    |       | 68.18                        | 68.91                        |
| Loss / (gain) on sale of property, plant and equipment (net)                             |       | (0.11)                       | 0.19                         |
| (Gain) on sale of assets classified as held for sale                                     |       | -                            | (1.46)                       |
| Finance costs                                                                            |       | 54.89                        | 82.14                        |
| Interest income on fixed deposits                                                        |       | (19.29)                      | (0.83)                       |
| Interest income on others                                                                |       | (13.80)                      | (11.55)                      |
| Share based expenses                                                                     |       | 3.27                         | 3.68                         |
| Provision for slow moving inventory of spares & consumables                              |       | 0.81                         | 0.22                         |
| Bad debts written off                                                                    |       | -                            | 0.02                         |
| Allowance / (write back) for doubtful trade receivables (expected credit loss allowance) |       | (1.21)                       | 2.30                         |
| Derivatives measured at fair value through profit & loss account                         |       | 0.20                         | (2.22)                       |
| Net unrealized foreign exchange (gain)                                                   |       | (2.30)                       | (2.00)                       |
| Government grant income                                                                  |       | (7.35)                       | (7.04)                       |
| <b>Operating profit before working capital changes</b>                                   |       | <b>288.30</b>                | <b>246.15</b>                |
| <b>Changes in working capital:</b>                                                       |       |                              |                              |
| Adjustments for (increase) / decrease in operating assets:                               |       |                              |                              |
| Inventories                                                                              |       | 39.08                        | 89.75                        |
| Trade receivables                                                                        |       | 220.97                       | 114.35                       |
| Current loans and other financial assets                                                 |       | 15.77                        | (19.79)                      |
| Non-current loans and other financial assets                                             |       | (31.15)                      | (75.64)                      |
| Other current assets                                                                     |       | (11.67)                      | 31.42                        |
| Other non-current assets                                                                 |       | 0.06                         | 3.18                         |
| Adjustments for increase / (decrease) in operating liabilities:                          |       |                              |                              |
| Trade payables                                                                           |       | 109.37                       | (36.65)                      |
| Other current liabilities                                                                |       | 23.91                        | (11.02)                      |
| Other current financial liabilities                                                      |       | 0.06                         | (0.86)                       |
| Other non current liabilities                                                            |       | 4.00                         | -                            |
| Other non current financial liabilities                                                  |       | 0.07                         | 0.07                         |
| Provisions (current & non-current)                                                       |       | 0.51                         | 3.07                         |
| <b>Cash generated from operations</b>                                                    |       | <b>659.28</b>                | <b>344.03</b>                |
| Income tax (paid)                                                                        |       | (41.40)                      | (39.10)                      |
| <b>Net cash flow from operating activities (A)</b>                                       |       | <b>617.88</b>                | <b>304.93</b>                |
| <b>B. Cash flow from investing activities</b>                                            |       |                              |                              |
| Capital expenditure on property, plant and equipment (including capital advances)        |       | (112.67)                     | (182.38)                     |
| Proceeds from sale of property, plant and equipment                                      |       | 6.54                         | 5.93                         |
| Proceeds from sale of assets classified as held for sale                                 |       | -                            | 5.42                         |
| Investment in other companies                                                            |       | -                            | (0.36)                       |
| Proceeds from sale of mutual funds and investment (net)                                  |       | 0.04                         | 0.01                         |
| Investment in subsidiaries                                                               |       | (130.26)                     | (2.94)                       |
| Investment in fixed deposits                                                             |       | (340.26)                     | (0.46)                       |
| Interest received                                                                        |       |                              |                              |
| - fixed deposits                                                                         |       | 20.22                        | 0.83                         |
| - others                                                                                 |       | 11.31                        | 10.25                        |
| <b>Net cash flow (used in) investing activities (B)</b>                                  |       | <b>(545.08)</b>              | <b>(163.70)</b>              |
| <b>C. Cash flow from financing activities</b>                                            |       |                              |                              |
| Proceeds from non-current borrowings                                                     |       | 175.00                       | 279.05                       |
| Repayment of current borrowings (net)                                                    |       | (36.18)                      | (207.28)                     |
| Repayment of non-current borrowings                                                      |       | (212.54)                     | (239.78)                     |
| Payment of dividends                                                                     |       | -                            | (34.05)                      |
| Payments of dividend distribution tax                                                    |       | -                            | (6.98)                       |
| Proceeds from issue of equity share capital                                              |       | 15.39                        | 177.47                       |
| Payment on account of lease liabilities                                                  |       | (0.52)                       | (0.56)                       |
| Finance costs                                                                            |       | (49.61)                      | (94.53)                      |
| <b>Net cash flow (used in) financing activities (C)</b>                                  |       | <b>(108.46)</b>              | <b>(126.66)</b>              |



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                   | Notes | (Rupees in crore)            |                              |
|---------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                               |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Net increase in Cash and cash equivalents (A+B+C)</b>      |       | (35.66)                      | 14.57                        |
| Cash and cash equivalents at the beginning of the year        |       | 38.85                        | 24.28                        |
| <b>Cash and cash equivalents at the end of the year</b>       | 10    | <b>3.19</b>                  | <b>38.85</b>                 |
| See accompanying notes to the standalone financial statements | 1-47  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner  
Membership No. 95540




Place : New Delhi  
Date : June 3, 2021


**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: Ghazlabad  
Date : June 3, 2021

  
**VINAY GURTA**  
Director  
DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060



**1(i) Company background**

APL Apollo Tubes Limited ("the Company") is a public limited Company incorporated in India on 24 February 1986 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 five manufacturing units one each at a) Sikanderabad, Uttar Pradesh, b) Hosur, Tamilnadu, c) Raipur, Chhattisgarh, d) Murbad, Maharashtra and e) Chegunta, Telangana.

The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 3, 2021.

**1(ii) Impact of the Initial application of new and amended Ind ASs that are effective for the current year**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2020.

**Amendments to Ind AS-1 and Ind AS-8 - Definition of 'material'.**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on disclosures or on the amounts reported in these standalone financial statements.

**1(iii) 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 accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

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) Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

\* Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.





A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**(d) 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.

**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.

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

Post the outbreak of COVID-19, the Company has made an assessment of the likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non current assets including goodwill, property, plant and equipment and other financial exposure. It has also evaluated its ability to meet the financial commitments of its lender etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

**(e) 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.

**(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**

The revenue is recognised once the entity satisfied that the performance obligation & control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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.

**(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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid where applicable, in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(j) Leases**

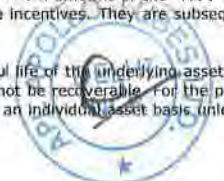
**As a lessee**

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 of 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 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.

**(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 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.

**(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 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 the principal item of the relevant assets.

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, 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.



**(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 40.

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.

**(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 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.

**(r) 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.

**(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 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 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.

**(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 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.

**(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 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).

The 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 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.

**(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 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')
- 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.

**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 FVOCI 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 44 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.

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.

**(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 Company or the counterparty.

**(z) 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.



**(aa) 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(iv) Recent Accounting Developments**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division I which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

**Balance Sheet:**

- (a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Specified format for disclosure of shareholding of promoters.
- (d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.
- (b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**APL APOLLO TUBES LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

**2(a) : Property, Plant and Equipment**

(Rupees in crore)

|                              | As at March 31,<br>2021 | As at March 31,<br>2020 |
|------------------------------|-------------------------|-------------------------|
| <b>Carrying amounts of :</b> |                         |                         |
| Freehold land                | 40.46                   | 99.77                   |
| Building                     | 194.68                  | 198.16                  |
| Plant and machinery          | 617.40                  | 624.22                  |
| Office equipments            | 1.45                    | 1.53                    |
| Vehicles                     | 12.56                   | 6.31                    |
| Furniture and fixtures       | 4.23                    | 5.20                    |
| Computers                    | 1.67                    | 1.06                    |
|                              | <b>872.45</b>           | <b>936.25</b>           |

|                                                                               | Freehold Land | Building | Plant and machinery | Office equipments | Vehicles | Furniture and fixtures | Computers | Total    |
|-------------------------------------------------------------------------------|---------------|----------|---------------------|-------------------|----------|------------------------|-----------|----------|
| <b>Deemed cost</b>                                                            |               |          |                     |                   |          |                        |           |          |
| <b>As at April 1, 2019</b>                                                    | 15.56         | 189.72   | 704.36              | 3.43              | 7.49     | 7.83                   | 2.29      | 930.68   |
| Additions                                                                     | 60.96         | 10.84    | 50.87               | 0.54              | 1.55     | 0.06                   | 0.36      | 125.18   |
| Assets acquired on business combination (see note 46)                         | 23.25         | 23.27    | 35.37               | 0.10              | 0.82     | 0.53                   | 0.02      | 83.36    |
| Sales / transfer during the year                                              | -             | (2.01)   | (4.56)              | -                 | (0.23)   | -                      | -         | (6.80)   |
| <b>Balance at March 31, 2020</b>                                              | 99.77         | 221.82   | 786.04              | 4.07              | 9.63     | 8.42                   | 2.67      | 1,132.42 |
| Asset classified as held for sale (see note 2(e))                             | (62.51)       | -        | -                   | -                 | -        | -                      | -         | (62.51)  |
| Asset re-classified from "Assets classified as held for sale" (see note 2(e)) | 1.65          | -        | -                   | -                 | -        | -                      | -         | 1.65     |
| Additions                                                                     | 1.55          | 5.33     | 53.19               | 0.44              | 7.83     | 0.18                   | 1.17      | 69.69    |
| Sales during the year                                                         | -             | (1.19)   | (14.70)             | -                 | (1.35)   | -                      | -         | (17.24)  |
| <b>Balance at March 31, 2021</b>                                              | 40.46         | 225.96   | 824.53              | 4.51              | 16.11    | 8.60                   | 3.84      | 1,124.01 |
| <b>Accumulated depreciation</b>                                               |               |          |                     |                   |          |                        |           |          |
| <b>As at April 1, 2019</b>                                                    | -             | 15.48    | 108.62              | 1.90              | 2.29     | 2.09                   | 1.11      | 131.49   |
| Elimination on disposal of assets                                             | -             | (0.36)   | (1.85)              | -                 | (0.14)   | -                      | -         | (2.35)   |
| Depreciation expense                                                          | -             | 8.54     | 55.05               | 0.64              | 1.17     | 1.13                   | 0.50      | 67.03    |
| <b>Balance at March 31, 2020</b>                                              | -             | 23.66    | 161.82              | 2.54              | 3.32     | 3.22                   | 1.61      | 196.17   |
| Elimination on disposal of assets                                             | -             | (0.84)   | (8.64)              | -                 | (1.25)   | -                      | -         | (10.73)  |
| Depreciation expense                                                          | -             | 8.46     | 53.95               | 0.52              | 1.48     | 1.15                   | 0.56      | 66.12    |
| <b>Balance at March 31, 2021</b>                                              | -             | 31.28    | 207.13              | 3.06              | 3.55     | 4.37                   | 2.17      | 251.56   |
| <b>Net carrying value</b>                                                     |               |          |                     |                   |          |                        |           |          |
| <b>Balance at March 31, 2020</b>                                              | 99.77         | 198.16   | 624.22              | 1.53              | 6.31     | 5.20                   | 1.06      | 936.25   |
| <b>Balance at March 31, 2021</b>                                              | 40.46         | 194.68   | 617.40              | 1.45              | 12.56    | 4.23                   | 1.67      | 872.45   |

**Notes :-**

(1) Property, plant and equipment as detailed in note 2(a) have been pledged as security for term loans taken as at March 31, 2021. See note 16 & 21 for loans taken against which these assets are pledged.





**2(b) Capital work in progress**

| (Rupees in crore)                                                |             |                     |              |
|------------------------------------------------------------------|-------------|---------------------|--------------|
| Particulars                                                      | Building    | Plant and machinery | Total        |
| <b>As at April 1, 2019</b>                                       | 7.80        | 14.69               | 22.49        |
| Add : Additions during the year                                  | 6.13        | 39.33               | 45.46        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (10.84)     | (50.87)             | (61.71)      |
| <b>Closing balance as at March 31, 2020</b>                      | <b>3.09</b> | <b>3.15</b>         | <b>6.24</b>  |
| Add : Additions during the year                                  | 7.22        | 97.95               | 105.17       |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (5.33)      | (53.19)             | (58.52)      |
| <b>Closing balance as at March 31, 2021</b>                      | <b>4.98</b> | <b>47.91</b>        | <b>52.89</b> |

**2(c) Right of use assets and lease liabilities**

| (Rupees in crore)                                           |                       |             |              |
|-------------------------------------------------------------|-----------------------|-------------|--------------|
| Particulars                                                 | Category of ROU Asset |             | Total        |
|                                                             | Land                  | Building    |              |
| <b>As at April 1, 2019</b>                                  | -                     | -           | -            |
| Reclassified on adoption of Ind AS 116 (see note (i) below) | 18.19                 | 1.17        | 19.36        |
| Amortisation                                                | (0.36)                | (0.54)      | (0.90)       |
| <b>Balance as at March 31, 2020</b>                         | <b>17.83</b>          | <b>0.63</b> | <b>18.46</b> |
| Amortisation                                                | (0.36)                | (0.54)      | (0.90)       |
| <b>Balance as at March 31, 2021</b>                         | <b>17.47</b>          | <b>0.09</b> | <b>17.56</b> |

- (i) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rupees 19.36 crore and a lease liability of Rupees 0.60 crore. The effect of this adoption is insignificant on the profit before tax and earnings per share.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- (ii) 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 respectively. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the standalone statement of Profit and Loss.
- (iii) Above ROU assets have been pledged as security for term loans taken as at March 31, 2021. See note 16 & 21 for loans taken against which these assets are pledged.
- (iv) Leasehold land located at Murbad, Maharashtra having value of Rupees 1.08 crore as at March 31, 2021 (March 31, 2020 : Rupees 1.19 crore), is in the name of Lloyd Line Pipe Limited which 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' National Company Law Tribunal, Principal bench, New Delhi.
- (v) The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020 :

| Particulars                 | (Rupees in crore)       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Current lease liability     | 0.08                    | 0.52                    |
| Non-current lease liability | -                       | 0.08                    |
| <b>Total</b>                | <b>0.08</b>             | <b>0.60</b>             |

- (vi) The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020 :

| Particulars                            | (Rupees in crore)            |                              |
|----------------------------------------|------------------------------|------------------------------|
|                                        | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Balance at the beginning</b>        | 0.60                         | -                            |
| Additions                              | -                            | 1.17                         |
| Finance cost accrued during the period | 0.06                         | 0.01                         |
| Payment of lease liabilities           | (0.58)                       | (0.58)                       |
| <b>Balance at the end</b>              | <b>0.08</b>                  | <b>0.60</b>                  |

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 6.60 %

- (vii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis :

| Particulars          | (Rupees in crore)       |                         |
|----------------------|-------------------------|-------------------------|
|                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| 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>             |

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.

Rental expense recorded for short-term leases is Rupees 5.02 crore for the year ended March 31, 2021 (March 31, 2020 : Rupees 5.00 crore).





2(d) Intangible Assets

|                                  | (Rupees in crore)  |
|----------------------------------|--------------------|
|                                  | Computer Softwares |
| <b>Deemed cost</b>               |                    |
| As at April 1, 2019              | 5.05               |
| Additions                        | 0.48               |
| <b>Balance at March 31, 2020</b> | <b>5.53</b>        |
| Additions                        | 0.29               |
| <b>Balance at March 31, 2021</b> | <b>5.82</b>        |
| <b>Amortisation</b>              |                    |
| As at April 1, 2019              | 2.20               |
| Charge for the year              | 0.94               |
| <b>Balance at March 31, 2020</b> | <b>3.14</b>        |
| Charge for the year              | 1.06               |
| <b>Balance at March 31, 2021</b> | <b>4.20</b>        |
| <b>Net carrying value</b>        |                    |
| Balance at March 31, 2020        | 2.39               |
| Balance at March 31, 2021        | 1.62               |

2(e) Asset classified as held for sale

|                                                                    | (Rupees in crore) |
|--------------------------------------------------------------------|-------------------|
|                                                                    | Land              |
| As at April 1, 2019                                                | 1.65              |
| Addition during the year                                           | -                 |
| <b>Balance at March 31, 2020</b>                                   | <b>1.65</b>       |
| Assets classified as held for sale (see note (i) below)            | 62.51             |
| Assets re-classified to land during the year (see note (ii) below) | (1.65)            |
| <b>Balance at March 31, 2021</b>                                   | <b>62.51</b>      |

**Note :**

- (i) The Company intends to dispose of a parcel of land to its subsidiary Company which it no longer plans to utilise in the next 12 months. As at March 31, 2021, Assets classified as held for sale consists of plot of land whose fair valuation is Rupees 64.25 crore. The valuation was performed by Government of India approved valuer M/s. Bestech Consultants Private Limited. 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 as asset held for sale as the Directors of the Company expects that the fair value less cost to sell is higher than the carrying amount.
- (ii) As at March 31, 2020, Assets classified as held for sale consisted of plot of land whose fair valuation was Rupees 2.20 crore. The valuation was performed by Government of India approved valuer Mr. Virender Kumar Jain. 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.

In current year, considering the present market conditions, management does not expect that the land would be sold in a distant future. Accordingly, the land in current year, ceases to be classified as "Asset held for sale" and has been reclassified to Property, plant and equipment.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| 3 Investment (Non-current)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         | (Rupees in crore)       |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| <b>3(a) Investment in wholly owned subsidiaries - (unquoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |  |
| (i) 2,711,100 (March 31, 2020: 2,711,100) equity shares of Rupees 10 each fully paid up in Apollo Metalex Private Limited - at fair value (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                 | 132.78                  | 132.78                  |  |
| (ii) 5,895,000 (March 31, 2020: 5,895,000) equity shares of Rupees 10 each fully paid up in Shri Lakshmi Metal Udyog Limited - at fair value (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                              | 223.41                  | 223.41                  |  |
| (iii) 16,875 (March 31, 2020: 15,000) equity shares of Rupees 10 each fully paid up in Blue Ocean Projects Private Limited - at cost (see note (ii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40.79                   | 35.97                   |  |
| (iv) 11.00 (March 31, 2020 : 1) equity share of AED 1,000,000 each fully paid up in APL Apollo Tubes FZE - at cost (see note (iii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 21.65                   | 1.90                    |  |
| (v) 105,697,500 (March 31, 2020: 10,000) equity shares of Rupees 10 each fully paid up in APL Apollo Building Products Private Limited - at cost (see note (iv) below)                                                                                                                                                                                                                                                                                                                                                                                                                         | 105.70                  | 0.01                    |  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>524.33</b>           | <b>394.07</b>           |  |
| <b>Notes :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |  |
| (i) The Company in previous year ended March 31, 2018 measured its investment in subsidiaries on the date of transition to Ind-AS (i.e. April 1, 2016) at their respective fair value and considered the same as its deemed cost. Accordingly the Company has recorded the investment in subsidiaries at their fair value for Apollo Metalex Private Limited at Rupees 132.78 crore (original cost Rupees 7.21 crore) and Shri Lakshmi Metal Udyog Limited at Rupees 223.41 crore (original cost Rupees 36.30 crore) aggregating to Rupees 356.19 crore (original cost of Rupees 43.51 crore). |                         |                         |  |
| (ii) The Company has during the year invested Rupees 4.82 crore (March 31, 2020 : Rupees 1.04 crore) in Blue Ocean Projects Private Limited by subscribing to 1,875 equity shares of Rupees 10 each at a premium of Rupees 25,690.45 each (March 31, 2020 : 600 shares of Rupees 10 each at a premium of Rupees 17,290 each).                                                                                                                                                                                                                                                                  |                         |                         |  |
| (iii) The Company has during the year invested Rupees 19.75 crore (March 31, 2020 : Rupees 1.90 crore) in APL Apollo Tubes FZE by subscribing to 10 equity share (March 31, 2020 : 1 equity share) of AED 1,000,000 each considering 1 AED equivalent to Rupees 19.75 each (March 31, 2020 : Rupees 19.00 each).                                                                                                                                                                                                                                                                               |                         |                         |  |
| (iv) The Company has during the year invested Rupees 105.69 crore (March 31, 2020 : Rupees 0.01 crore) in APL Apollo Building Products Private Limited by subscribing to 105,687,500 equity shares (March 31, 2020 : 10,000 equity share) of Rupees 10 each. The Company was incorporated on December 19, 2019.                                                                                                                                                                                                                                                                                |                         |                         |  |
| <b>3(b) Investments in equity instruments carried at fair value through the other comprehensive income - (unquoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                         |  |
| (i) 1,371,400 (March 31, 2020: 1,371,400) equity shares of Rupees 10 each fully paid up in Clover Energy Private Limited (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1.37                    | 1.37                    |  |
| (ii) 195 (March 31, 2020: Nil) equity shares of Rupees 10 each fully paid up in AMP SOLAR Urja Private Limited (see note (ii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.01                    | -                       |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1.38</b>             | <b>1.37</b>             |  |
| <b>3(c) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |  |
| (i) Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth (March 31, 2021 : 99,965 units at NAV of Rupees 10.61 per unit)                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0.10                    | -                       |  |
| (ii) Investment in mutual fund of Union Midcap fund - regular plan growth (March 31, 2020 : 150,000 units at NAV of Rupees 10 per unit)                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                       | 0.15                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>0.10</b>             | <b>0.15</b>             |  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1.48</b>             | <b>1.52</b>             |  |
| <b>Aggregate carrying value of unquoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>525.70</b>           | <b>395.44</b>           |  |
| <b>Aggregate carrying value of quoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>0.10</b>             | <b>0.15</b>             |  |
| <b>Market value of quoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>0.10</b>             | <b>0.15</b>             |  |

**Notes :**

- (i) The Company holds 4.93 % (March 31, 2020 : 4.01 %) equity shares of Clover Energy Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (ii) The Company holds 19.50 % (March 31, 2020 : Nil) equity shares of AMP SOLAR Urja Private Limited, a Company engaged in the business of providing solar energy to its customers.

**4 Loans (Non-current)**  
(Unsecured, considered good)

| Particulars                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------|-------------------------|-------------------------|
| (a) Loans to subsidiary company (see note (i) below) | 107.29                  | 75.00                   |
| <b>Total</b>                                         | <b>107.29</b>           | <b>75.00</b>            |

**Notes :**

- (i) a) As at March 31, 2021, Rupees 100.00 crore (March 31, 2020 : Rupees 75.00 crore) is recoverable from a wholly owned subsidiary i.e. Shri Lakshmi Metal Udyog Limited. The loan is carrying interest of 8.5% p.a. (previous year 10.00% p.a.). The loan has been given for the purpose of meeting its operational requirements. The loan is repayable upto 5 years in tranches as and when funds are available with Shri Lakshmi Metal Udyog Limited. The maximum amount outstanding during the year was Rupees 100.00 crore (March 31, 2020 : Rupees 75.00 crore).

b) During the year, the Company has given a loan amounting to Rupees 0.16 crore (March 31, 2020 : Rupees Nil) carrying interest 8.5% p.a. to a wholly owned subsidiary Company i.e. Blue Ocean Projects Private Limited, for the purpose of meeting its operational requirements. The loan is repayable upto 2 years as and when funds are available with Blue Ocean Projects Private Limited. The maximum amount outstanding during the year was Rupees 0.16 crore (March 31, 2020 : Rupees Nil). Closing balance as at March 31, 2021 is Rupees 0.16 crore (March 31, 2020 : Rupees Nil)

**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

c) During the year, the Company has given a loan amounting to Rupees 7.13 crore (March 31, 2020 : Rupees Nil) carrying interest 8.5% p.a. to a wholly owned subsidiary viz. APL Apollo Building Products Private Limited for the purpose of meeting its operational requirements. The loan is repayable upto 2 years and when funds are available with APL Apollo Building Products Private Limited. The maximum amount outstanding during the year is Rupees 7.13 crore (March 31, 2020 : Rupees Nil). Closing balance as at March 31, 2021 is Rupees 7.13 crore (March 31, 2020 : Rupees Nil)

**5 Other financial assets (Non-current)**  
(Unsecured, considered good)

| Particulars                                                      | (Rupees in crore)       |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Claim receivable                                             | 0.37                    | 2.36                    |
| Less : Provision created for doubtful claims                     | 0.27                    | -                       |
|                                                                  | <u>0.10</u>             | <u>2.36</u>             |
| (b) Security deposit                                             | 18.50                   | 17.42                   |
| (c) Balance in margin money with maturity of more than 12 months | 0.03                    | -                       |
| <b>Total</b>                                                     | <b><u>18.63</u></b>     | <b><u>19.78</u></b>     |

**6 Non-current tax assets (net)**

| Particulars                                                                                                               | (Rupees in crore)       |                         |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Advance income tax (net of provision as at March 31, 2021 : Rupees 85.41 crore) (March 31, 2020 : Rupees 85.41 crore) | 5.23                    | 10.19                   |
| <b>Total</b>                                                                                                              | <b><u>5.23</u></b>      | <b><u>10.19</u></b>     |

**7 Other non-current assets**  
(Unsecured, considered good)

| Particulars                                 | (Rupees in crore)       |                         |
|---------------------------------------------|-------------------------|-------------------------|
|                                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Capital advances                        | 44.61                   | 39.66                   |
| (b) Prepaid expenses                        | 3.29                    | 3.99                    |
| (c) Value added tax (VAT) credit receivable | 0.66                    | -                       |
| (d) Payment under protest (see note below)  | -                       | -                       |
| (i) Safe guard duty                         | -                       | 0.05                    |
| (ii) Excise duty                            | 0.25                    | 0.25                    |
| (iii) Income tax                            | 0.92                    | 0.92                    |
| (iv) Value added tax                        | 0.98                    | 0.98                    |
| <b>Total</b>                                | <b><u>50.71</u></b>     | <b><u>45.85</u></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**

| Particulars                                          | (Rupees in crore)       |                         |
|------------------------------------------------------|-------------------------|-------------------------|
|                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Raw material (including stock-in-transit)        | 112.68                  | 172.51                  |
| (b) Finished goods (including stock-in-transit)      | 300.99                  | 305.03                  |
| (c) Stock in trade                                   | 4.17                    | -                       |
| (d) Work in progress                                 | 100.64                  | 88.80                   |
| (e) Stores and spares                                | 17.52                   | 17.81                   |
| (f) Rejection and scrap (including stock-in-transit) | 14.39                   | 6.12                    |
| <b>Total</b>                                         | <b><u>550.39</u></b>    | <b><u>590.27</u></b>    |

**Notes :**

(i) Cost of Inventory (including stores & spares) recognised as expense during the year amounted to Rupees 5,382.70 crore (March 31, 2020 : Rupees 5,282.30 crore)

| Details of stock-in-transit | (Rupees in crore)       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Raw material                | 8.43                    | -                       |
| Finished goods              | 48.09                   | 5.54                    |
| Rejection and Scrap         | 1.91                    | -                       |

(iii) Inventory of raw material for job work lying with third party of Rupees 5.88 crore (March 31, 2020 : Nil)

(iv) The Company has created a provision for slow moving inventory of stores & spares of Rupees 0.81 crores (March 31, 2020 : Rupees 0.22 crores)

(v) The mode of valuation of inventories has been stated in note 1(iii)(m) of significant accounting policies.

(vi) Inventories have been pledged as security towards Company's borrowings from banks.



**9 Trade receivables (Current)**  
(Unsecured)

|                                                                        |                         | (Rupees in crore)       |  |
|------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Considered good                                                    |                         |                         |  |
| (i) Related parties                                                    | -                       | 0.33                    |  |
| (ii) Other than related parties                                        | 87.18                   | 306.61                  |  |
| <b>Sub total</b>                                                       | <b>87.18</b>            | <b>306.94</b>           |  |
| (b) Considered doubtful (other than related parties)                   | 6.27                    | 7.48                    |  |
| Less: Allowance for trade receivables (expected credit loss allowance) | (6.27)                  | (7.48)                  |  |
| <b>Sub total</b>                                                       | <b>-</b>                | <b>-</b>                |  |
| <b>Total</b>                                                           | <b>87.18</b>            | <b>306.94</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. There are no customers who represent more than 10% of the total balance of trade receivables.
- (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 :**

|                                                                   |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                       | Year ended March<br>31, 2021 | Year ended March<br>31, 2020 |  |
| Balance at the beginning of the year                              | 7.48                         | 5.18                         |  |
| Provision (written back) / Charge in statement of profit and loss | (1.21)                       | 2.32                         |  |
| Utilised during the year                                          | -                            | (0.02)                       |  |
| <b>Balance at the end of the year</b>                             | <b>6.27</b>                  | <b>7.48</b>                  |  |

**(2) Ageing of trade receivables and credit risk arising there from is as below :**

|                            |                      | (Rupees in crore)          |                 |  |
|----------------------------|----------------------|----------------------------|-----------------|--|
| Particulars                | As at March 31, 2021 |                            |                 |  |
|                            | Gross credit risk    | Credit losses<br>allowance | Net credit risk |  |
| Amounts not yet due        | 81.50                | 0.30                       | 81.20           |  |
| 0-90 days overdue          | 6.01                 | 0.23                       | 5.78            |  |
| 91-180 days overdue        | 0.16                 | 0.05                       | 0.11            |  |
| 181-270 days overdue       | 0.18                 | 0.09                       | 0.09            |  |
| 271-365 days overdue       | 0.52                 | 0.52                       | -               |  |
| More than 365 days overdue | 5.08                 | 5.08                       | -               |  |
|                            | <b>93.45</b>         | <b>6.27</b>                | <b>87.18</b>    |  |

|                            |                      | (Rupees in crore)          |                 |  |
|----------------------------|----------------------|----------------------------|-----------------|--|
| Particulars                | As at March 31, 2020 |                            |                 |  |
|                            | Gross credit risk    | Credit losses<br>allowance | Net credit risk |  |
| Amounts not yet due        | 261.91               | 0.63                       | 261.28          |  |
| 0-90 days overdue          | 43.36                | 0.41                       | 42.95           |  |
| 91-180 days overdue        | 3.47                 | 0.76                       | 2.71            |  |
| 181-270 days overdue       | 0.31                 | 0.31                       | -               |  |
| 271-365 days overdue       | 1.67                 | 1.67                       | -               |  |
| More than 365 days overdue | 3.70                 | 3.70                       | -               |  |
|                            | <b>314.42</b>        | <b>7.48</b>                | <b>306.94</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,<br>2021 | As at March 31,<br>2020 |
|----------------------------|-------------------------|-------------------------|
| Amounts not yet due        | 0.00 % to 0.37 %        | 0.00 % to 0.24 %        |
| 0-90 days overdue          | 0.38 % to 3.83 %        | 0.25 % to 0.93 %        |
| 91-180 days overdue        | 3.84 % to 31.34 %       | 0.94 % to 21.99 %       |
| 181-270 days overdue       | 31.35 % to 48.70 %      | 100.00 %                |
| 271-365 days overdue       | 100.00 %                | 100.00 %                |
| More than 365 days overdue | 100.00 %                | 100.00 %                |

(4) Trade receivables have been pledged as security towards Company's borrowings from banks.

**10 Cash and cash equivalents**

|                                                                 |                         | (Rupees in crore)       |  |
|-----------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Cash on hand                                                | 0.12                    | 0.10                    |  |
| (b) Balances with banks - In current accounts                   | 1.07                    | 36.00                   |  |
| (c) Balances with banks - In cash credit accounts (see note 21) | 2.00                    | 2.75                    |  |
| <b>Total</b>                                                    | <b>3.19</b>             | <b>38.85</b>            |  |





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| <b>11 Bank balances other than cash and cash equivalents</b>                                    |                                 | (Rupees in crore)               |  |
|-------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|--|
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) In earmarked accounts                                                                       |                                 |                                 |  |
| (i) unpaid dividend account                                                                     | 0.51                            | 0.54                            |  |
| (ii) In fixed deposits with maturity of more than 3 months and less than 12 months at inception | 340.79                          | 0.53                            |  |
| <b>Total</b>                                                                                    | <b>341.30</b>                   | <b>1.07</b>                     |  |
| <b>12 Loans (Current)</b><br>(Unsecured, considered good)                                       |                                 | (Rupees in crore)               |  |
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) Loans to employees                                                                          | 1.11                            | 1.04                            |  |
| <b>Total</b>                                                                                    | <b>1.11</b>                     | <b>1.04</b>                     |  |
| <b>13 Other financial assets (Current)</b><br>(Unsecured, considered good)                      |                                 | (Rupees in crore)               |  |
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) Government grants                                                                           |                                 |                                 |  |
| (i) Licences                                                                                    | -                               | 0.44                            |  |
| (b) Interest accrued but not due on fixed deposits                                              | 1.18                            | 0.14                            |  |
| (c) Interest accrued but due on loan given                                                      | 2.48                            | 1.96                            |  |
| (d) Derivative assets (net)                                                                     | 2.01                            | 2.22                            |  |
| (e) Claim receivables                                                                           | 8.04                            | 23.44                           |  |
| <b>Total</b>                                                                                    | <b>13.71</b>                    | <b>28.20</b>                    |  |
| <b>14 Other current assets</b><br>(Unsecured, considered good)                                  |                                 | (Rupees in crore)               |  |
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) Advance to suppliers                                                                        | 73.13                           | 22.20                           |  |
| Less : Provision created for doubtful advances                                                  | 0.56                            | -                               |  |
|                                                                                                 | 72.57                           | 22.20                           |  |
| (b) Balances with government authorities                                                        |                                 |                                 |  |
| (i) Goods and services tax (GST) credit receivable                                              | 20.93                           | 61.21                           |  |
| (ii) Advance goods and service tax credit on import of goods                                    | 0.16                            | 0.11                            |  |
| (c) Advance to Related parties (see note (i) & (ii) below)                                      | 8.76                            | 5.16                            |  |
| (d) Export Incentives receivable                                                                | 4.12                            | 4.82                            |  |
| (e) Prepaid expenses                                                                            | 1.77                            | 2.35                            |  |
| (f) Value added tax (VAT) credit receivable                                                     | -                               | 0.65                            |  |
| (g) Gold coins in hand                                                                          | -                               | 0.12                            |  |
| <b>Total</b>                                                                                    | <b>108.31</b>                   | <b>96.63</b>                    |  |

**Notes :**

- (i) During the year, the Company has given advance towards purchase of raw materials amounting to Rupees 8.76 crore (March 31, 2020 : Rupees Nil crore) to a subsidiary viz. Apollo Tricoat Tubes Limited and the material has been received subsequently.
- (ii) During the previous year 2019-20, the Company had given advance towards purchase of raw materials amounting to Rupees 5.16 crore to a wholly owned subsidiary viz. Apollo Metalex Private Limited and the material has been received in current year.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021.

| Particulars                                                                         | As at March 31, 2021 |              | (Rupees in crore, except otherwise stated)<br>As at March 31, 2020 |              |
|-------------------------------------------------------------------------------------|----------------------|--------------|--------------------------------------------------------------------|--------------|
|                                                                                     | Number of Shares     | Amount       | Number of Shares                                                   | Amount       |
| <b>15 Equity</b>                                                                    |                      |              |                                                                    |              |
| <b>15(a) Equity share capital</b>                                                   |                      |              |                                                                    |              |
| (i) <b>Authorised capital</b>                                                       |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 22,50,00,000         | 45.00        | 4,50,00,000                                                        | 45.00        |
|                                                                                     | <b>22,50,00,000</b>  | <b>45.00</b> | <b>4,50,00,000</b>                                                 | <b>45.00</b> |
| (ii) <b>Issued capital</b>                                                          |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 12,48,96,000         | 24.98        | 2,48,69,015                                                        | 24.87        |
|                                                                                     | <b>12,48,96,000</b>  | <b>24.98</b> | <b>2,48,69,015</b>                                                 | <b>24.87</b> |
| (iii) <b>Subscribed and fully paid up capital</b>                                   |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 12,48,96,000         | 24.98        | 2,48,69,015                                                        | 24.87        |
|                                                                                     | <b>12,48,96,000</b>  | <b>24.98</b> | <b>2,48,69,015</b>                                                 | <b>24.87</b> |

(1) **Reconciliation of the number of shares and amount outstanding as at March 31, 2021 and March 31, 2020 :**

| Particulars                                                                        | Number of shares        |                         | Amount                                       |                                              |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|----------------------------------------------|----------------------------------------------|
|                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 | As at<br>March 31, 2021<br>(Rupees in crore) | As at<br>March 31, 2020<br>(Rupees in crore) |
| <b>Equity share capital</b>                                                        |                         |                         |                                              |                                              |
| <b>Outstanding at the beginning of the year</b>                                    | 2,48,69,015             | 2,38,50,381             | 4.97                                         | 23.85                                        |
| Add: Issued of shares under Company's employee stock option plan (see note 40(d))  | 5,50,925                | 1,18,634                | 0.11                                         | 0.12                                         |
| Add: Increase in the number of shares on account of share split (see note 5 below) | 9,94,76,060             | -                       | 19.90                                        | -                                            |
| Add: Issued of shares under Preferential allotment (see note below)                | -                       | 4,00,000                | -                                            | 0.40                                         |
| Add: Issued of shares by conversion of share warrants (see note below)             | -                       | 5,00,000                | -                                            | 0.50                                         |
| <b>Outstanding at the end of the year</b>                                          | <b>12,48,96,000</b>     | <b>2,48,69,015</b>      | <b>24.98</b>                                 | <b>24.87</b>                                 |

**Note :**

During the previous year ended March 31, 2020, the shareholders of the Company through postal ballot on April 4, 2019 approved the issuance of 400,000 equity shares and 500,000 fully convertible warrants on preferential basis to APL Infrastructure Private Limited, an entity belonging to promoter category at an issue price of Rupees 1,800 per share and Rupees 2,000 per warrant respectively. The Board of Directors of the Company in its meeting held on April 12, 2019, allotted the said equity shares and warrants. On October 28, 2019, the finance committee of the Board of Directors allotted 500,000 equity shares on conversion of said warrants.

(2) **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, 2020 : Rupees 10 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

| Name of shareholder                     | As at March 31, 2021  |           | As at March 31, 2020  |           |
|-----------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                         | Number of shares held | % holding | Number of shares held | % holding |
| <b>Equity shares with voting rights</b> |                       |           |                       |           |
| APL Infrastructure Private Limited      | 4,05,00,935           | 32.43%    | 99,25,187             | 35.89%    |
| Kitara PHN 1001                         | 98,38,300             | 7.88%     | 30,00,000             | 12.06%    |

(4) **Share options granted under the Company's employee share options plans**

As at March 31, 2021, executives and senior employees held options over 438,000 equity shares of Rupees 2 each of the Company. As at March 31, 2020, executives and senior employees held options over 216,748 equity shares of Rupees 10 each of the Company. (See note 5 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.

(5) **The Board of Directors at their meeting held on October 28, 2020 approved the sub-division of each equity share of face value of Rupees 10 each fully paid up into 5 equity shares of face value of Rupees 2 each fully paid up. The same was approved by the members on December 3, 2020 through postal ballot and e-voting. The effective date of sub-division was December 16, 2020.**



**15(b) Other equity**

| Particulars                                                      | (Rupees in crore)       |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Securities premium                                               | 415.13                  | 391.22                  |
| General reserve                                                  | 25.52                   | 25.52                   |
| Capital Reserve                                                  | 13.38                   | 13.38                   |
| Retained earnings                                                | 966.00                  | 811.11                  |
| Share option outstanding account                                 | 3.78                    | 9.14                    |
| <b>Total</b>                                                     | <b>1,423.81</b>         | <b>1,250.37</b>         |
| <b>(1) Securities premium</b>                                    |                         |                         |
| Balance at the beginning of the year                             | 391.22                  | 212.59                  |
| Add: Issued of shares by conversion of share warrants            | -                       | 99.50                   |
| Add: Issued of shares under Preferential allotment               | -                       | 71.60                   |
| Add: Issued of shares under Company's employee stock option plan | 23.91                   | 7.53                    |
| Balance at the end of the year                                   | <u>415.13</u>           | <u>391.22</u>           |
| <b>(2) Debenture redemption reserve</b>                          |                         |                         |
| Balance at the beginning of the year                             | -                       | 80.00                   |
| Add: Transferred to retained earnings                            | -                       | (80.00)                 |
| Balance at the end of the year                                   | <u>-</u>                | <u>-</u>                |
| <b>(3) General reserve</b>                                       |                         |                         |
| Balance at the beginning of the year                             | 25.52                   | 25.52                   |
| Balance at the end of the year                                   | <u>25.52</u>            | <u>25.52</u>            |
| <b>(4) Capital reserve</b>                                       |                         |                         |
| Balance at the beginning of the year                             | 13.38                   | -                       |
| Add: Relating to business combination (see note 46)              | -                       | 13.38                   |
| Balance at the end of the year                                   | <u>13.38</u>            | <u>13.38</u>            |
| <b>(5) Retained earnings</b>                                     |                         |                         |
| Balance at the beginning of the year                             | 811.11                  | 658.17                  |
| Add: Net profits attributable to owners of the Company           | 154.89                  | 113.87                  |
| Less: Dividend paid                                              | -                       | 33.95                   |
| Less: Tax on dividend paid                                       | -                       | 6.98                    |
| Add: Transfer from debenture redemption reserve                  | -                       | 80.00                   |
| Balance at the end of the year                                   | <u>966.00</u>           | <u>811.11</u>           |
| <b>(6) Share option outstanding account</b>                      |                         |                         |
| Balance at the beginning of the year                             | 9.14                    | 7.65                    |
| Add: Addition during the year                                    | 3.27                    | 3.68                    |
| Less: Transfer to Securities premium reserve                     | 8.63                    | 2.19                    |
| Balance at the end of the year                                   | <u>3.78</u>             | <u>9.14</u>             |

**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) **Debenture redemption reserve** : The Companies Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. On redemption of debentures, amount is transferred to Retained earnings.
- (iii) **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.
- (iv) **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.
- (v) **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.
- (vi) **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)
- (vii) **Items of other comprehensive income** : It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.



| 16  | Borrowings (Non-current)                             | (Rupees in crore)       |                         |
|-----|------------------------------------------------------|-------------------------|-------------------------|
|     |                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|     | Particulars                                          |                         |                         |
| (a) | Term Loan:                                           |                         |                         |
|     | - From banks:                                        |                         |                         |
|     | (i) Secured (see note (i) below)                     | 124.48                  | 245.29                  |
|     | - From others (unsecured):                           |                         |                         |
|     | (i) Working capital facilities (see note (ii) below) | 100.00                  |                         |
|     | <b>Total</b>                                         | <b>224.48</b>           | <b>245.29</b>           |

|  | As at<br>March 31, 2021   |                                                    | As at<br>March 31, 2020   |                                                    |
|--|---------------------------|----------------------------------------------------|---------------------------|----------------------------------------------------|
|  | Non current<br>borrowings | Current Maturities<br>of non-current<br>borrowings | Non current<br>borrowings | Current Maturities<br>of non-current<br>borrowings |

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

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. 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. 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. The loan outstanding is repayable in 15 quarterly instalments commencing from April 2021 and ending in October 2024. Applicable rate of interest is 7.75%.

|       |       |       |      |
|-------|-------|-------|------|
| 30.56 | 11.11 | 41.67 | 8.33 |
|-------|-------|-------|------|

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. 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. 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. The loan outstanding was repayable in 18 quarterly instalments commencing from June 2020 and ending in September 2024. Applicable rate of interest is 8.75% - 8.95%. During the current year, loan has been repaid fully.

|   |   |       |       |
|---|---|-------|-------|
| - | - | 38.89 | 11.11 |
|---|---|-------|-------|

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. 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. 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. The loan outstanding is repayable in 15 quarterly instalments commencing from April 2021 and ending in October 2024. Applicable rate of interest is 7.75%.

|       |       |       |       |
|-------|-------|-------|-------|
| 61.11 | 22.22 | 83.33 | 16.67 |
|-------|-------|-------|-------|

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 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. 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. The loan outstanding is repayable in 11 quarterly instalments commencing from June 2021 and ending in December 2023. Applicable rate of interest is 4.15%. Closing balance of loan as on March 31, 2021 is USD 7,233,269 (March 31, 2020 : USD 9,863,576) equivalent to Rupees 52.88 crore (March 31, 2020 : Rupees 74.35 crore).

|       |       |       |       |
|-------|-------|-------|-------|
| 32.81 | 20.07 | 51.56 | 22.79 |
|-------|-------|-------|-------|





|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | As at<br>March 31, 2021 |                                              | As at<br>March 31, 2020 |                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------|-------------------------|----------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Non current borrowings  | Current Maturities of non-current borrowings | Non current borrowings  | Current Maturities of non-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. 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. 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. The loan outstanding was repayable in 6 to 13 quarterly instalments commencing from May 2019 to Sep 2021 and ending in December 2022 to May, 2023. Applicable rate of interest is 8.50 % to 10.10 % . During the current year, loan has been repaid completely. |                         |                                              | 29.84                   | 15.10                                        |
| 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. 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. 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. The loan outstanding is repayable in one instalment in June 2021. Applicable rate of interest is 7.65%.                                                                                                                                                         |                         | 1.57                                         |                         |                                              |
| (If) Term loan from others are as follows:<br>During the year, the Company has taken unsecured loan from Apollo Metalex Private Limited, the wholly owned subsidiary Company for meeting its operational working capital requirements. Loan is repayable upto 5 years as and when funds are available with Company. Applicable rate of interest is 8.50 % p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 100.00                  |                                              |                         |                                              |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>224.48</b>           | <b>54.97</b>                                 | <b>245.29</b>           | <b>74.00</b>                                 |

**17 Other financial liabilities (Non-current)**

| Particulars                           | (Rupees in crore)       |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Deferred payment (see note below) | 0.78                    | 0.72                    |
| <b>Total</b>                          | <b>0.78</b>             | <b>0.72</b>             |

**Note :**

- (i) The Company has a deferred liability related to sales tax of Rupees 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 Rupees 0.78 crore as on March 31, 2021. The difference of Rupees 0.27 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free deferred liability and is recognised as deferred income. (See note 20 & 24)

**18 Provisions (Non-current)**

| Particulars                              | (Rupees in crore)       |                         |
|------------------------------------------|-------------------------|-------------------------|
|                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for compensated absences   | 3.70                    | 3.55                    |
| (b) Provision for gratuity (see note 39) | 7.99                    | 9.18                    |
| <b>Total</b>                             | <b>11.69</b>            | <b>12.73</b>            |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

**19 Deferred Tax Liabilities (net)**

**(a) Component of deferred tax assets and liabilities are :-**

| Particulars                                                  | (Rupees in crore)       |                         |
|--------------------------------------------------------------|-------------------------|-------------------------|
|                                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) Deferred Tax Liabilities on account of                   |                         |                         |
| - Property, plant and equipments and other intangible assets | 77.88                   | 73.84                   |
| - Acquired on business combination (see note 46)             | 3.40                    | 3.58                    |
| - Financial Assets (Transaction cost on loans)               | 0.05                    | 0.07                    |
| - Others                                                     | 0.34                    | -                       |
| <b>Total deferred tax liabilities (A)</b>                    | <b>81.67</b>            | <b>77.48</b>            |
| (ii) Deferred Tax Assets on account of                       |                         |                         |
| - Provision for expected credit loss allowance               | 1.58                    | 1.88                    |
| - Provision for employee benefit expenses                    | 3.70                    | 3.33                    |
| - Others                                                     | -                       | 0.11                    |
| <b>Total deferred tax assets (B)</b>                         | <b>5.28</b>             | <b>5.32</b>             |
| <b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b>     | <b>76.39</b>            | <b>72.16</b>            |

**(b) Movement in deferred tax liabilities / asset**

|                                                            | As at April 1,<br>2019 | (Profit) / Loss<br>Recognised in<br>profit or loss | (Profit) / Loss<br>Recognised in<br>other<br>comprehensive<br>income | Transfer to<br>Capital Reserve | As at March 31,<br>2020 |
|------------------------------------------------------------|------------------------|----------------------------------------------------|----------------------------------------------------------------------|--------------------------------|-------------------------|
| <b>Deferred Tax Liabilities (A)</b>                        |                        |                                                    |                                                                      |                                |                         |
| Property, plant and equipments and other intangible assets | 100.25                 | (26.41)                                            | -                                                                    | -                              | 73.83                   |
| Acquired on business combination (see note 46)             | -                      | -                                                  | -                                                                    | 3.58                           | 3.58                    |
| Fair Valuation of transaction cost                         | 0.14                   | (0.07)                                             | -                                                                    | -                              | 0.07                    |
| <b>Total</b>                                               | <b>100.39</b>          | <b>(26.48)</b>                                     | <b>-</b>                                                             | <b>3.58</b>                    | <b>77.48</b>            |
| <b>Deferred Tax Assets (B)</b>                             |                        |                                                    |                                                                      |                                |                         |
| Provision for employee benefit expenses                    | 3.02                   | (0.07)                                             | 0.38                                                                 | -                              | 3.33                    |
| Provision for expected credit loss allowance               | 1.98                   | (0.10)                                             | -                                                                    | -                              | 1.88                    |
| Fair Valuation of financial assets                         | 0.29                   | (0.29)                                             | -                                                                    | -                              | -                       |
| Others                                                     | 0.12                   | (0.01)                                             | -                                                                    | -                              | 0.11                    |
| <b>Total</b>                                               | <b>5.41</b>            | <b>(0.47)</b>                                      | <b>0.38</b>                                                          | <b>-</b>                       | <b>5.32</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>                | <b>94.98</b>           | <b>(26.01)</b>                                     | <b>(0.38)</b>                                                        | <b>3.58</b>                    | <b>72.16</b>            |

**Movement in deferred tax liabilities / asset**

|                                                            | As at April 1,<br>2020 | (Profit) / Loss<br>Recognised in<br>profit or loss | Deferred tax<br>expense of earlier<br>year | (Profit) / Loss<br>Recognised in<br>other<br>comprehensive<br>income | As at March 31,<br>2021 |
|------------------------------------------------------------|------------------------|----------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|-------------------------|
| <b>Deferred Tax Liabilities (A)</b>                        |                        |                                                    |                                            |                                                                      |                         |
| Property, plant and equipments and other intangible assets | 73.83                  | 3.30                                               | 0.75                                       | -                                                                    | 77.88                   |
| Acquired on business combination (see note 46)             | 3.58                   | (0.16)                                             | -                                          | -                                                                    | 3.40                    |
| Fair Valuation of transaction cost                         | 0.07                   | (0.02)                                             | -                                          | -                                                                    | 0.05                    |
| Others                                                     | -                      | 0.34                                               | -                                          | -                                                                    | 0.34                    |
| <b>Total</b>                                               | <b>77.48</b>           | <b>3.44</b>                                        | <b>0.75</b>                                | <b>-</b>                                                             | <b>81.67</b>            |
| <b>Deferred Tax Assets (B)</b>                             |                        |                                                    |                                            |                                                                      |                         |
| Provision for employee benefit expenses                    | 3.33                   | 0.75                                               | -                                          | (0.38)                                                               | 3.70                    |
| Provision for expected credit loss allowance               | 1.88                   | (0.30)                                             | -                                          | -                                                                    | 1.58                    |
| Others                                                     | 0.11                   | (0.11)                                             | -                                          | -                                                                    | -                       |
| <b>Total</b>                                               | <b>5.32</b>            | <b>0.34</b>                                        | <b>-</b>                                   | <b>(0.38)</b>                                                        | <b>5.28</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>                | <b>72.16</b>           | <b>3.10</b>                                        | <b>0.75</b>                                | <b>0.38</b>                                                          | <b>76.39</b>            |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

**20 Other Non-current liabilities**

| Particulars                                                     | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Deferred income - government grant for                      |                         |                         |
| - Purchase of equipment (see note (i) below)                    | 48.57                   | 44.45                   |
| - deferred liability related to sales tax (see note (ii) below) | 0.20                    | 0.32                    |
| <b>Total</b>                                                    | <b>48.77</b>            | <b>44.77</b>            |

**Note :**

- (i) Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. The income will be recognised in Profit or loss on a straight line basis over the useful life of the related assets. (see note 38(b)(2)).
- (ii) The Company has a deferred liability related to sales tax of Rupees 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 Rupees 0.78 crore as on March 31, 2021. The difference of Rupees 0.27 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free deferred liability and is recognised as deferred income.

**21 Borrowings (Current)**

| Particulars                                         | (Rupees in crore)       |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) <b>Loan repayable on demand</b>                 |                         |                         |
| - From banks (Secured)                              |                         |                         |
| (i) Working capital facilities (see note (i) below) | 208.42                  | 244.61                  |
| <b>Total</b>                                        | <b>208.42</b>           | <b>244.61</b>           |

**Nature of security :**

- (i) 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, Kudawall 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.

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. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.

**22 Trade payables (Current)**

| Particulars                                                       | (Rupees in crore)       |                         |
|-------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Total outstanding dues of micro and small enterprises         | 3.85                    | 0.85                    |
| (b) Total outstanding dues other than micro and small enterprises | 693.02                  | 586.65                  |
| <b>Total</b>                                                      | <b>696.87</b>           | <b>587.50</b>           |

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                                                                                                                                                                                                     | (Rupees in crore)       |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                 | 3.85                    | 0.85                    |
| (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                                                                             | -                       | -                       |



| 23 Other financial liabilities (Current)                                       |                         | (Rupees in crore)       |  |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Security deposits                                                          | 1.00                    | 0.94                    |  |
| (b) Current maturities of non-current borrowings (see note 16)                 | 54.97                   | 74.00                   |  |
| (c) Payable on purchase of property, plant and equipment                       | 5.24                    | 0.51                    |  |
| (d) Retention money payable                                                    | 1.85                    | 0.33                    |  |
| (e) Unclaimed dividends                                                        | 0.51                    | 0.54                    |  |
| (f) Interest accrued but due on borrowings                                     | 2.61                    | 2.01                    |  |
| <b>Total</b>                                                                   | <b>66.18</b>            | <b>78.33</b>            |  |
| 24 Other current liabilities                                                   |                         | (Rupees in crore)       |  |
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Statutory remittances                                                      | 3.39                    | 1.63                    |  |
| (b) Advance from customers                                                     | 29.40                   | 7.62                    |  |
| (c) Deferred income (see note 20)                                              |                         |                         |  |
| - Purchase of equipment                                                        | 2.99                    | 2.63                    |  |
| - deferred liability related to sales tax                                      | 0.07                    | 0.07                    |  |
| <b>Total</b>                                                                   | <b>35.85</b>            | <b>11.94</b>            |  |
| 25 Provisions (Current)                                                        |                         | (Rupees in crore)       |  |
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Provision for compensated absences                                         | 0.20                    | 0.34                    |  |
| (b) Provision for gratuity (see note 39)                                       | 0.37                    | 0.17                    |  |
| <b>Total</b>                                                                   | <b>0.57</b>             | <b>0.51</b>             |  |
| 26 Current tax liabilities (net)                                               |                         | (Rupees in crore)       |  |
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Provision for tax (March 31, 2021 : net of advance tax Rupees 46.90 crore) | 1.02                    | -                       |  |
| <b>Total</b>                                                                   | <b>1.02</b>             | <b>-</b>                |  |





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| 27 Revenue from operations                        |                              | (Rupees in crore)            |  |
|---------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Sale of products (see note (i) below)         | 5,815.93                     | 5,704.40                     |  |
| (b) Other operating revenue (see note (ii) below) | 192.03                       | 226.41                       |  |
| <b>Total</b>                                      | <b>6,007.96</b>              | <b>5,930.81</b>              |  |

Notes :

| (i) Reconciliation of revenue recognised with contract price : |                              | (Rupees in crore)            |  |
|----------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Contract price                                                 | 5,973.99                     | 5,877.54                     |  |
| Adjustments for:                                               |                              |                              |  |
| Discount & incentives                                          | (158.06)                     | (173.14)                     |  |
| <b>Revenue from operations</b>                                 | <b>5,815.93</b>              | <b>5,704.40</b>              |  |
| <b>(ii) Other operating revenue comprises</b>                  |                              |                              |  |
| Sale of scrap                                                  | 189.00                       | 217.62                       |  |
| Export incentives                                              | 3.03                         | 8.67                         |  |
| Job work                                                       | -                            | 0.12                         |  |
| <b>Total</b>                                                   | <b>192.03</b>                | <b>226.41</b>                |  |

| 28 Other income                                                                |                              | (Rupees in crore)            |  |
|--------------------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Interest income on fixed deposit                                           | 19.29                        | 0.83                         |  |
| (b) Interest income on others (see note 41)                                    | 13.80                        | 11.55                        |  |
| (c) Profit on sale of property, plant and equipment (net)                      | 0.11                         | -                            |  |
| (d) Profit on sale of assets held for sale                                     | -                            | 1.46                         |  |
| (e) Gain on foreign currency transactions (net)                                | 1.43                         | 1.21                         |  |
| (f) Profit on derivatives measured at fair value through profit & loss account | -                            | 2.22                         |  |
| (g) Provision written back for expected credit loss                            | 1.21                         | -                            |  |
| (h) Miscellaneous income (see note below)                                      | 8.27                         | 9.96                         |  |
| <b>Total</b>                                                                   | <b>44.11</b>                 | <b>27.23</b>                 |  |

Note :

Miscellaneous income includes (a) unwinding of deferred income of Rupees 2.68 crores (March 31, 2020 : Rupees 2.44 crores), (b) Subvention interest income on export packing credit facilities of Rupees 4.67 crores (March 31, 2020 : Rupees 4.61 crores) and (c) Other miscellaneous income of Rupees 0.92 crores (March 31, 2020 : Rupees 2.91 crores).

| 29 Cost of materials consumed                               |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Inventories of raw material as at the beginning of the year | 172.51                       | 338.28                       |  |
| Add: Purchases during the year                              | 4,415.21                     | 4,543.41                     |  |
| Less: Inventories of raw material as at the end of the year | 112.68                       | 172.51                       |  |
| <b>Total</b>                                                | <b>4,475.04</b>              | <b>4,709.18</b>              |  |

| 30 Change in inventories                         |                              | (Rupees in crore)            |  |
|--------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| <b>Inventories at the end of the year:</b>       |                              |                              |  |
| (a) Finished goods                               | 300.99                       | 305.03                       |  |
| (b) Stock in trade                               | 4.17                         | -                            |  |
| (c) Work in progress                             | 100.64                       | 88.80                        |  |
| (d) Rejection and scrap                          | 14.39                        | 6.12                         |  |
|                                                  | <b>420.19</b>                | <b>399.95</b>                |  |
| <b>Inventories at the beginning of the year:</b> |                              |                              |  |
| (a) Finished goods                               | 305.03                       | 318.80                       |  |
| (b) Work in progress                             | 88.80                        | -                            |  |
| (c) Rejection and scrap                          | 6.12                         | 7.55                         |  |
| <b>Total</b>                                     | <b>399.95</b>                | <b>326.35</b>                |  |
|                                                  | <b>(20.24)</b>               | <b>(73.60)</b>               |  |

| 31 Employee benefits expense                                           |                              | (Rupees in crore)            |  |
|------------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                            | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Salaries and wages                                                 | 72.37                        | 89.16                        |  |
| (b) Contribution to provident fund (see note 39)                       | 3.00                         | 3.02                         |  |
| (c) Gratuity expense (see note 39)                                     | 1.89                         | 1.98                         |  |
| (d) Share-based payments to employees (see note 36(a) & 40)            | 3.27                         | 3.68                         |  |
| (e) Staff welfare expenses                                             | 1.53                         | 2.23                         |  |
|                                                                        | <b>82.06</b>                 | <b>100.07</b>                |  |
| Less: Allocation of common employee benefits expenses (see note 36(b)) | 5.94                         | 7.44                         |  |
| <b>Total</b>                                                           | <b>76.12</b>                 | <b>92.63</b>                 |  |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

During the year, the Company recognised an amount of Rupees 6.31 crore (Year ended March 31, 2020 Rupees 6.72 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :-

| Particulars                                                        | (Rupees in crore)            |                              |
|--------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (i) Short term employee benefits                                   | 6.00                         | 6.59                         |
| (ii) Post employment benefits (Gratuity expense)                   | 0.17                         | 0.07                         |
| (iii) Other long term employee benefits (Leave encashment expense) | 0.14                         | 0.06                         |
|                                                                    | <b>6.31</b>                  | <b>6.72</b>                  |

**32 Finance costs**

| Particulars                        | (Rupees in crore)            |                              |
|------------------------------------|------------------------------|------------------------------|
|                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Interest expense :             |                              |                              |
| (i) working capital facilities     | 29.23                        | 47.86                        |
| (ii) term loan                     | 21.73                        | 14.23                        |
| (iii) debentures                   | -                            | 16.05                        |
| (iv) delayed payment of income tax | 0.54                         | -                            |
| (v) on leases                      | 0.06                         | 0.01                         |
|                                    | <b>51.56</b>                 | <b>78.15</b>                 |
| (b) Other borrowing cost           | 3.33                         | 3.99                         |
| <b>Total</b>                       | <b>54.89</b>                 | <b>82.14</b>                 |

**33 Depreciation and amortisation expense**

| Particulars                                                       | (Rupees in crore)            |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Depreciation on property, plant and equipment (see note 2(a)) | 66.12                        | 67.03                        |
| (b) Amortisation on right of use assets (see note 2(b))           | 0.90                         | 0.90                         |
| (c) Amortisation on intangible assets (see note 2(c))             | 1.06                         | 0.94                         |
| (d) Depreciation on capital work in progress                      | 0.10                         | 0.04                         |
| <b>Total</b>                                                      | <b>68.18</b>                 | <b>68.91</b>                 |

**34 Other expenses**

| Particulars                                                          | (Rupees in crore)            |                              |
|----------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Freight outward                                                  | 176.29                       | 188.48                       |
| (b) Power and fuel                                                   | 43.64                        | 56.27                        |
| (c) Consumption of stores and spare parts                            | 33.85                        | 45.52                        |
| (d) Derivatives measured at fair value through profit & loss account | 0.20                         | -                            |
| (e) Advertisement and sales promotion                                | 22.38                        | 49.00                        |
| (f) Rent                                                             | 5.02                         | 5.00                         |
| (g) Travelling and conveyance                                        | 2.78                         | 5.96                         |
| (h) Legal and professional charges (see note (i) below)              | 4.27                         | 6.17                         |
| (i) Job work charges                                                 | -                            | 0.38                         |
| (j) Repair and maintenance:                                          |                              |                              |
| (i) Building                                                         | 0.10                         | 0.09                         |
| (ii) Plant and machinery                                             | 3.31                         | 4.04                         |
| (iii) Others                                                         | 1.16                         | 1.39                         |
| (k) Rates and taxes                                                  | 2.25                         | 3.79                         |
| (l) Security services                                                | 1.75                         | 1.59                         |
| (m) Allowance for expected credit loss                               | -                            | 2.30                         |
| (n) Allowance for doubtful advances                                  | 0.56                         | -                            |
| (o) Allowance for doubtful claims receivable                         | 0.27                         | -                            |
| (p) Bad debts written off                                            | -                            | 0.02                         |
| (q) Loss on sale of property, plant and equipment (net)              | -                            | 0.19                         |
| (r) Corporate social responsibility (see note 35)                    | 2.56                         | 0.13                         |
| (s) Provision for slow moving inventory of spares & consumables      | 0.81                         | 0.22                         |
| (t) Insurance                                                        | 1.49                         | 1.23                         |
| (u) Management support services                                      | 0.31                         | 1.84                         |
| (v) Miscellaneous expenses                                           | 5.41                         | 6.45                         |
|                                                                      | <b>308.41</b>                | <b>380.06</b>                |
| (w) Less: Allocation of common expenses (see note 36(b))             | 9.38                         | 16.27                        |
| <b>Total</b>                                                         | <b>299.03</b>                | <b>363.79</b>                |

**Note :-**

(i) Legal and professional charges include auditor's remuneration (excluding indirect taxes) as follows :

|                                                 |             |             |
|-------------------------------------------------|-------------|-------------|
| (a) To statutory auditors                       |             |             |
| For audit (including quarterly limited reviews) | 0.90        | 1.09        |
| For other services                              | 0.01        | 0.12        |
| Reimbursement of expenses                       | 0.01        | 0.10        |
| <b>Total</b>                                    | <b>0.92</b> | <b>1.31</b> |
| (b) To cost auditors for cost audit             | 0.02        | 0.02        |
| <b>Total</b>                                    | <b>0.02</b> | <b>0.02</b> |



**35 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:

|             |                                                                       | (Rupees in crore)            |                           |             |
|-------------|-----------------------------------------------------------------------|------------------------------|---------------------------|-------------|
| Particulars |                                                                       | Year ended<br>March 31, 2021 |                           |             |
| a)          | Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                           | 2.56        |
| Particulars |                                                                       | In Cash                      | Yet to be paid in<br>cash | Total       |
| b)          | Amount spent during the year out of the above :                       |                              |                           |             |
|             | 1) Construction / acquisition of any asset                            | -                            | -                         | -           |
|             | 2) On purposes other than(1) above                                    | 1.56                         | 1.00                      | 2.56        |
|             |                                                                       | <b>1.56</b>                  | <b>1.00</b>               | <b>2.56</b> |

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the Company has subsequent to balance sheet date has deposited amount of Rupees 1.00 crore to a separate bank account.

|             |                                                                       | Year ended<br>March 31, 2020 |                           |             |
|-------------|-----------------------------------------------------------------------|------------------------------|---------------------------|-------------|
| Particulars |                                                                       |                              |                           |             |
| a)          | Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                           | 2.85        |
| Particulars |                                                                       | In Cash                      | Yet to be paid in<br>cash | Total       |
| b)          | Amount spent during the year out of the above :                       |                              |                           |             |
|             | 1) Construction / acquisition of any asset                            | -                            | -                         | -           |
|             | 2) On purposes other than(1) above                                    | 0.13                         | -                         | 0.13        |
|             |                                                                       | <b>0.13</b>                  | <b>-</b>                  | <b>0.13</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 31) 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 31 & "Other expenses" in note 34) 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 / results.

**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.

| Particulars                                                                                                                            | (Rupees in crore, unless otherwise stated) |                              |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|
|                                                                                                                                        | Year ended<br>March 31, 2021               | Year ended<br>March 31, 2020 |
| Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share                 | 153.78                                     | 115.01                       |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share                               | 12,45,75,268                               | 12,24,47,434                 |
| Adjustments for calculation of diluted earnings per share (Employee stock option)(Number)                                              | 4,38,000                                   | 10,83,740                    |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 12,50,13,268                               | 12,35,31,174                 |
| Nominal value of equity shares (see note 15(a)(5))                                                                                     | 2                                          | 2                            |
| (a) Basic earnings per share in Rupees                                                                                                 | 12.34                                      | 9.29                         |
| (b) Diluted earnings per share in Rupees                                                                                               | 12.30                                      | 9.31                         |

In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended March 31, 2021 and March 31, 2020 has been arrived at after giving effect to the above sub-division. Also see note 15(a)(5).

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

| Particulars                                                                                                                      | (Rupees in crore)       |                         |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Contingent liabilities (for pending litigations)</b>                                                                      |                         |                         |
| (1) Disputed claims/levies in respect of sales tax:                                                                              |                         |                         |
| - Reversal of input tax credit                                                                                                   | 7.44                    | 7.44                    |
| - Provisional Assessment                                                                                                         | 1.77                    | 1.77                    |
|                                                                                                                                  | <u>9.21</u>             | <u>9.21</u>             |
| (2) Disputed claims/levies in respect of excise duty:                                                                            |                         |                         |
| - Excise demand on excess / shortages                                                                                            | 6.34                    | 6.34                    |
|                                                                                                                                  | <u>6.34</u>             | <u>6.34</u>             |
| (3) Disputed claims/levies in respect of service tax:                                                                            |                         |                         |
| - Availability of input credit                                                                                                   | 0.94                    | 0.94                    |
| (4) Disputed claims/levies in respect of income tax                                                                              | 3.40                    | 0.84                    |
| (5) Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (II) below) | -                       | -                       |
| <b>Total</b>                                                                                                                     | <u>19.89</u>            | <u>17.33</u>            |

(i) During the year, the Company has discounted the sales bill from the banks for Rupees Nil crore (March 31, 2020 Rupees 0.28 crore).

(ii) 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.

(iii) 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 89.55 169.06

(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 Rupees 117.79 crore (March 31, 2020 Rupees 174.73 crore) against which the Company has saved a duty of Rupees 19.63 crore (March 31, 2020 Rupees 29.12 crore).

(3) The Company has entered in Power Supply Agreement with a Vendor. As per agreement, the Company is required to draw an 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years having estimated power purchase price of Rupees 3.08 crore (March 31, 2020 : Rupees 3.08 crore).

(4) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2021 of Apollo Metalex Private Limited is Rupees 70.43 crore (March 31, 2020 Rupees 90.01 crore), Shri Lakshmi Metal Udyog Limited is Rupees Nil crore (March 31, 2020 Rupees 67.28 crore) and Apollo Tricoat Tubes Limited is Rupees 62.03 crore (March 31, 2020 Rupees 112.56 crore).

(5) 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.



39 Employee benefit obligations

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2021 |             |             |
|                                           | Current              | Non-current | Total       |
| Gratuity                                  |                      |             |             |
| Present value of obligation               | 0.37                 | 7.99        | 8.76        |
| <b>Total employee benefit obligations</b> | <b>0.37</b>          | <b>7.99</b> | <b>8.36</b> |

| Particulars                               | As at March 31, 2020 |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | Current              | Non-current | Total       |
|                                           | Gratuity             |             |             |
| Present value of obligation               | 0.17                 | 9.18        | 9.35        |
| <b>Total employee benefit obligations</b> | <b>0.17</b>          | <b>9.18</b> | <b>9.35</b> |

(a) 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 Rupees 0.20 crore (March 31, 2020 Rupees 0.20 crore). Vesting occurs upon completion of 5 years of service.

During the year, the Company has made contribution of Rupees 1.00 crore (March 31, 2020 : Rupees 0.68 crore) to APL Apollo Tubes Limited Employees Group Gratuity Trust which has made further contribution to Kotak Mahindra Life Insurance Co. Ltd.

(b) Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rupees 3.00 crore (Year ended March 31, 2020 Rupees 3.02 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.

(c) 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:

| Particulars                                                    | (Rupees in crore) |               |
|----------------------------------------------------------------|-------------------|---------------|
|                                                                |                   | Gratuity      |
| <b>Opening balance as at April 1, 2019</b>                     |                   | <b>6.06</b>   |
| Current service cost                                           |                   | 1.51          |
| Interest expense                                               |                   | 0.47          |
| <b>Total amount recognised in profit or loss</b>               |                   | <b>1.98</b>   |
| Add : Acquisition on business combination (see note (i) below) |                   | <b>0.68</b>   |
| <i>Remeasurements</i>                                          |                   |               |
| effect of change in financial assumptions                      |                   | 1.35          |
| effect of change in demographic assumptions                    |                   | 0.01          |
| effect of experience adjustments                               |                   | 0.17          |
| changes in asset ceiling                                       |                   | (0.01)        |
| <b>Total amount recognised in other comprehensive income</b>   |                   | <b>1.52</b>   |
| Employer contributions : Benefit payments                      |                   | (0.20)        |
| <b>Balance as at March 31, 2020</b>                            |                   | <b>10.04</b>  |
| <b>Balance as at March 31, 2020</b>                            |                   | <b>10.04</b>  |
| Current service cost                                           |                   | 1.26          |
| Interest expense/(Income)                                      |                   | 0.68          |
| Expected return on plan assets                                 |                   | (0.05)        |
| <b>Total amount recognised in profit or loss</b>               |                   | <b>1.89</b>   |
| Add / (less): Transfer to subsidiary (note (ii) below)         |                   | (0.09)        |
| <i>Remeasurements</i>                                          |                   |               |
| effect of change in financial assumptions                      |                   | (0.42)        |
| effect of change in demographic assumptions                    |                   | -             |
| effect of experience adjustments                               |                   | (1.08)        |
| changes in asset ceiling                                       |                   | 0.01          |
| <b>Total amount recognised in other comprehensive income</b>   |                   | <b>(1.49)</b> |
| Employer contributions : Benefit payments                      |                   | (0.60)        |
| <b>Balance as at March 31, 2021</b>                            |                   | <b>9.75</b>   |

(i)

The Company completed the acquisition of a production unit (located at Chegunta, Hyderabad) of M/s Taurus Value Steel & Pipes Private Limited ("Taurus") on May 27, 2019 along with its employees (see note 46). The Company has carried out actuarial valuation of such employees. Further Taurus has transferred gratuity fund of such employees to the APL Apollo Tubes Limited Employee Group Gratuity Trust and accordingly gratuity liability in the Company has been recognised.

(ii)

The Company has transferred some employees on payroll of APL Apollo Tubes Limited to Apollo Building Products Private Limited, (a wholly owned subsidiary of the Company). Accordingly, corresponding liability has been transferred to the Apollo Building Products Private Limited.



(d) Movement of Plan Assets

| Particulars                    | (Rupees in crore)            |                              |
|--------------------------------|------------------------------|------------------------------|
|                                | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Opening balance                | 0.69                         |                              |
| Contribution by the employer   | 1.00                         | 0.66                         |
| Expected return on plan assets | 0.04                         | -                            |
| Actuarial gains / loss         | (0.01)                       | 0.01                         |
| Benefits paid                  | (0.33)                       | -                            |
| Closing balance                | <u>1.39</u>                  | <u>0.69</u>                  |

(e) Net asset / (liability) recognised in the Balance Sheet

| Particulars                                          | (Rupees in crore)            |                              |
|------------------------------------------------------|------------------------------|------------------------------|
|                                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Present value of defined benefit obligation          | 9.75                         | 10.04                        |
| Less : Fair value of plan assets                     | 1.39                         | 0.69                         |
| <b>Funded status- Surplus/ (Deficit)</b>             | <b>(8.36)</b>                | <b>(9.35)</b>                |
| Unrecognised past service costs                      | -                            | -                            |
| <b>Net liability recognised in the Balance Sheet</b> | <b>(8.36)</b>                | <b>(9.35)</b>                |

(f) Category of assets

|                          |         |         |
|--------------------------|---------|---------|
| Funds managed by Insurer | 100.00% | 100.00% |
|--------------------------|---------|---------|

(g) Post-Employment benefits

The significant actuarial assumptions were as follows:

| Particulars               | Year ended<br>March 31, 2021              | Year ended<br>March 31, 2020              |
|---------------------------|-------------------------------------------|-------------------------------------------|
| Discount rate             | 7.09%                                     | 6.77%                                     |
| Salary growth rate        | 8.00%                                     | 8.00%                                     |
| Expected Return on Assets | 6.77%                                     | -                                         |
| Retirement age            | 60 Years                                  | 60 Years                                  |
| Mortality                 | Indian Assured Lives<br>Mortality 2012-14 | Indian Assured Lives<br>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.
- (h) The Company expects to make a contribution of Rupees 9.83 crores (March 31, 2020: Rupees 11.02 crores) to the defined benefit plans during the next financial year.

(i) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

|                                     | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (increase by 1%)      | (1.17)                       | (1.30)                       |
| Salary growth rate (increase by 1%) | 1.39                         | 1.52                         |

|                                     | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (decrease by 1%)      | 1.42                         | 1.56                         |
| Salary growth rate (decrease by 1%) | (1.17)                       | (1.29)                       |

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.

(j) 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.

**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.



**(k) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 16.95 years (March 31, 2020 : 17.65 years).  
The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars         | (Rupees in crore)            |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 0.38                         | 0.18                         |
| Between 1 - 1 years | 0.28                         | 0.37                         |
| Between 2 - 3 years | 0.44                         | 0.42                         |
| Between 3 - 4 years | 0.67                         | 0.57                         |
| Between 4 - 5 years | 0.75                         | 0.71                         |
| Beyond 5 years      | 6.01                         | 6.48                         |
| <b>Total</b>        | <b>8.53</b>                  | <b>8.71</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).

(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 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 Rupees 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 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 Rupees 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 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 Rupees 1,633.05 and Rupees 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 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 Rupees 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 is 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 has been determined at Rupees 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<br>(before giving effect of share split) | Grant Date        | Expiry Date      | Exercise Price<br>(see note below) | Fair Value at grant date |
|--------------------------------------------------------------------|-------------------|------------------|------------------------------------|--------------------------|
|                                                                    |                   |                  | (Amount in Rupees)                 | (Amount in Rupees)       |
| 7,24,000                                                           | 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 Rupees 1,633.05 and Rupees 2,124.10 respectively. The exercise price of these options has been reduced in previous year (See note (a) (vi) above).

**(c) Fair value option granted/ modified**

(i) No options granted during the year. The weighted average fair value of the share options granted in previous year is Rupees 466.08. Options were priced using Black Scholes Model. Basis of valuation of option granted during previous year March 31, 2020 are as follows :

|                                                              | Grant on November 9,<br>2019 |
|--------------------------------------------------------------|------------------------------|
| Grant date share price (before giving effect of share split) | 1,438.55                     |
| Exercise Price (before giving effect of share split)         | 1,438.55                     |
| Expected volatility                                          | 33.33%-34.97%                |
| Option Life                                                  | 3-4.5                        |
| Dividend yield                                               | 0.80%                        |
| Risk-free Interest Rate                                      | 6.07%-6.37%                  |





- (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 was determined at Rupees 131.46 and Rupees 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 will continue to be recognised as if the terms had not been modified.

The incremental fair value of the options has been determined using the Black Scholes Model with the following model inputs :

|                                                                     | Original Grant on<br>September 9, 2017 | Original Grant on<br>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%                           |

- (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, 2021 |                                                          | Year ended March 31, 2020 |                                                          |
|--------------------------------------------|---------------------------|----------------------------------------------------------|---------------------------|----------------------------------------------------------|
|                                            | Number of options         | Weighted Average<br>Exercise Price<br>(Amount in Rupees) | Number of options         | Weighted Average<br>Exercise Price<br>(Amount in Rupees) |
| Balance at the beginning of the year       | 1,083,740#                | 283.46                                                   | 1,365,615                 | 241.54                                                   |
| Granted during the year                    | -                         | -                                                        | 4,75,000                  | 287.71                                                   |
| Vested during the year                     | 254,375                   | 281.07                                                   | 740,985                   | 134.24                                                   |
| Lapsed during the year                     | 94,815                    | -                                                        | 1,63,705                  | -                                                        |
| Forfeited during the year                  | -                         | -                                                        | -                         | -                                                        |
| Exercised during the year                  | 5,50,925                  | 279.34                                                   | 5,93,170                  | 92.22                                                    |
| Expired during the year                    | -                         | -                                                        | -                         | -                                                        |
| Options outstanding at the end of the year | 438,000\$                 | 287.71                                                   | 1,083,740#                | 283.46                                                   |
| Options available for grant                | 1,09,180                  | -                                                        | 14,365                    | -                                                        |

# As at March 31, 2020, 314,835 options were vested but not exercised.  
\$ As at March 31, 2021, 10,500 options were vested but not exercised.

- (e) **Share option exercised (see note (f) below) :**

| Share option exercised during the year ended March 31, 2021         | Number exercised/allotted | Exercise/Allotment date | Share Price at exercise/allotment date<br>Rupees |
|---------------------------------------------------------------------|---------------------------|-------------------------|--------------------------------------------------|
| Granted on January 28, 2017, February 05, 2018 & September 09, 2017 | 2,81,820                  | August 31, 2020         | 480.62                                           |
| Granted on September 09, 2017                                       | 60,355                    | October 22, 2020        | 592.45                                           |
| Granted on November 9, 2019                                         | 59,375                    | November 19, 2020       | 646.98                                           |
| Granted on November 9, 2019                                         | 37,500                    | December 31, 2020       | 883.00                                           |
| Granted on February 05, 2018                                        | 87,500                    | March 2, 2021           | 1,157.40                                         |
| Granted on January 28, 2017                                         | 24,375                    | March 18, 2021          | 1,219.60                                         |

| Share option exercised during the year ended March 31, 2020 | Number exercised/allotted | Exercise/Allotment date | Share Price at exercise/allotment date<br>Rupees |
|-------------------------------------------------------------|---------------------------|-------------------------|--------------------------------------------------|
| Granted on July 28, 2015                                    | 5,84,420                  | December 4, 2019        | 314.58                                           |
| Granted on January 28, 2017                                 | 8,750                     | March 30, 2020          | 244.87                                           |

- (f) Disclosures for March 31, 2021 and March 31, 2020 have been made after giving effect to the share split. See note 15(a)(5) 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 Rupees 3.27 crore (net of amount cross charged to subsidiaries) (March 31, 2020 Rupees 3.68 crore).
- (h) No option expired during the year.





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

|            |                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>41</b>  | <b>Related party transaction :</b>                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>(a)</b> | <b>Details of related parties :</b>                                                                                       | <b>Name of related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                            |
| (i)        | Subsidiaries                                                                                                              | Apollo Metalex Private Limited<br>Shri Lakshmi Metal Udyog Limited<br>Blue Ocean Projects Private Limited<br>APL Apollo Building Products Private Limited<br>APL Apollo Tubes FZE                                                                                                                                                                                                                                                         |
| (ii)       | Step-down subsidiary                                                                                                      | Apollo Tricoat Tubes Limited (w.e.f. June 17, 2019)                                                                                                                                                                                                                                                                                                                                                                                       |
| (iii)      | Key Management Personnel (KMP) (with whom transactions have taken place during the year)                                  | Mr. Sanjay Gupta (Chairman) & (Managing Director w.e.f. November 11, 2019)<br>Mr. Ashok Kumar Gupta (Managing Director till November 11, 2019)<br>Mr. Romi Sehgal (Whole Time Director till July 1, 2018)<br>Mr. Romi Sehgal (Director w.e.f. July 1, 2018)<br>Mr. Deepak Goyal (Chief Financial Officer)<br>Mr. Adhish Swaroop (Company Secretary till September 30, 2019)<br>Mr. Deepak C S (Company Secretary w.e.f. January 25, 2020) |
| (iv)       | Relative of KMP (with whom transactions have taken place during the year)                                                 | Mrs. Saroj Rani Gupta (Mother of Mr. Sanjay Gupta)<br>Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta)<br>Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)<br>Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)<br>Mrs. Veera Gupta (Wife of Mr. Ashok Kumar Gupta)                                                                                                                                                                                        |
| (v)        | Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year) | APL Infrastructure Private Limited<br>Apollo Pipes Limited<br>Apollo Tricoat Tubes Limited (till June 16, 2019)                                                                                                                                                                                                                                                                                                                           |

(Rupees in crore)

| Particulars                                          | Subsidiaries                     | Step-down subsidiary            | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                            |
|------------------------------------------------------|----------------------------------|---------------------------------|--------------------------------|------------------|-----------------------------------------------------------------|----------------------------------|
| <b>(b) Transactions during the year</b>              |                                  |                                 |                                |                  |                                                                 |                                  |
| <b>Sale of goods (net of discounts)</b>              |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 55.91<br>(62.79)                 | -                               | -                              | -                | -                                                               | 55.91<br>(62.79)                 |
| Shri Lakshmi Metal Udyog Limited                     | 48.93<br>(35.21)                 | -                               | -                              | -                | -                                                               | 48.93<br>(35.21)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 0.96<br>(0.95)                                                  | 0.96<br>(0.95)                   |
| APL Apollo Building Products Private Limited         | 0.55<br>(-)                      | -                               | -                              | -                | -                                                               | 0.55<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 42.86<br>(14.34)                | -                              | -                | -                                                               | 42.86<br>(14.34)                 |
|                                                      | <b>105.39</b><br><b>(98.00)</b>  | <b>42.86</b><br><b>(14.34)</b>  | <b>-</b>                       | <b>-</b>         | <b>0.96</b><br><b>(3.52)</b>                                    | <b>149.21</b><br><b>(115.86)</b> |
| <b>Sale of scrap (other operating revenue)</b>       |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 0.05<br>(0.72)                   | -                               | -                              | -                | -                                                               | 0.05<br>(0.72)                   |
| APL Apollo Building Products Private Limited         | 0.44<br>(-)                      | -                               | -                              | -                | -                                                               | 0.44<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 0.63<br>(0.52)                  | -                              | -                | (0.39)                                                          | 0.63<br>(0.91)                   |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 0.03<br>(-)                                                     | 0.03<br>(-)                      |
|                                                      | <b>0.49</b><br><b>(0.72)</b>     | <b>0.63</b><br><b>(0.52)</b>    | <b>-</b>                       | <b>-</b>         | <b>0.03</b><br><b>(0.39)</b>                                    | <b>1.15</b><br><b>(1.63)</b>     |
| <b>Sale of property, plant and equipments</b>        |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | (0.84)                           | -                               | -                              | -                | -                                                               | (0.84)                           |
| APL Apollo Building Products Private Limited         | 0.16<br>(-)                      | -                               | -                              | -                | -                                                               | 0.16<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 4.87<br>(1.46)                  | -                              | -                | -                                                               | 4.87<br>(1.46)                   |
|                                                      | <b>0.16</b><br><b>(0.84)</b>     | <b>4.87</b><br><b>(1.46)</b>    | <b>-</b>                       | <b>-</b>         | <b>(0.66)</b>                                                   | <b>5.03</b><br><b>(2.96)</b>     |
| <b>Sale of licenses</b>                              |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Tricoat Tubes Limited                         | -                                | (0.20)                          | -                              | -                | -                                                               | (0.20)                           |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 1.42<br>(0.41)                                                  | 1.42<br>(0.41)                   |
|                                                      | <b>-</b>                         | <b>(0.20)</b>                   | <b>-</b>                       | <b>-</b>         | <b>1.42</b><br><b>(0.41)</b>                                    | <b>1.42</b><br><b>(0.61)</b>     |
| <b>Purchase of property, plant and equipments</b>    |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Pipes Limited                                 | (-)                              | (-)                             | (-)                            | (-)              | 0.01<br>(-)                                                     | 0.01<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | (-)                              | 6.64<br>(0.05)                  | (-)                            | (-)              | (-)                                                             | 6.64<br>(0.05)                   |
|                                                      | <b>(-)</b>                       | <b>6.64</b><br><b>(0.05)</b>    | <b>(-)</b>                     | <b>(-)</b>       | <b>0.01</b><br><b>(-)</b>                                       | <b>6.65</b><br><b>(0.05)</b>     |
| <b>Purchase of stock-in-trade (net of discounts)</b> |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 350.92<br>(286.70)               | -                               | -                              | -                | -                                                               | 350.92<br>(286.70)               |
| Shri Lakshmi Metal Udyog Limited                     | 49.82<br>(15.51)                 | -                               | -                              | -                | -                                                               | 49.82<br>(15.51)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 2.72<br>(-)                                                     | 2.72<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 220.23<br>(99.79)               | -                              | -                | (-)                                                             | 220.23<br>(99.79)                |
|                                                      | <b>400.74</b><br><b>(302.21)</b> | <b>220.23</b><br><b>(99.79)</b> | <b>-</b>                       | <b>-</b>         | <b>(13.87)</b>                                                  | <b>623.69</b><br><b>(415.87)</b> |
| <b>Purchase of raw material (net of discounts)</b>   |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 18.90<br>(36.29)                 | -                               | -                              | -                | -                                                               | 18.90<br>(36.29)                 |
| Shri Lakshmi Metal Udyog Limited                     | 94.08<br>(35.46)                 | -                               | -                              | -                | -                                                               | 94.08<br>(35.46)                 |
| Apollo Tricoat Tubes Limited                         | -                                | 82.57<br>(24.65)                | -                              | -                | -                                                               | 82.57<br>(24.65)                 |
| Apollo Pipes Limited                                 | (-)                              | (-)                             | (-)                            | (-)              | (-)                                                             | (-)                              |
|                                                      | <b>112.98</b><br><b>(71.75)</b>  | <b>82.57</b><br><b>(24.65)</b>  | <b>-</b>                       | <b>-</b>         | <b>(3.68)</b>                                                   | <b>195.55</b><br><b>(100.08)</b> |



(Rupees in crore)

| Particulars                                                       | Subsidiaries                   | Step-down subsidiary         | Key Management Personnel (KMP) | Relatives of KMP             | Enterprises significantly influenced by KMP and their relatives | Total                          |
|-------------------------------------------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|-----------------------------------------------------------------|--------------------------------|
| <b>Purchase of scrap</b>                                          |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 11.73<br>(12.85)               | -                            | -                              | -                            | -                                                               | 11.73<br>(12.85)               |
| Shri Lakshmi Metal Udyog Limited                                  | 1.92<br>(3.16)                 | -                            | -                              | -                            | -                                                               | 1.92<br>(3.16)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.96<br>(5.15)               | -                              | -                            | (2.61)                                                          | 2.97<br>(8.76)                 |
|                                                                   | <b>13.65</b><br><b>(16.01)</b> | <b>2.96</b><br><b>(6.15)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>(2.61)</b>                                                   | <b>16.61</b><br><b>(24.77)</b> |
| <b>Job Work</b>                                                   |                                |                              |                                |                              |                                                                 |                                |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.78<br>(-)                  | -                              | -                            | -                                                               | 0.78<br>(-)                    |
|                                                                   | <b>(-)</b>                     | <b>0.78</b><br><b>(-)</b>    | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.78</b><br><b>(-)</b>      |
| <b>Rent paid</b>                                                  |                                |                              |                                |                              |                                                                 |                                |
| APL Infrastructure Private Limited                                | -                              | -                            | -                              | -                            | 0.06<br>(0.06)                                                  | 0.06<br>(0.06)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.24<br>(0.10)               | -                              | -                            | (0.01)                                                          | 0.24<br>(0.11)                 |
| Apollo Pipes Limited                                              | -                              | -                            | -                              | -                            | 0.14<br>(-)                                                     | 0.14<br>(-)                    |
| Apollo Metalex Private Limited                                    | 0.41<br>(0.17)                 | -                            | -                              | -                            | -                                                               | 0.41<br>(0.17)                 |
| Mrs. Neera Gupta                                                  | -                              | -                            | -                              | 0.02<br>(0.02)               | -                                                               | 0.02<br>(0.02)                 |
| Mrs. Vandana Gupta                                                | -                              | -                            | -                              | 0.02<br>(0.02)               | -                                                               | 0.02<br>(0.02)                 |
|                                                                   | <b>0.41</b><br><b>(0.17)</b>   | <b>0.24</b><br><b>(0.10)</b> | <b>-</b><br><b>-</b>           | <b>0.04</b><br><b>(0.04)</b> | <b>0.20</b><br><b>(0.07)</b>                                    | <b>0.89</b><br><b>(0.38)</b>   |
| <b>Interest expense</b>                                           |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 5.62<br>(-)                    | -                            | -                              | -                            | -                                                               | 5.62<br>(-)                    |
|                                                                   | <b>5.62</b><br><b>(-)</b>      | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>5.62</b><br><b>(-)</b>      |
| <b>Interest income</b>                                            |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 0.19<br>(0.23)                 | -                            | -                              | -                            | -                                                               | 0.19<br>(0.23)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.02<br>(1.73)               | -                              | -                            | -                                                               | 2.02<br>(1.73)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 10.23<br>(8.42)                | -                            | -                              | -                            | -                                                               | 10.23<br>(8.42)                |
| APL Apollo Building Products Private Limited                      | 0.20<br>(-)                    | -                            | -                              | -                            | -                                                               | 0.20<br>(-)                    |
| Blue Ocean Projects Private Limited                               | -                              | -                            | -                              | -                            | -                                                               | -                              |
|                                                                   | <b>(0.09)</b>                  | <b>(-)</b>                   | <b>-</b>                       | <b>-</b>                     | <b>-</b>                                                        | <b>(0.09)</b>                  |
|                                                                   | <b>10.62</b><br><b>(8.74)</b>  | <b>2.02</b><br><b>(1.73)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>12.64</b><br><b>(10.47)</b> |
| <b>Allocation of common expenses (Income of the Company)</b>      |                                |                              |                                |                              |                                                                 |                                |
| <b>(a) Employee benefit expenses:</b>                             |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 2.75<br>(3.65)                 | -                            | -                              | -                            | -                                                               | 2.75<br>(3.65)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 1.52<br>(1.76)               | -                              | -                            | -                                                               | 1.52<br>(1.76)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 1.56<br>(2.03)                 | -                            | -                              | -                            | -                                                               | 1.56<br>(2.03)                 |
|                                                                   | <b>4.31</b><br><b>(5.68)</b>   | <b>1.52</b><br><b>(1.76)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>5.83</b><br><b>(7.44)</b>   |
| <b>(b) Expenses incurred by Company on behalf of</b>              |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 4.42<br>(8.44)                 | -                            | -                              | -                            | -                                                               | 4.42<br>(8.44)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.45<br>(2.96)               | -                              | -                            | -                                                               | 2.45<br>(2.96)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 2.51<br>(4.71)                 | -                            | -                              | -                            | -                                                               | 2.51<br>(4.71)                 |
|                                                                   | <b>6.93</b><br><b>(13.15)</b>  | <b>2.45</b><br><b>(2.96)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>9.38</b><br><b>(16.11)</b>  |
| <b>(c) Share based expense incurred by Company on behalf of</b>   |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 0.09<br>(-)                    | -                            | -                              | -                            | -                                                               | 0.09<br>(-)                    |
| Shri Lakshmi Metal Udyog Limited                                  | 0.02<br>(0.07)                 | -                            | -                              | -                            | -                                                               | 0.02<br>(0.07)                 |
|                                                                   | <b>0.11</b><br><b>(0.07)</b>   | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.11</b><br><b>(0.07)</b>   |
| <b>(d) Share based income incurred by Company on behalf of</b>    |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | (0.07)                         | -                            | -                              | -                            | -                                                               | (0.07)                         |
|                                                                   | <b>(0.07)</b>                  | <b>-</b>                     | <b>-</b>                       | <b>-</b>                     | <b>-</b>                                                        | <b>(0.07)</b>                  |
| <b>(e) Allocation of common expenses (expense of the Company)</b> |                                |                              |                                |                              |                                                                 |                                |
| Shri Lakshmi Metal Udyog Limited                                  | (1.84)                         | -                            | -                              | -                            | -                                                               | (1.84)                         |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.31<br>(-)                  | -                              | -                            | -                                                               | 0.31<br>(-)                    |
|                                                                   | <b>(1.84)</b>                  | <b>0.31</b><br><b>(-)</b>    | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.31</b><br><b>(1.84)</b>   |
| <b>Salary</b>                                                     |                                |                              |                                |                              |                                                                 |                                |
| Mr. Sanjay Gupta                                                  | -                              | -                            | 3.50<br>(3.50)                 | -                            | -                                                               | 3.50<br>(3.50)                 |
| Mr. Ashok Kumar Gupta                                             | -                              | -                            | (1.53)                         | -                            | -                                                               | (1.53)                         |
| Mr. Deepak Goyal                                                  | -                              | -                            | 2.58<br>(1.49)                 | -                            | -                                                               | 2.58<br>(1.49)                 |
| Mr. Adhish Swaroop                                                | -                              | -                            | (0.12)                         | -                            | -                                                               | (0.12)                         |
| Mr. Deepak C S                                                    | -                              | -                            | 0.23<br>(-)                    | -                            | -                                                               | 0.23<br>(-)                    |
|                                                                   | <b>(-)</b>                     | <b>(-)</b>                   | <b>6.31</b><br><b>(6.72)</b>   | <b>(-)</b><br><b>(-)</b>     | <b>(-)</b><br><b>(-)</b>                                        | <b>6.31</b><br><b>(6.72)</b>   |





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

(Rupees in crore)

| Particulars                                                         | Subsidiaries | Step-down subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total    |
|---------------------------------------------------------------------|--------------|----------------------|--------------------------------|------------------|-----------------------------------------------------------------|----------|
| <b>Dividend paid</b>                                                |              |                      |                                |                  |                                                                 |          |
| APL Infrastructure Private Limited                                  | -            | -                    | -                              | -                | -                                                               | -        |
| Mr. Romi Sehgal                                                     | (-)          | (-)                  | (-)                            | (-)              | (11.80)                                                         | (11.80)  |
| Mr. Deepak Goyal                                                    | (-)          | (-)                  | (0.02)                         | (-)              | (-)                                                             | (0.02)   |
| Mrs. Veera Gupta                                                    | (-)          | (-)                  | (0.01)                         | (-)              | (-)                                                             | (0.01)   |
|                                                                     | (-)          | (-)                  | (0.83)                         | (-)              | (-)                                                             | (0.83)   |
|                                                                     | (-)          | (-)                  | (0.86)                         | (-)              | (11.80)                                                         | (12.66)  |
| <b>Loans taken during the year</b>                                  |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | 100.00       | -                    | -                              | -                | -                                                               | 100.00   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
|                                                                     | 100.00       | (-)                  | (-)                            | (-)              | (-)                                                             | 100.00   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| <b>Loans given during the year</b>                                  |              |                      |                                |                  |                                                                 |          |
| Shri Lakshmi Metal Udyog Limited                                    | 45.00        | -                    | -                              | -                | -                                                               | 45.00    |
|                                                                     | (150.00)     | (-)                  | (-)                            | (-)              | (-)                                                             | (150.00) |
| APL Apollo Building Products Private Limited                        | 7.13         | -                    | -                              | -                | -                                                               | 7.13     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| Blue Ocean Projects Private Limited                                 | 0.16         | -                    | -                              | -                | -                                                               | 0.16     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| Apollo Tricoat Tubes Limited                                        | -            | 66.00                | -                              | -                | -                                                               | 66.00    |
|                                                                     | (-)          | (200.00)             | (-)                            | (-)              | (-)                                                             | (200.00) |
|                                                                     | 52.29        | 66.00                | (-)                            | (-)              | (-)                                                             | 118.29   |
|                                                                     | (150.00)     | (200.00)             | (-)                            | (-)              | (-)                                                             | (350.00) |
| <b>Loans received back during the year</b>                          |              |                      |                                |                  |                                                                 |          |
| Shri Lakshmi Metal Udyog Limited                                    | 20.00        | -                    | -                              | -                | -                                                               | 20.00    |
|                                                                     | (75.00)      | (-)                  | (-)                            | (-)              | (-)                                                             | (75.00)  |
| Apollo Tricoat Tubes Limited                                        | -            | 66.00                | -                              | -                | -                                                               | 66.00    |
|                                                                     | (-)          | (200.00)             | (-)                            | (-)              | (-)                                                             | (200.00) |
|                                                                     | 20.00        | 66.00                | (-)                            | (-)              | (-)                                                             | 86.00    |
|                                                                     | (75.00)      | (200.00)             | (-)                            | (-)              | (-)                                                             | (275.00) |
| <b>Advances from customers</b>                                      |              |                      |                                |                  |                                                                 |          |
| APL Apollo Tubes FZE                                                | 19.85        | -                    | -                              | -                | -                                                               | 19.85    |
|                                                                     | (1.41)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.41)   |
|                                                                     | 19.85        | (-)                  | (-)                            | (-)              | (-)                                                             | 19.85    |
|                                                                     | (1.41)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.41)   |
| <b>Issue of equity share capital (including securities premium)</b> |              |                      |                                |                  |                                                                 |          |
| APL Infrastructure Private Limited                                  | -            | -                    | -                              | -                | -                                                               | -        |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (172.00)                                                        | (172.00) |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (172.00)                                                        | (172.00) |
| <b>Investment in equity share capital</b>                           |              |                      |                                |                  |                                                                 |          |
| APL Apollo Tubes FZE                                                | 19.75        | -                    | -                              | -                | -                                                               | 19.75    |
|                                                                     | (1.90)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.90)   |
| APL Apollo Building Products Private Limited                        | 105.69       | -                    | -                              | -                | -                                                               | 105.69   |
|                                                                     | (0.01)       | (-)                  | (-)                            | (-)              | (-)                                                             | (0.01)   |
| Blue Ocean Projects Private Limited                                 | 4.82         | -                    | -                              | -                | -                                                               | 4.82     |
|                                                                     | (1.04)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.04)   |
|                                                                     | 130.26       | (-)                  | (-)                            | (-)              | (-)                                                             | 130.26   |
|                                                                     | (2.94)       | (-)                  | (-)                            | (-)              | (-)                                                             | (2.94)   |
| <b>(c) Balances outstanding at the end of the year</b>              |              |                      |                                |                  |                                                                 |          |
| <b>Trade receivables</b>                                            |              |                      |                                |                  |                                                                 |          |
| Apollo Pipes Limited                                                | -            | -                    | -                              | -                | -                                                               | -        |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (0.33)                                                          | (0.33)   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (0.33)                                                          | (0.33)   |
| <b>Claim Receivable</b>                                             |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | 4.05         | -                    | -                              | -                | -                                                               | 4.05     |
|                                                                     | (13.77)      | (-)                  | (-)                            | (-)              | (-)                                                             | (13.77)  |
| Apollo Tricoat Tubes Limited                                        | -            | 2.09                 | -                              | -                | -                                                               | 2.09     |
|                                                                     | (-)          | (8.42)               | (-)                            | (-)              | (-)                                                             | (8.42)   |
| Shri Lakshmi Metal Udyog Limited                                    | 1.41         | -                    | -                              | -                | -                                                               | 1.41     |
|                                                                     | (1.06)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.06)   |
|                                                                     | 5.46         | 2.09                 | (-)                            | (-)              | (-)                                                             | 7.55     |
|                                                                     | (14.82)      | (8.42)               | (-)                            | (-)              | (-)                                                             | (23.25)  |
| <b>Expenses payable</b>                                             |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | (1.25)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.25)   |
|                                                                     | -            | 0.45                 | (-)                            | (-)              | (-)                                                             | 0.45     |
| Apollo Tricoat Tubes Limited                                        | (-)          | (0.33)               | (-)                            | (-)              | (-)                                                             | (0.33)   |
| Shri Lakshmi Metal Udyog Private Limited                            | 0.49         | (-)                  | (-)                            | (-)              | (-)                                                             | 0.49     |
|                                                                     | (3.37)       | (-)                  | (-)                            | (-)              | (-)                                                             | (3.37)   |
|                                                                     | 0.49         | 0.45                 | (-)                            | (-)              | (-)                                                             | 0.94     |
|                                                                     | (4.62)       | (0.33)               | (-)                            | (-)              | (-)                                                             | (4.95)   |
| <b>Security deposits given</b>                                      |              |                      |                                |                  |                                                                 |          |
| Mrs. Neera Gupta                                                    | -            | -                    | -                              | 3.00             | -                                                               | 3.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (3.00)           | (-)                                                             | (3.00)   |
| Mrs. Vandana Gupta                                                  | (-)          | (-)                  | (-)                            | 3.00             | (-)                                                             | 3.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (3.00)           | (-)                                                             | (3.00)   |
| APL Infrastructure Private Limited                                  | (-)          | (-)                  | (-)                            | (-)              | 5.00                                                            | 5.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (5.00)                                                          | (5.00)   |
|                                                                     | (-)          | (-)                  | (-)                            | 6.00             | 5.00                                                            | 11.00    |
|                                                                     | (-)          | (-)                  | (-)                            | (6.00)           | (5.00)                                                          | (11.00)  |



(Rupees in crore)

| Particulars                                    | Subsidiaries                    | Step-down subsidiary         | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                           |
|------------------------------------------------|---------------------------------|------------------------------|--------------------------------|------------------|-----------------------------------------------------------------|---------------------------------|
| <b>Interest receivable</b>                     |                                 |                              |                                |                  |                                                                 |                                 |
| Shri Lakshmi Metal Udyog Limited               | 2.44<br>(1.65)                  | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 2.44<br>(1.65)                  |
| Apollo Tricoat Tubes Limited                   | -<br>(-)                        | 0.04<br>(0.28)               | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.04<br>(0.28)                  |
| Blue Ocean Projects Private Limited            | (0.03)                          | (-)                          | (-)                            | (-)              | (-)                                                             | (0.03)                          |
|                                                | <b>2.44</b><br><b>(1.68)</b>    | <b>0.04</b><br><b>(0.28)</b> | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>2.48</b><br><b>(1.96)</b>    |
| <b>Interest Payable</b>                        |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 1.94<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 1.94<br>(-)                     |
|                                                | <b>1.94</b><br><b>(-)</b>       | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>1.94</b><br><b>(-)</b>       |
| <b>Advance recoverable</b>                     |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | (5.16)                          | (-)                          | (-)                            | (-)              | (-)                                                             | (5.16)                          |
| Apollo Tricoat Tubes Limited                   | (-)                             | 8.76<br>(-)                  | (-)                            | (-)              | (-)                                                             | 8.76<br>(-)                     |
|                                                | <b>(5.16)</b>                   | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>8.76</b><br><b>(5.16)</b>    |
| <b>Loans receivable</b>                        |                                 |                              |                                |                  |                                                                 |                                 |
| Shri Lakshmi Metal Udyog Limited               | 100.00<br>(75.00)               | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 100.00<br>(75.00)               |
| APL Apollo Building Products Private Limited   | 7.13<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 7.13<br>(-)                     |
| Blue Ocean Projects Private Limited            | 0.16<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.16<br>(-)                     |
|                                                | <b>107.29</b><br><b>(75.00)</b> | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>107.29</b><br><b>(75.00)</b> |
| <b>Loans payable</b>                           |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 100.00<br>(-)                   | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 100.00<br>(-)                   |
|                                                | <b>100.00</b><br><b>(-)</b>     | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>100.00</b><br><b>(-)</b>     |
| <b>Trade payables</b>                          |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 40.82<br>(-)                    | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 40.82<br>(-)                    |
| Shri Lakshmi Metal Udyog Limited               | 17.83<br>(9.23)                 | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 17.83<br>(9.23)                 |
| Apollo Pipes Limited                           | 0.05<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.05<br>(-)                     |
| Apollo Tricoat Tubes Limited                   | (-)                             | (1.17)                       | (-)                            | (-)              | (-)                                                             | (1.17)                          |
| Mr. Sanjay Gupta                               | (-)                             | (-)                          | 0.19<br>(0.19)                 | (-)              | (-)                                                             | 0.19<br>(0.19)                  |
| Mr. Deepak Goyal (net of advances recoverable) | (-)                             | (-)                          | 0.01<br>(0.02)                 | (-)              | (-)                                                             | 0.01<br>(0.02)                  |
| Mr. Deepak C S (net of advances recoverable)   | (-)                             | (-)                          | 0.01<br>(0.01)                 | (-)              | (-)                                                             | 0.01<br>(0.01)                  |
|                                                | <b>58.70</b><br><b>(9.23)</b>   | <b>(1.17)</b>                | <b>(0.22)</b>                  | <b>(-)</b>       | <b>(-)</b>                                                      | <b>58.91</b><br><b>(10.62)</b>  |

**Notes :**

- (i) Figures in the bracket relates to previous year ended March 31, 2020.  
(ii) Amount of expense of gratuity and compensated absences is taken on actuarial basis.  
(iii) 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.  
(iv) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2021 of Apollo Metalex Private Limited is Rupees 70.43 crore (March 31, 2020 Rupees 90.01 crore), Shri Lakshmi Metal Udyog Limited is Rupees Nil crore (March 31, 2020 Rupees 67.28 crore) and Apollo Tricoat Tubes Limited is Rupees 52.03 crore (March 31, 2020 Rupees 112.56 crore).

**42 Income tax expense**

The reconciliation of estimated income tax to income tax expense is as below :-

| Particulars                                                                                             | (Rupees in crore)            |                              |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                         | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Profit before tax as per standalone statement of profit and loss</b>                                 | <b>205.01</b>                | <b>113.79</b>                |
| Income tax expenses calculated as per tax rates of Income tax act of 25.168% (March 31, 2020 : 25.168%) | 51.60                        | 28.84                        |
| (i) Items not deductible                                                                                | (1.12)                       | (1.73)                       |
| (ii) Reversal of deferred tax liabilities as at March 31, 2019 (see note below)                         | -                            | (26.57)                      |
| (iii) Income tax / deferred tax expense / (credit) of earlier year                                      | 0.75                         | (1.56)                       |
| <b>Tax expense as reported</b>                                                                          | <b>51.23</b>                 | <b>(1.22)</b>                |

**Note i**

The Company during the previous year elected to be assessed at lower tax rate of 25.168% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 26.57 crores on account of remeasurement of deferred tax liability as at March 31, 2019.





**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, 2021 and March 31, 2020 :-

(Rupees in crore)

| Particulars                                                  | As at March 31, 2021 |             |                 | As at March 31, 2020 |             |                 |
|--------------------------------------------------------------|----------------------|-------------|-----------------|----------------------|-------------|-----------------|
|                                                              | FVTPL                | FVTOCI      | Amortised cost  | FVTPL                | FVTOCI      | Amortised cost  |
| <b>Financial assets - Non Current</b>                        |                      |             |                 |                      |             |                 |
| Investments                                                  |                      |             |                 |                      |             |                 |
| - Other investments                                          | 0.10                 | 1.38        | -               | 0.15                 | 1.37        | -               |
| Loans to subsidiary company                                  | -                    | -           | 107.29          | -                    | -           | 75.00           |
| Security deposit                                             | -                    | -           | 18.50           | -                    | -           | 17.42           |
| Balance in margin money with maturity of more than 12 months | -                    | -           | 0.03            | -                    | -           | -               |
| Claim receivable (net of provision)                          | -                    | -           | 0.10            | -                    | -           | 2.36            |
| <b>Financial assets - Current</b>                            |                      |             |                 |                      |             |                 |
| Loans to employees                                           | -                    | -           | 1.11            | -                    | -           | 1.04            |
| Claim receivable                                             | -                    | -           | 8.04            | -                    | -           | 23.44           |
| Government grants                                            | -                    | -           | -               | -                    | -           | 2.44            |
| Derivative assets (net)                                      | 2.01                 | -           | -               | 2.22                 | -           | -               |
| Trade receivables                                            | -                    | -           | 87.18           | -                    | -           | 305.94          |
| Cash and cash equivalents                                    | -                    | -           | 3.19            | -                    | -           | 38.85           |
| Bank balances other than cash and cash equivalents           | -                    | -           | 341.30          | -                    | -           | 1.07            |
| Others                                                       | -                    | -           | 3.66            | -                    | -           | 2.10            |
| <b>Total financial assets</b>                                | <b>2.11</b>          | <b>1.38</b> | <b>570.40</b>   | <b>2.37</b>          | <b>1.37</b> | <b>468.65</b>   |
| <b>Financial liabilities - Non Current</b>                   |                      |             |                 |                      |             |                 |
| Borrowings                                                   | -                    | -           | 224.48          | -                    | -           | 245.29          |
| Lease liabilities                                            | -                    | -           | -               | -                    | -           | 0.08            |
| Deferred payment                                             | -                    | -           | 0.78            | -                    | -           | 9.72            |
| <b>Financial liabilities - Current</b>                       |                      |             |                 |                      |             |                 |
| Borrowings                                                   | -                    | -           | 263.39          | -                    | -           | 318.61          |
| Lease liabilities                                            | -                    | -           | 0.08            | -                    | -           | 0.52            |
| Interest accrued but not due on borrowings                   | -                    | -           | 2.61            | -                    | -           | 2.01            |
| Security deposit                                             | -                    | -           | 1.00            | -                    | -           | 0.94            |
| Trade payables                                               | -                    | -           | 703.96          | -                    | -           | 588.24          |
| Others                                                       | -                    | -           | 0.51            | -                    | -           | 0.54            |
| <b>Total financial liabilities</b>                           | <b>-</b>             | <b>-</b>    | <b>1,196.81</b> | <b>-</b>             | <b>-</b>    | <b>1,157.05</b> |

**(a) Financial assets and liabilities measured at fair value - recurring fair value measurements :**

| Particulars                                                                   | As at March 31, 2021    |             | As at March 31, 2020 |             |
|-------------------------------------------------------------------------------|-------------------------|-------------|----------------------|-------------|
|                                                                               | Level 1                 | Level 2     | Level 1              | Level 2     |
|                                                                               | <b>Financial Assets</b> |             |                      |             |
| - Assets for foreign currency forward contracts                               | -                       | 2.01        | -                    | 2.22        |
| - Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth | 0.10                    | -           | -                    | -           |
| - Investment in mutual fund of Union Midcap fund - regular plan growth        | -                       | -           | 0.15                 | -           |
| <b>Total financial assets</b>                                                 | <b>0.10</b>             | <b>2.01</b> | <b>0.15</b>          | <b>2.22</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 / investment property (Level 3)**

| Particulars                        | Fair Value as at |                |
|------------------------------------|------------------|----------------|
|                                    | March 31, 2021   | March 31, 2020 |
| Assets classified as held for sale | 64.26            | 2.20           |

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, Company 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.

**(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 (INR). 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 raw material. 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 results 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. 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 :-

| (a) Option Outstanding                  | Buy/Sell | As at          | As at          |
|-----------------------------------------|----------|----------------|----------------|
|                                         |          | March 31, 2021 | March 31, 2020 |
| In USD                                  | Buy      | 72,33,289      | 98,63,576      |
| Equivalent amount in Rupees in crore    |          | 52.88          | 74.62          |
| In USD                                  | Sell     | 72,33,289      | 98,63,576      |
| Equivalent amount in Rupees in crore    |          | 52.88          | 74.62          |
| <b>(b) Forward contract outstanding</b> |          |                |                |
|                                         | Buy/Sell | As at          | As at          |
|                                         |          | March 31, 2021 | March 31, 2020 |
| In USD                                  | Sell     | 78,26,864      | 1,00,00,000    |
| Equivalent amount in Rupees in crore    | Sell     | 57.22          | 75.65          |

(2) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                                | As at          | As at          |
|-----------------------------------------|----------------|----------------|
|                                         | March 31, 2021 | March 31, 2020 |
| <b>Payables:</b>                        |                |                |
| USD                                     | 2,09,500       | -              |
| Equivalent amount in Rupees in crore    | 1.53           | -              |
| EURO                                    | -              | 37,803         |
| Equivalent amount in Rupees in crore    | -              | 0.31           |
| <b>Advance paid to vendors:</b>         |                |                |
| USD                                     | 40,28,951      | 35,38,720      |
| Equivalent amount in Rupees in crore    | 29.46          | 26.68          |
| EURO                                    | 3,53,208       | 85,630         |
| Equivalent amount in Rupees in crore    | 3.03           | 0.71           |
| <b>Trade receivables:</b>               |                |                |
| EURO                                    | 64,701         | -              |
| Equivalent amount in Rupees in crore    | 0.56           | -              |
| <b>Advance Received from Customers:</b> |                |                |
| USD                                     | 29,33,629      | 3,48,019       |
| Equivalent amount in Rupees in crore    | 21.45          | 2.62           |
| EURO                                    | -              | 6,277          |
| Equivalent amount in Rupees in crore    | -              | 0.05           |

**Sensitivity**

If INR is depreciated or appreciated by 2.5% vis-a-vis foreign currency, the Impact thereof on the profit and loss (after tax) of the Company are given below:

| Particulars                                        | Impact on profit after tax |                |
|----------------------------------------------------|----------------------------|----------------|
|                                                    | Year ended                 | Year ended     |
|                                                    | March 31, 2021             | March 31, 2020 |
| <b>EURO sensitivity</b>                            |                            |                |
| INR/EURO Increases by 2.5% (March 31, 2020 - 2.5%) | -                          | 0.01           |
| INR/EURO Decreases by 2.5% (March 31, 2020 - 2.5%) | -                          | (0.01)         |
| <b>USD sensitivity</b>                             |                            |                |
| INR/USD Increases by 2.5% (March 31, 2020 - 2.5%)  | 0.03                       | -              |
| INR/USD Decreases by 2.5% (March 31, 2020 - 2.5%)  | (0.03)                     | -              |



(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 and LIBOR rates. 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. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

| Particulars              | (Rupees in crore)       |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Variable rate borrowings | 434.99                  | 489.55                  |
| Fixed rate borrowings    | 52.88                   | 74.35                   |
| <b>Total borrowings</b>  | <b>487.87</b>           | <b>563.90</b>           |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                              | Balance              |                      | % of total loans |
|------------------------------------------|----------------------|----------------------|------------------|
|                                          | As at March 31, 2021 | As at March 31, 2020 |                  |
| Bank overdrafts, bank loans, Cash Credit | 434.99               | 489.55               | 89%              |
| As at March 31, 2020                     | 489.55               | 489.55               | 87%              |

**Sensitivity**

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                           | Impact on profit after tax   |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Interest rates – increase by 50 basis points (50 bps) | (1.63)                       | (1.83)                       |
| Interest rates – decrease by 50 basis points (50 bps) | 1.63                         | 1.83                         |

(b) **Credit risk**

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.

**Reconciliation of expected credit loss allowance – Trade receivables**

|                                                                   | (Rupees in crore) |
|-------------------------------------------------------------------|-------------------|
| Opening balance as at April 1, 2019                               | 5.18              |
| Charge in statement of profit and loss                            | 2.32              |
| Utilised during the year                                          | (0.02)            |
| <b>Allowance for expected credit loss on March 31, 2020</b>       | <b>7.48</b>       |
| Charge / (Provision written back) in statement of profit and loss | (1.21)            |
| Utilised during the year                                          | -                 |
| <b>Allowance for expected credit loss on March 31, 2021</b>       | <b>6.27</b>       |

In current year ended March 31, 2021, revenues arising from direct sales of goods as disclosed in note 27(a) does not include revenue from any customer who contributed more than 10% to the Company's revenue.

In previous year ended March 31, 2020, revenues arising from direct sales of goods as disclosed in note 27(a) includes revenue of approximately Rupees 828.11 crore from customer who contributed more than 10% to the Company's revenue.

(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, 2021  | March 31, 2020  |
| Floating rate borrowings | 891.58          | 630.39          |
| Nature of facility       | Working Capital | Working Capital |



(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 :-

| (Rupees in crore)                       |                       |                       |                    |                 |
|-----------------------------------------|-----------------------|-----------------------|--------------------|-----------------|
| Particulars                             | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total           |
| <b>As at March 31, 2021</b>             |                       |                       |                    |                 |
| Borrowings (Interest bearing)           | 263.39                | 224.48                | -                  | 487.87          |
| Lease liabilities (Interest bearing)    | 0.08                  | -                     | -                  | 0.08            |
| Interest accrued but due on borrowings  | 2.61                  | -                     | -                  | 2.61            |
| Trade Payables                          | 703.96                | -                     | -                  | 703.96          |
| Security Deposits                       | 1.00                  | -                     | -                  | 1.00            |
| Deferred payment (Interest bearing)     | -                     | 0.78                  | -                  | 0.78            |
| Others                                  | 0.51                  | -                     | -                  | 0.51            |
| <b>Total non-derivative liabilities</b> | <b>971.55</b>         | <b>225.26</b>         | <b>-</b>           | <b>1,196.81</b> |
| <b>As at March 31, 2020</b>             |                       |                       |                    |                 |
| Borrowings (Interest bearing)           | 318.61                | 245.29                | -                  | 563.90          |
| Lease liabilities (Interest bearing)    | 0.08                  | 0.52                  | -                  | 0.60            |
| Interest accrued but due on borrowings  | 2.01                  | -                     | -                  | 2.01            |
| Trade Payables                          | 588.34                | -                     | -                  | 588.34          |
| Security Deposits                       | 0.94                  | -                     | -                  | 0.94            |
| Deferred payment (Interest bearing)     | -                     | -                     | 0.72               | 0.72            |
| Others                                  | 0.54                  | -                     | -                  | 0.54            |
| <b>Total non-derivative liabilities</b> | <b>910.52</b>         | <b>245.81</b>         | <b>0.72</b>        | <b>1,157.05</b> |

**45 Reconciliation of liabilities arising from financing activities**

| (Rupees in crore)                                  |                                     |                 |                                            |                      |
|----------------------------------------------------|-------------------------------------|-----------------|--------------------------------------------|----------------------|
| Particulars                                        | Opening balance as at April 1, 2019 | Net Cash flows  | Non-cash changes-foreign exchange movement | As at March 31, 2020 |
| Non-current borrowings                             | 139.93                              | 110.22          | (4.86)                                     | 245.29               |
| Current borrowings                                 | 451.89                              | (208.61)        | 1.33                                       | 244.61               |
| Current maturities of non-current borrowings       | 140.09                              | (66.09)         | -                                          | 74.00                |
| <b>Total liabilities from financing activities</b> | <b>731.91</b>                       | <b>(164.48)</b> | <b>(3.53)</b>                              | <b>563.90</b>        |

| (Rupees in crore)                                  |                      |                |                                            |                      |
|----------------------------------------------------|----------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | As at March 31, 2020 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2021 |
| Non-current borrowings                             | 245.29               | (18.51)        | (2.30)                                     | 224.48               |
| Current borrowings                                 | 244.61               | (36.19)        | -                                          | 208.42               |
| Current maturities of non-current borrowings       | 74.00                | (19.03)        | -                                          | 54.97                |
| <b>Total liabilities from financing activities</b> | <b>563.90</b>        | <b>(73.73)</b> | <b>(2.30)</b>                              | <b>487.87</b>        |

**46 Acquisition of business**

During the previous year ended March 31, 2020, The Company completed the acquisition of a production unit (located at Chegunta, Hyderabad), of M/s Taurus Value Steel & Pipes Private Limited, a subsidiary of M/s Shankara Building Products Limited, Bangalore. The acquisition was approved by the Board of Directors of the Company in their meeting held on April 12, 2019 and completed on May 27, 2019. The acquisition of above unit (assets) was accounted for under 'Ind-AS 103 : Business Combination' whereby assets acquired were fair valued. Details of purchase consideration, fair value of net assets acquired and resultant capital reserve is as under :-

| Particulars                                                         |  | (Rupees in crore)                 |
|---------------------------------------------------------------------|--|-----------------------------------|
|                                                                     |  | Fair value as on acquisition date |
| Property, plant and equipment                                       |  | 83.36                             |
| Capital work-in-progress                                            |  | 3.60                              |
| <b>Fair Value of identifiable net assets (A)</b>                    |  | <b>86.96</b>                      |
| <b>Consideration paid (B)</b>                                       |  | <b>70.00</b>                      |
| <b>Capital Reserve (C=A-B)</b>                                      |  | <b>16.96</b>                      |
| Less : Deferred tax liability recognised on fair valuation gain (D) |  | 3.58                              |
| <b>Net Capital Reserve recognised (C-D)</b>                         |  | <b>13.38</b>                      |

**Note :**

Acquisition-related costs amounting to Rupees 2.36 crores was excluded from the consideration transferred and was recognised as an expense in the standalone statement of profit and loss within other expenses.

**47 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.

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.





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| Particulars                                              | (Rupees in crore)       |                         |
|----------------------------------------------------------|-------------------------|-------------------------|
|                                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Non current borrowings                                   | 224.48                  | 245.29                  |
| Current maturities of non current borrowings             | 54.97                   | 74.00                   |
| Current borrowings                                       | 208.42                  | 244.61                  |
| Less: Cash and cash equivalents                          | (3.19)                  | (38.85)                 |
| Less: Bank balances other than cash and cash equivalents | (341.30)                | (1.07)                  |
| <b>Total Debts (net)</b>                                 | <b>143.38</b>           | <b>523.98</b>           |
| Total equity                                             | 1,448.79                | 1,275.24                |
| <b>Gearing Ratio</b>                                     | <b>0.10</b>             | <b>0.41</b>             |

Equity includes all capital and reserves of the Company that are managed as capital.



For and on behalf of the Board of Directors of  
APL APOLLO TUBES LIMITED

*[Signature]*  
**SANJAY GUPTA**  
Chairman & Managing  
Director  
DIN : 00233188

*[Signature]*  
**VINAY GUPTA**  
Director  
DIN : 00005149



*[Signature]*  
**DEEPAK GOYAL**  
Chief Financial Officer

*[Signature]*  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

Place : Ghaziabad  
Date : June 3, 2021

# Walker Chandok & Co LLP

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## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Apollo Tricoat Tubes Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Apollo Tricoat Tubes Limited ('the Holding Company') and its associate (refer Annexure 1 for the list of associate included in the Statement) for the quarter ended 30 September 2021 and the consolidated year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandok & Co LLP is registered with limited liability  
VAB identification number AAC-2085 and is registered  
office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandniok & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the Holding Company share of net profit after tax of ₹ Nil and ₹ Nil and total comprehensive income of ₹ Nil and ₹ Nil for the quarter and year-to-date period ended on 30 September 2021 respectively, in respect of an associate, based on their interim financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Holding Company.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

**For Walker Chandniok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Neeraj Sharma**  
Partner  
Membership No. 502103  
UDIN: 21502103AAAAFP7972



**Place: Noida**  
**Date: 27 October 2021**

Chartered Accountants

# Walker Chandiook & Co LLP

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

## **Annexure 1**

### **List of entity included in the Statement**

1. Radiance KA Sunrise Two Private Limited



**Chartered Accountants**



**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED  
 SEPTEMBER 30, 2021**

| Particulars                                                                          | (Rupees in Crores, except EPS)                        |                                                         |
|--------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|
|                                                                                      | Quarter ended<br>September 30,<br>2021<br>(Unaudited) | Half year ended<br>September 30,<br>2021<br>(Unaudited) |
| <b>I Revenue from operations</b>                                                     |                                                       |                                                         |
| (a) Sale of products                                                                 | 579.79                                                | 1,142.48                                                |
| (b) Other operating income                                                           | 20.27                                                 | 39.22                                                   |
| <b>Total revenue from operations</b>                                                 | <u>600.06</u>                                         | <u>1,181.70</u>                                         |
| <b>II Other income</b>                                                               | 0.53                                                  | 0.94                                                    |
| <b>III Total income</b>                                                              | <u><u>600.59</u></u>                                  | <u><u>1,182.64</u></u>                                  |
| <b>IV Expenses</b>                                                                   |                                                       |                                                         |
| (a) Cost of materials consumed                                                       | 485.76                                                | 954.93                                                  |
| (b) Purchase of stock-in-trade                                                       | 18.32                                                 | 36.46                                                   |
| (c) Changes in Inventories of finished goods, stock in trade and rejection and scrap | 13.71                                                 | 3.41                                                    |
| (d) Employee benefit expenses                                                        | 5.63                                                  | 11.08                                                   |
| (e) Finance cost                                                                     | 1.05                                                  | 2.75                                                    |
| (f) Depreciation and amortisation expense                                            | 4.57                                                  | 9.05                                                    |
| (g) Other expenses                                                                   | 26.75                                                 | 56.40                                                   |
| <b>Total expenses</b>                                                                | <u>555.79</u>                                         | <u>1,074.08</u>                                         |
| <b>V Profit before taxes (III-IV)</b>                                                | <b>44.80</b>                                          | <b>108.56</b>                                           |
| <b>VI Tax Expense:</b>                                                               |                                                       |                                                         |
| (a) Current tax                                                                      | 9.91                                                  | 25.04                                                   |
| (b) Deferred tax charge (net)                                                        | 1.46                                                  | 2.40                                                    |
| <b>Total tax expense</b>                                                             | <u>11.37</u>                                          | <u>27.44</u>                                            |
| <b>VII Profit for the period (V-VI)</b>                                              | <u><u>33.43</u></u>                                   | <u><u>81.12</u></u>                                     |
| <b>VIII Other Comprehensive Income</b>                                               |                                                       |                                                         |
| <b>Items that will not be reclassified to profit or loss</b>                         |                                                       |                                                         |
| (a) Remeasurement of post employment benefit obligation                              | (0.11)                                                | (0.22)                                                  |
| (b) Income tax relating to above item                                                | 0.03                                                  | 0.06                                                    |
| <b>Other Comprehensive Income for the period</b>                                     | <u>(0.08)</u>                                         | <u>(0.16)</u>                                           |
| <b>IX Total Comprehensive Income for the period (VII+VIII)</b>                       | <b>33.35</b>                                          | <b>80.96</b>                                            |
| <b>X Paid up equity share capital (Face Value of Rupees 2 each)</b>                  | 12.16                                                 | 12.16                                                   |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each #</b>                        |                                                       |                                                         |
| Basic (in Rs.)                                                                       | 5.50                                                  | 13.34                                                   |
| Diluted (in Rs.)                                                                     | 5.50                                                  | 13.34                                                   |

#EPS is not annualised for the quarter and half year ended September 30, 2021 (Refer note 5)

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**APOLLO TRICOAT TUBES LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2021**

| Particulars                                                                  | (Rupees in Crores)<br>As at<br>September 30, 2021<br>(Unaudited) |
|------------------------------------------------------------------------------|------------------------------------------------------------------|
| <b>I. ASSETS</b>                                                             |                                                                  |
| <b>(1) Non-current assets</b>                                                |                                                                  |
| (a) Property, plant and equipment                                            | 341.56                                                           |
| (b) Capital work-in-progress                                                 | 13.04                                                            |
| (c) Right of use assets                                                      | 13.39                                                            |
| (d) Other intangible assets                                                  | 0.13                                                             |
| (e) Financial assets                                                         |                                                                  |
| (i) Investments                                                              | 1.36                                                             |
| (ii) Other financial assets                                                  | 1.75                                                             |
| (f) Other non-current assets                                                 | 7.61                                                             |
| <b>Total non-current assets</b>                                              | <b>378.84</b>                                                    |
| <b>(2) Current assets</b>                                                    |                                                                  |
| (a) Inventories                                                              | 93.20                                                            |
| (b) Financial assets                                                         |                                                                  |
| (i) Trade receivables                                                        | 94.45                                                            |
| (ii) Cash and cash equivalents                                               | 50.65                                                            |
| (iii) Bank balance other than (ii) above                                     | 10.45                                                            |
| (iv) Loans                                                                   | -                                                                |
| (v) Other financial assets                                                   | 0.81                                                             |
| (c) Other current assets                                                     | 3.56                                                             |
| <b>Total current assets</b>                                                  | <b>253.12</b>                                                    |
| <b>Total Assets</b>                                                          | <b>631.96</b>                                                    |
| <b>II. EQUITY AND LIABILITIES</b>                                            |                                                                  |
| <b>(1) Equity</b>                                                            |                                                                  |
| (a) Equity share capital                                                     | 12.16                                                            |
| (b) Other equity                                                             | 373.06                                                           |
| <b>Total equity</b>                                                          | <b>385.22</b>                                                    |
| <b>LIABILITIES</b>                                                           |                                                                  |
| <b>(2) Non-current liabilities</b>                                           |                                                                  |
| (a) Financial liabilities                                                    |                                                                  |
| (i) Borrowings                                                               | 42.47                                                            |
| (b) Provisions                                                               | 1.15                                                             |
| (c) Deferred tax liabilities (net)                                           | 14.48                                                            |
| (d) Other non-current liabilities                                            | 20.12                                                            |
| <b>Total non-current liabilities</b>                                         | <b>78.22</b>                                                     |
| <b>(3) Current liabilities</b>                                               |                                                                  |
| (a) Financial liabilities                                                    |                                                                  |
| (i) Borrowings                                                               | 13.04                                                            |
| (ii) Lease liabilities                                                       | 0.04                                                             |
| (iii) Trade payables                                                         |                                                                  |
| - total outstanding dues of micro and small enterprises                      | 0.89                                                             |
| - total outstanding dues of creditors other than micro and small enterprises | 119.93                                                           |
| (iii) Other financial liabilities                                            | 2.43                                                             |
| (b) Other current liabilities                                                | 6.50                                                             |
| (c) Provisions                                                               | 0.36                                                             |
| (d) Current tax liabilities (net)                                            | 25.33                                                            |
| <b>Total current liabilities</b>                                             | <b>168.52</b>                                                    |
| <b>Total Equity and Liabilities</b>                                          | <b>631.96</b>                                                    |

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# Walker Chandniok & Co LLP

Walker Chandniok & Co LLP  
(Formerly Walker, Chandniok & Co)  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

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## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

### To the Board of Directors of Apollo Tricoat Tubes Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Apollo Tricoat Tubes Limited ('the Company') for the quarter ended 30 September 2021 and the year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandniok & Co LLP is registered with limited liability with identification number PAC-20185 and its registered office at LAL Kishanbhai Circus, New Delhi, 110001, India

# Walker Chandiook & Co LLP

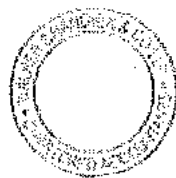
## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Neeraj Sharma**  
Partner  
Membership No. 502103  
UDIN: 21502103AAAAFO8935



**Place:** Noida  
**Date:** 27 October 2021

Chartered Accountants



**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021**

| Particulars                                                                          | (Rupees in Crores, except EPS)                        |                                               |                                                       |                                                         |                                                      |                                           |
|--------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------|-------------------------------------------|
|                                                                                      | Quarter ended<br>September 30,<br>2021<br>(Unaudited) | Quarter ended<br>June 30, 2021<br>(Unaudited) | Quarter ended<br>September 30,<br>2020<br>(Unaudited) | Half year ended<br>September 30,<br>2021<br>(Unaudited) | Half year ended<br>September 30, 2020<br>(Unaudited) | Year ended March<br>31, 2021<br>(Audited) |
| <b>I Revenue from operations</b>                                                     |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Sale of products                                                                 | 579.79                                                | 562.69                                        | 313.54                                                | 1,142.48                                                | 480.27                                               | 1,410.78                                  |
| (b) Other operating Income                                                           | 20.27                                                 | 18.95                                         | 16.94                                                 | 39.22                                                   | 21.20                                                | 62.03                                     |
| <b>Total revenue from operations</b>                                                 | <b>600.06</b>                                         | <b>581.64</b>                                 | <b>330.48</b>                                         | <b>1,181.70</b>                                         | <b>501.47</b>                                        | <b>1,472.81</b>                           |
| <b>II Other Income</b>                                                               | <b>0.53</b>                                           | <b>0.41</b>                                   | <b>0.64</b>                                           | <b>0.94</b>                                             | <b>0.94</b>                                          | <b>1.80</b>                               |
| <b>III Total Income</b>                                                              | <b>600.59</b>                                         | <b>582.05</b>                                 | <b>331.12</b>                                         | <b>1,182.64</b>                                         | <b>502.41</b>                                        | <b>1,474.61</b>                           |
| <b>IV Expenses</b>                                                                   |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Cost of materials consumed                                                       | 485.76                                                | 469.17                                        | 242.78                                                | 954.93                                                  | 344.77                                               | 1,087.22                                  |
| (b) Purchase of stock-in-trade                                                       | 18.32                                                 | 18.14                                         | 35.38                                                 | 36.46                                                   | 55.75                                                | 122.86                                    |
| (c) Changes in inventories of finished goods, stock in trade and rejection and scrap | 13.71                                                 | (10.30)                                       | (14.70)                                               | 3.41                                                    | (1.21)                                               | (7.73)                                    |
| (d) Employee benefit expenses                                                        | 5.63                                                  | 5.45                                          | 5.07                                                  | 11.08                                                   | 8.96                                                 | 19.05                                     |
| (e) Finance cost                                                                     | 1.05                                                  | 1.70                                          | 1.89                                                  | 2.75                                                    | 5.11                                                 | 9.70                                      |
| (f) Depreciation and amortisation expense                                            | 4.57                                                  | 4.48                                          | 4.11                                                  | 9.05                                                    | 7.65                                                 | 16.53                                     |
| (g) Other expenses                                                                   | 26.75                                                 | 29.65                                         | 24.62                                                 | 56.80                                                   | 37.41                                                | 87.73                                     |
| <b>Total expenses</b>                                                                | <b>555.79</b>                                         | <b>518.29</b>                                 | <b>299.15</b>                                         | <b>1,074.08</b>                                         | <b>458.44</b>                                        | <b>1,335.36</b>                           |
| <b>V Profit before taxes (III-IV)</b>                                                | <b>44.80</b>                                          | <b>63.76</b>                                  | <b>31.97</b>                                          | <b>108.56</b>                                           | <b>43.97</b>                                         | <b>139.25</b>                             |
| <b>VI Tax Expense:</b>                                                               |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Current tax                                                                      | 9.91                                                  | 15.13                                         | 6.80                                                  | 25.04                                                   | 8.74                                                 | 30.25                                     |
| (b) Deferred tax charge (net)                                                        | 1.46                                                  | 0.94                                          | 1.30                                                  | 2.40                                                    | 2.46                                                 | 4.56                                      |
| (c) Adjustment of Tax relating to earlier periods                                    | -                                                     | -                                             | -                                                     | -                                                       | -                                                    | (0.57)                                    |
| <b>Total tax expense</b>                                                             | <b>11.37</b>                                          | <b>16.07</b>                                  | <b>8.16</b>                                           | <b>27.44</b>                                            | <b>11.20</b>                                         | <b>34.24</b>                              |
| <b>VII Profit for the period/ year (V-VI)</b>                                        | <b>33.43</b>                                          | <b>47.69</b>                                  | <b>23.81</b>                                          | <b>81.12</b>                                            | <b>32.77</b>                                         | <b>105.01</b>                             |
| <b>VIII Other Comprehensive Income</b>                                               |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| <b>Items that will not be reclassified to profit or loss</b>                         |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Remeasurement of post employment benefit obligation                              | (0.11)                                                | (0.11)                                        | (0.16)                                                | (0.22)                                                  | (0.17)                                               | (0.40)                                    |
| (b) Income tax relating to above item                                                | 0.03                                                  | 0.03                                          | 0.04                                                  | 0.05                                                    | 0.04                                                 | 0.10                                      |
| <b>Other Comprehensive Income for the period/year</b>                                | <b>(0.08)</b>                                         | <b>(0.08)</b>                                 | <b>(0.12)</b>                                         | <b>(0.16)</b>                                           | <b>(0.13)</b>                                        | <b>(0.30)</b>                             |
| <b>IX Total Comprehensive Income for the period/year (VII+VIII)</b>                  | <b>33.35</b>                                          | <b>47.61</b>                                  | <b>23.69</b>                                          | <b>80.96</b>                                            | <b>32.64</b>                                         | <b>104.71</b>                             |
| <b>X Paid up equity share capital (Face Value of Rupees 2 each)</b>                  | <b>12.16</b>                                          | <b>6.08</b>                                   | <b>6.08</b>                                           | <b>12.16</b>                                            | <b>6.08</b>                                          | <b>6.08</b>                               |
| <b>XI Other equity</b>                                                               |                                                       |                                               |                                                       |                                                         |                                                      | <b>298.18</b>                             |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each #</b>                        |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| Basic (In Rs.)                                                                       | 5.50                                                  | 7.84                                          | 3.92                                                  | 13.34                                                   | 5.39                                                 | 17.27                                     |
| Diluted (In Rs.)                                                                     | 5.50                                                  | 7.84                                          | 3.92                                                  | 13.34                                                   | 5.39                                                 | 17.27                                     |

#EPS is not annualised for the quarter and half year ended September 30, 2021, quarter ended June 30, 2021 and half year ended September 30, 2020 (Refer note 5)



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**Notes to the statement of standalone and consolidated financial results :**

1. The above Unaudited Financial Results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The above Unaudited Financial Results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 27, 2021.
2. The Statutory Auditors have carried out the 'Limited Review' of the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2021 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Board of Directors of Apollo Tricoat Tubes Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation ('scheme') of the Company and Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") with APL Apollo Tubes Limited ("APL Apollo"), its Holding Company and their respective shareholders and creditors, as may be modified from time to time ('scheme'), under Section 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.
4. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
5. The Board of Directors of Apollo Tricoat Tubes Limited ("Company") in its meeting held on August 6, 2021 have recommended for approval by shareholders, bonus issue of 1 (one) equity share of Rupees 2 each for every 1 (one) equity share of Rupees 2 each held by shareholders of the Company as on the record date.  
Pursuant to the approval of the shareholders through postal ballot (including e-voting), the Company has allotted 30,400,000 bonus equity shares of Rupees 2 each as fully paid-up bonus equity shares, in the proportion of 1 (one) equity share of Rupees 2 each for every 1 (one) existing equity shares of Rupees 2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently the Company capitalised a sum of Rupees 6.08 crores from other equity.  
The earning per share have been adjusted for bonus issue for previous periods presented.
6. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.
7. The Company had entered into Power Purchase Agreement entered with Radiance Ka Sunrise Two Private Limited (Radiance) for purchase of solar power. Pursuant to this agreement, the Company has acquired 26% stake in Radiance with effect from September 13, 2021 for meeting the regulatory requirements of Power Purchase Agreement. This investment has been accounted for in accordance with Indian Accounting Standard 28 "Investment in associates and joint ventures" leading to first time presentation of Consolidated Financial Results. However the Company does not have any share of profit in Radiance and hence there is no impact on consolidated profit of the Company.
8. Figures for the previous period / year have regrouped wherever necessary.

Ghaziabad  
October 27, 2021

For APOLLO TRICOAT TUBES LIMITED  
  
RAHUL GUPTA  
MANAGING DIRECTOR

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IDENTIFICATION  
PURPOSE ONLY





APOLLO TRICOAT TUBES LIMITED  
STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2021

| Particulars                                                                  | (Rupees in Crores)                         |                                      |
|------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------|
|                                                                              | As at<br>September 30, 2021<br>(Unaudited) | As at<br>March 31, 2021<br>(Audited) |
| <b>I. ASSETS</b>                                                             |                                            |                                      |
| <b>(1) Non-current assets</b>                                                |                                            |                                      |
| (a) Property, plant and equipment                                            | 341.56                                     | 322.93                               |
| (b) Capital work-in-progress                                                 | 13.04                                      | 12.39                                |
| (c) Right of use assets                                                      | 13.39                                      | 13.47                                |
| (d) Other intangible assets                                                  | 0.13                                       | 0.21                                 |
| (e) Financial assets                                                         | 1.36                                       | -                                    |
| (i) Investments                                                              | 1.75                                       | 1.75                                 |
| (ii) Other financial assets                                                  | 7.61                                       | 3.40                                 |
| (f) Other non-current assets                                                 | -                                          | -                                    |
| <b>Total non-current assets</b>                                              | <b>378.84</b>                              | <b>354.15</b>                        |
| <b>(2) Current assets</b>                                                    |                                            |                                      |
| (a) Inventories                                                              | 93.20                                      | 64.38                                |
| (b) Financial assets                                                         |                                            |                                      |
| (i) Trade receivables                                                        | 94.45                                      | 11.62                                |
| (ii) Cash and cash equivalents                                               | 50.65                                      | 9.80                                 |
| (iii) Bank balance other than (ii) above                                     | 10.45                                      | -                                    |
| (iv) Loans                                                                   | -                                          | 0.05                                 |
| (v) Other financial assets                                                   | 0.81                                       | 0.40                                 |
| (c) Other current assets                                                     | 3.56                                       | 16.02                                |
| <b>Total current assets</b>                                                  | <b>253.12</b>                              | <b>102.27</b>                        |
| <b>Total Assets</b>                                                          | <b>631.96</b>                              | <b>456.42</b>                        |
| <b>II. EQUITY AND LIABILITIES</b>                                            |                                            |                                      |
| <b>(1) Equity</b>                                                            |                                            |                                      |
| (a) Equity share capital                                                     | 12.16                                      | 6.08                                 |
| (b) Other equity                                                             | 373.06                                     | 298.18                               |
| <b>Total equity</b>                                                          | <b>385.22</b>                              | <b>304.26</b>                        |
| <b>LIABILITIES</b>                                                           |                                            |                                      |
| <b>(2) Non-current liabilities</b>                                           |                                            |                                      |
| (a) Financial liabilities                                                    |                                            |                                      |
| (i) Borrowings                                                               | 42.47                                      | 48.99                                |
| (b) Provisions                                                               | 1.15                                       | 0.88                                 |
| (c) Deferred tax liabilities (net)                                           | 14.48                                      | 12.12                                |
| (d) Other non-current liabilities                                            | 20.12                                      | 20.74                                |
| <b>Total non-current liabilities</b>                                         | <b>78.22</b>                               | <b>82.73</b>                         |
| <b>(3) Current liabilities</b>                                               |                                            |                                      |
| (a) Financial liabilities                                                    |                                            |                                      |
| (i) Borrowings                                                               | 13.04                                      | 13.04                                |
| (ii) Lease liabilities                                                       | 0.04                                       | 0.06                                 |
| (iii) Trade payables                                                         |                                            |                                      |
| - total outstanding dues of micro and small enterprises                      | 0.89                                       | 0.80                                 |
| - total outstanding dues of creditors other than micro and small enterprises | 119.93                                     | 33.09                                |
| (iv) Other financial liabilities                                             | 2.43                                       | 2.05                                 |
| (b) Other current liabilities                                                | 6.50                                       | 18.43                                |
| (c) Provisions                                                               | 0.36                                       | 0.26                                 |
| (d) Current tax liabilities (net)                                            | 25.33                                      | 1.70                                 |
| <b>Total current liabilities</b>                                             | <b>168.52</b>                              | <b>69.43</b>                         |
| <b>Total Equity and Liabilities</b>                                          | <b>631.96</b>                              | <b>456.42</b>                        |

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

**TO THE BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **APL APOLLO TUBES LIMITED** ("the Company"), for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Place: Ghaziabad  
Date: October 28, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAACX5744)



**APL APOLLO TUBES LIMITED**  
 Regd. Office : 37, Hargobind Enclave, Vikas Marg, Delhi - 110092  
 Statement of Standalone Financial Results for the quarter and half year ended September 30, 2021  
 CIN : L74899DL1986PLC023443

| Particulars                                                                                         | (Rupees in crore, except EPS)          |                                   |                                        |                                          |                                          |                                 |
|-----------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------|----------------------------------------|------------------------------------------|------------------------------------------|---------------------------------|
|                                                                                                     | Quarter ended<br>September 30,<br>2021 | Quarter ended<br>June 30,<br>2021 | Quarter ended<br>September 30,<br>2020 | Half year ended<br>September 30,<br>2021 | Half year ended<br>September 30,<br>2020 | Year ended<br>March 31,<br>2021 |
|                                                                                                     | (Unaudited)                            | (Unaudited)                       | (Unaudited)                            | (Unaudited)                              | (Unaudited)                              | (Audited)                       |
| <b>I Revenue from operations</b>                                                                    |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Sale of products                                                                                | 2,028.85                               | 1,620.62                          | 1,528.24                               | 3,649.47                                 | 2,290.01                                 | 5,815.93                        |
| (b) Other operating income                                                                          | 71.78                                  | 56.92                             | 53.35                                  | 128.70                                   | 75.28                                    | 192.03                          |
| Total revenue from operations                                                                       | 2,100.63                               | 1,677.54                          | 1,581.59                               | 3,778.17                                 | 2,365.29                                 | 6,007.96                        |
| <b>II Other Income</b>                                                                              | 8.56                                   | 9.46                              | 12.41                                  | 18.02                                    | 18.78                                    | 44.11                           |
| <b>III Total income (I +II)</b>                                                                     | <b>2,109.19</b>                        | <b>1,687.00</b>                   | <b>1,594.00</b>                        | <b>3,796.19</b>                          | <b>2,384.07</b>                          | <b>6,052.07</b>                 |
| <b>IV Expenses</b>                                                                                  |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Cost of materials consumed                                                                      | 1,460.98                               | 1,422.65                          | 1,181.83                               | 2,913.63                                 | 1,751.65                                 | 4,475.04                        |
| (b) Purchase of stock-in-trade (traded goods)                                                       | 232.54                                 | 308.50                            | 180.73                                 | 541.04                                   | 288.39                                   | 894.04                          |
| (c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap | 158.49                                 | (245.55)                          | 34.71                                  | (87.06)                                  | 50.01                                    | (20.24)                         |
| (d) Employee benefits expense                                                                       | 21.36                                  | 20.84                             | 19.51                                  | 42.20                                    | 36.48                                    | 76.12                           |
| (e) Finance costs                                                                                   | 8.57                                   | 11.15                             | 13.75                                  | 19.72                                    | 29.09                                    | 54.89                           |
| (f) Depreciation and amortisation expense                                                           | 18.18                                  | 17.52                             | 16.63                                  | 35.70                                    | 32.70                                    | 68.18                           |
| (g) Other expenses                                                                                  | 88.65                                  | 90.38                             | 89.21                                  | 179.03                                   | 135.48                                   | 299.03                          |
| Total expenses                                                                                      | 2,018.77                               | 1,625.49                          | 1,536.37                               | 3,644.26                                 | 2,323.80                                 | 5,847.06                        |
| <b>V Profit before tax (III-IV)</b>                                                                 | <b>90.42</b>                           | <b>61.51</b>                      | <b>57.63</b>                           | <b>151.93</b>                            | <b>60.27</b>                             | <b>205.01</b>                   |
| <b>VI Tax expense :</b>                                                                             |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Current tax                                                                                     | 21.92                                  | 15.98                             | 14.93                                  | 37.90                                    | 14.99                                    | 47.38                           |
| (b) Deferred tax charge / (credit) (net)                                                            | 1.00                                   | (0.41)                            | (0.10)                                 | 0.59                                     | 0.72                                     | 3.10                            |
| (c) Income tax / deferred tax expense of earlier year                                               | -                                      | -                                 | -                                      | -                                        | 0.75                                     | 0.75                            |
| Total tax expense                                                                                   | 22.92                                  | 15.57                             | 14.83                                  | 38.49                                    | 16.46                                    | 51.23                           |
| <b>VII Profit for the period / year (V-VI)</b>                                                      | <b>67.50</b>                           | <b>45.94</b>                      | <b>42.80</b>                           | <b>113.44</b>                            | <b>43.81</b>                             | <b>153.78</b>                   |
| <b>VIII Other Comprehensive Income</b>                                                              |                                        |                                   |                                        |                                          |                                          |                                 |
| <b>Add / (less) : Items that will not be reclassified to profit or loss</b>                         |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Remeasurement of post employment benefit obligation                                             | 0.40                                   | 0.40                              | (0.41)                                 | 0.80                                     | (0.82)                                   | 1.49                            |
| (b) Income tax relating to above item                                                               | (0.10)                                 | (0.10)                            | 0.10                                   | (0.20)                                   | 0.20                                     | (0.38)                          |
| Other Comprehensive Income for the period / year                                                    | 0.30                                   | 0.30                              | (0.31)                                 | 0.60                                     | (0.62)                                   | 1.11                            |
| <b>IX Total Comprehensive Income for the period / year (VII+VIII)</b>                               | <b>67.80</b>                           | <b>46.24</b>                      | <b>42.49</b>                           | <b>114.04</b>                            | <b>43.19</b>                             | <b>154.89</b>                   |
| <b>X Paid up Equity Share Capital (Face value of Rupees 2 each - Refer note 4)</b>                  | 49.96                                  | 24.98                             | 24.93                                  | 49.96                                    | 24.93                                    | 24.98                           |
| <b>XI Other equity</b>                                                                              |                                        |                                   |                                        |                                          |                                          | 1,423.81                        |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each # :</b><br>(Refer note 4 & 6)               |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Basic (In Rupees)                                                                               | 2.70                                   | 1.84                              | 1.72                                   | 4.54                                     | 1.76                                     | 6.17                            |
| (b) Diluted (In Rupees)                                                                             | 2.69                                   | 1.84                              | 1.71                                   | 4.53                                     | 1.75                                     | 6.15                            |

# EPS is not annualised for the quarter and half year ended September 30, 2021, quarter ended June 30, 2021 and quarter and half year ended September 30, 2020. (Refer note 4 & 6)

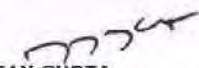


### Notes to the Statement of Standalone Unaudited Financial Results :

1. The above Standalone Unaudited Financial Results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 28, 2021.
2. The Statutory Auditors have carried out the 'Limited Review' of the Standalone Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2021 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Company has made an assessment of the likely adverse impact on economic environment in general post the outbreak of COVID-19 and potential impact on its operations including the carrying values of its current and non current assets including property, plant and equipment and other financial exposure. The Company has also evaluated its ability to meet the financial commitments towards its lenders etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.
4. The Board of Directors of APL Apollo Tubes Limited ('Company') in its meeting held on October 28, 2020, approved a proposal for sub-division of the face value of the equity shares of the Company from Rupees 10 per equity share to Rupees 2 per equity share i.e. 1 equity share to be split into 5 equity shares. Subsequent to the approval of above proposal by the shareholders of the Company, w.e.f. December 16, 2020 the sub-division became effective. Accordingly, Earnings per equity share (EPS) for the quarter and half year ended September 30, 2020 has been adjusted to reflect the above share split.
5. The Board of Directors of APL Apollo Tubes Limited ("Company"), at its meeting held on February 27, 2021, has 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 ('Shri Lakshmi' - wholly owned subsidiary company) and Apollo Tricoat Tubes Limited ('Apollo Tricoat' - subsidiary company of wholly owned subsidiary) with the Company. The Scheme is subject to receipt of approvals from the shareholders and creditors of the respective Companies as may be directed by the Hon'ble National Company Law Tribunal, Delhi bench ("NCLT"), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required.
6. The Board of Directors of APL Apollo Tubes Limited ('Company') in its meeting held on August 5, 2021 have recommended for approval by shareholders, bonus issue of 1 (one) equity share of Rupees 2 each for every 1 (one) equity shares of Rupees 2 each held by shareholders of the Company as on the record date, subject to approval of the shareholders.  
  
Pursuant to the approval of the shareholders through postal ballot (including remote e-voting) on September 9, 2021, the Company allotted 124,896,000 bonus equity shares of Rupees 2 each as fully paid-up bonus equity shares, in the proportion of 1 (One) equity share of Rupees 2 each for every 1 (One) existing equity shares of Rupees 2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently, the Company capitalised a sum of Rupees 24.98 crores from 'other equity' to 'equity share capital'.  
  
The earning per share has been adjusted for bonus issue for previous periods presented.
7. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.
8. The above Standalone Unaudited Financial Results have been prepared in accordance with the amended Scheduled III and accordingly previous period / year's figures have been regrouped/reclasses (as necessary) to compare with current period results.

Ghaziabad  
October 28, 2021

For APL APOLLO TUBES LIMITED

  
SANJAY GUPTA  
CHAIRMAN AND MANAGING DIRECTOR





**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021**

| Particulars                                                                       | (Rupees in crore)                     |                                       |
|-----------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                   | Half year ended<br>September 30, 2021 | Half year ended<br>September 30, 2020 |
|                                                                                   | (Unaudited)                           | (Unaudited)                           |
| <b>A. Cash flow from operating activities</b>                                     |                                       |                                       |
| Profit before tax                                                                 | 151.93                                | 60.27                                 |
| Adjustments for:                                                                  |                                       |                                       |
| Depreciation and amortisation expense                                             | 35.70                                 | 32.70                                 |
| Loss / (gain) on sale of property, plant and equipment (net)                      | 0.39                                  | (0.05)                                |
| Finance costs                                                                     | 19.72                                 | 29.09                                 |
| Interest income on fixed deposits                                                 | (7.78)                                | (7.08)                                |
| Interest income on others                                                         | (2.45)                                | (6.59)                                |
| Share based expenses                                                              | 0.93                                  | 1.86                                  |
| Provision for slow moving inventory of spares & consumables                       | 0.45                                  | 0.28                                  |
| Provision for doubtful trade receivables written back                             | (0.42)                                | (0.13)                                |
| Derivatives measured at fair value through profit & loss account                  | (1.77)                                | (2.26)                                |
| Net unrealized foreign exchange loss / (gain)                                     | 3.55                                  | (0.65)                                |
| Government grant income                                                           | (3.32)                                | (4.46)                                |
| <b>Operating profit before working capital changes</b>                            | <b>196.93</b>                         | <b>102.98</b>                         |
| <b>Changes in working capital:</b>                                                |                                       |                                       |
| Adjustments for (Increase) / decrease in operating assets:                        |                                       |                                       |
| Inventories                                                                       | (89.52)                               | 142.78                                |
| Trade receivables                                                                 | (7.49)                                | 204.04                                |
| Current loans and other financial assets                                          | (2.08)                                | 2.86                                  |
| Non-current loans and other financial assets                                      | 109.33                                | (44.17)                               |
| Other current assets                                                              | 20.69                                 | (19.94)                               |
| Other non-current assets                                                          | 0.72                                  | 0.58                                  |
| Adjustments for increase / (decrease) in operating liabilities:                   |                                       |                                       |
| Trade payables                                                                    | 20.18                                 | 64.21                                 |
| Other current liabilities                                                         | (18.96)                               | 0.34                                  |
| Other current financial liabilities                                               | 0.20                                  | 0.01                                  |
| Other non current liabilities                                                     | 2.17                                  | 3.35                                  |
| Other non current financial liabilities                                           | -                                     | 0.03                                  |
| Provisions (current & non-current)                                                | 1.28                                  | 1.65                                  |
| <b>Cash generated from operations</b>                                             | <b>233.45</b>                         | <b>458.72</b>                         |
| Income tax (paid)                                                                 | (45.39)                               | (12.58)                               |
| <b>Net cash flow from operating activities (A)</b>                                | <b>188.06</b>                         | <b>446.14</b>                         |
| <b>B. Cash flow from investing activities</b>                                     |                                       |                                       |
| Capital expenditure on property, plant and equipment (including capital advances) | (18.24)                               | (43.03)                               |
| Proceeds from sale of property, plant and equipment                               | 2.88                                  | 4.24                                  |
| Investment in mutual funds                                                        | (0.05)                                | (0.05)                                |
| Investment in subsidiaries                                                        | (101.39)                              | -                                     |
| Loan given to subsidiary                                                          | (20.65)                               | -                                     |
| Proceeds from maturity of fixed deposits                                          | 177.39                                | -                                     |
| Investment in fixed deposits                                                      | -                                     | (500.02)                              |
| Interest received                                                                 |                                       |                                       |
| fixed deposits                                                                    | 7.12                                  | 0.29                                  |
| - others                                                                          | 4.87                                  | 4.88                                  |
| <b>Net cash flow from / (used in) investing activities (B)</b>                    | <b>51.93</b>                          | <b>(533.69)</b>                       |
| <b>C. Cash flow from financing activities</b>                                     |                                       |                                       |
| Proceeds from non-current borrowings                                              | -                                     | 75.00                                 |
| Proceeds from current borrowings                                                  | 65.75                                 | 87.90                                 |
| Repayment of non-current borrowings                                               | (127.18)                              | (94.87)                               |
| Proceeds from issue of equity share capital                                       | -                                     | 7.85                                  |
| Payment on account of lease liabilities                                           | (0.29)                                | (0.27)                                |
| Finance costs                                                                     | (19.56)                               | (24.77)                               |
| <b>Net cash flow (used in) / from financing activities (C)</b>                    | <b>(81.28)</b>                        | <b>50.84</b>                          |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>             | <b>158.71</b>                         | <b>(36.71)</b>                        |
| Cash and cash equivalents at the beginning of the period                          | 3.19                                  | 38.85                                 |
| <b>Cash and cash equivalents at the end of the period</b>                         | <b>161.90</b>                         | <b>2.14</b>                           |



**APL APOLLO TUBES LIMITED**  
 Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi-110092  
 Statement of Assets and Liabilities as at September 30, 2021  
 CIN : L74899DL1986PLC023443

| Particulars                                                     | Consolidated                   |                            | Standalone                     |                            |
|-----------------------------------------------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|
|                                                                 | As at<br>September 30,<br>2021 | As at<br>March 31,<br>2021 | As at<br>September 30,<br>2021 | As at<br>March 31,<br>2021 |
|                                                                 | (Unaudited)                    | (Audited)                  | (Unaudited)                    | (Audited)                  |
| (Rupees in crore)                                               |                                |                            |                                |                            |
| <b>A. ASSETS</b>                                                |                                |                            |                                |                            |
| <b>(1) Non-current assets</b>                                   |                                |                            |                                |                            |
| (a) Property plant and equipment                                | 1,492.26                       | 1,501.41                   | 907.59                         | 872.45                     |
| (b) Capital work-in-progress                                    | 175.58                         | 107.67                     | 16.55                          | 52.89                      |
| (c) Investment property                                         | 62.51                          | -                          | 62.51                          | -                          |
| (d) Right of use assets                                         | 95.43                          | 94.94                      | 18.20                          | 17.56                      |
| (e) Goodwill                                                    | 137.50                         | 137.50                     | -                              | -                          |
| (f) Other intangible assets                                     | 1.25                           | 1.84                       | 1.12                           | 1.62                       |
| (g) Investment in subsidiaries                                  |                                |                            | 625.72                         | 524.33                     |
| (h) Financial assets                                            |                                |                            |                                |                            |
| (i) Investments                                                 | 4.43                           | 1.48                       | 1.53                           | 1.48                       |
| (ii) Loans                                                      | -                              | -                          | 20.65                          | 107.29                     |
| (iii) Other financial assets                                    | 26.65                          | 26.92                      | 18.36                          | 18.63                      |
| (i) Non-current tax assets (net)                                | 13.36                          | 5.78                       | 12.72                          | 5.23                       |
| (j) Other non-current assets                                    | 164.08                         | 122.30                     | 31.27                          | 50.71                      |
| <b>Total non-current assets</b>                                 | <b>2,173.06</b>                | <b>1,999.84</b>            | <b>1,716.22</b>                | <b>1,652.19</b>            |
| <b>(2) Current assets</b>                                       |                                |                            |                                |                            |
| (a) Inventories                                                 | 918.22                         | 759.92                     | 639.46                         | 550.39                     |
| (b) Financial assets                                            |                                |                            |                                |                            |
| (i) Trade receivables                                           | 186.63                         | 130.59                     | 91.54                          | 87.18                      |
| (ii) Cash and cash equivalents                                  | 216.67                         | 16.12                      | 161.90                         | 3.19                       |
| (iii) Bank balances other than (ii) above                       | 203.57                         | 341.81                     | 154.91                         | 341.30                     |
| (iv) Loans                                                      | 1.68                           | 1.29                       | 1.50                           | 1.11                       |
| (v) Other financial assets                                      | 3.19                           | 3.15                       | 13.65                          | 13.71                      |
| (c) Other current assets                                        | 130.47                         | 146.23                     | 87.62                          | 108.31                     |
| <b>Total current assets</b>                                     | <b>1,660.43</b>                | <b>1,399.11</b>            | <b>1,160.58</b>                | <b>1,105.19</b>            |
| <b>Assets classified as held for sale</b>                       | -                              | -                          | -                              | 62.51                      |
| <b>Total current assets</b>                                     | <b>1,660.43</b>                | <b>1,399.11</b>            | <b>1,160.58</b>                | <b>1,167.70</b>            |
| <b>Total Assets</b>                                             | <b>3,833.49</b>                | <b>3,398.95</b>            | <b>2,876.80</b>                | <b>2,819.89</b>            |
| <b>B. EQUITY AND LIABILITIES</b>                                |                                |                            |                                |                            |
| <b>(1) Equity</b>                                               |                                |                            |                                |                            |
| (i) Equity share capital                                        | 49.96                          | 24.98                      | 49.96                          | 24.98                      |
| (ii) Other equity                                               | 1,925.04                       | 1,669.60                   | 1,513.82                       | 1,423.81                   |
| <b>Equity Attributable to the owners of the Company</b>         | <b>1,975.00</b>                | <b>1,694.66</b>            | <b>1,563.78</b>                | <b>1,448.79</b>            |
| Non-controlling interests                                       | 174.07                         | 138.30                     | -                              | -                          |
| <b>Total equity</b>                                             | <b>2,149.07</b>                | <b>1,832.96</b>            | <b>1,563.78</b>                | <b>1,448.79</b>            |
| <b>(2) Non-current liabilities</b>                              |                                |                            |                                |                            |
| (a) Financial liabilities                                       |                                |                            |                                |                            |
| (i) Borrowings                                                  | 150.38                         | 183.47                     | 100.18                         | 224.46                     |
| (ja) Lease liabilities                                          | 0.54                           | -                          | 0.54                           | -                          |
| (ii) Other financial liabilities                                | 0.82                           | 1.00                       | 0.82                           | 0.78                       |
| (b) Provisions                                                  | 17.53                          | 16.44                      | 12.11                          | 11.69                      |
| (c) Deferred tax liabilities (net)                              | 114.12                         | 111.16                     | 77.18                          | 76.39                      |
| (d) Other non-current liabilities                               | 76.87                          | 75.54                      | 50.94                          | 48.77                      |
| <b>Total non-current liabilities</b>                            | <b>360.26</b>                  | <b>387.61</b>              | <b>241.77</b>                  | <b>362.11</b>              |
| <b>(3) Current liabilities</b>                                  |                                |                            |                                |                            |
| (a) Financial liabilities                                       |                                |                            |                                |                            |
| (i) Borrowings                                                  | 401.09                         | 336.86                     | 326.26                         | 263.39                     |
| (ia) Lease liabilities                                          | 0.40                           | 0.14                       | 0.36                           | 0.08                       |
| (ii) Trade payables                                             |                                |                            |                                |                            |
| - total outstanding dues of micro and small enterprises         | 6.85                           | 5.70                       | 4.72                           | 3.85                       |
| - total outstanding dues other than micro and small enterprises | 815.03                         | 780.15                     | 713.32                         | 693.02                     |
| (iii) Other financial liabilities                               | 10.81                          | 12.03                      | 8.04                           | 11.21                      |
| (b) Other current liabilities                                   | 33.03                          | 34.85                      | 16.90                          | 35.85                      |
| (c) Provisions                                                  | 1.25                           | 1.23                       | 0.63                           | 0.57                       |
| (d) Current tax liabilities (net)                               | 55.70                          | 7.42                       | 1.02                           | 1.02                       |
| <b>Total current liabilities</b>                                | <b>1,324.16</b>                | <b>1,178.38</b>            | <b>1,071.25</b>                | <b>1,008.99</b>            |
| <b>Total Equity and Liabilities</b>                             | <b>3,833.49</b>                | <b>3,398.95</b>            | <b>2,876.80</b>                | <b>2,819.89</b>            |

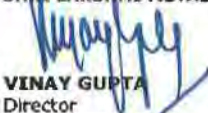


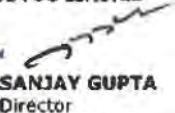


**SHRI LAKSHMI METAL UDYOG LIMITED**  
**MANAGEMENT CERTIFIED BALANCE SHEET AS AT SEP 30, 2021**

| Particulars                                                     | (Rupees in crore)     |                         |
|-----------------------------------------------------------------|-----------------------|-------------------------|
|                                                                 | As at<br>Sep 30, 2021 | As at<br>March 31, 2021 |
| <b>I. ASSETS</b>                                                |                       |                         |
| <b>(1) Non-current assets</b>                                   |                       |                         |
| (a) Property, plant and equipment                               | 41.33                 | 42.53                   |
| (b) Capital work-in-progress                                    | 0.01                  | 0.35                    |
| (c) Investment in subsidiary                                    | 252.38                | 252.38                  |
| (d) Financial assets                                            |                       |                         |
| (i) Other financial assets                                      | 0.72                  | 0.72                    |
| (e) Non-current tax assets (net)                                | 0.12                  | 0.12                    |
| (f) Other non current assets                                    | 0.54                  | 0.31                    |
| <b>Total non-current assets</b>                                 | <b>295.10</b>         | <b>296.42</b>           |
| <b>(2) Current assets</b>                                       |                       |                         |
| (a) Inventories                                                 | 29.45                 | 39.35                   |
| (b) Financial assets                                            |                       |                         |
| (i) Trade receivables                                           | 24.37                 | 24.97                   |
| (ii) Cash and cash equivalents                                  | 0.07                  | 1.28                    |
| (iii) Bank balance other than (ii) above                        | 0.50                  | -                       |
| (iv) Loans                                                      | 0.05                  | 0.03                    |
| (v) Other financial assets                                      | 0.46                  | 0.49                    |
| (c) Other current assets                                        | 1.96                  | 3.31                    |
| <b>Total current assets</b>                                     | <b>56.86</b>          | <b>69.44</b>            |
| <b>Total Assets</b>                                             | <b>351.96</b>         | <b>365.85</b>           |
| <b>II. EQUITY AND LIABILITIES</b>                               |                       |                         |
| <b>(1) Equity</b>                                               |                       |                         |
| (a) Equity share capital                                        | 5.90                  | 5.90                    |
| (b) Other equity                                                | 253.17                | 209.96                  |
| <b>Total equity</b>                                             | <b>259.07</b>         | <b>215.86</b>           |
| <b>(2) Non-current liabilities</b>                              |                       |                         |
| (a) Financial liabilities                                       |                       |                         |
| (i) Borrowings                                                  | -                     | 100.00                  |
| (b) Provisions                                                  | 0.98                  | 1.07                    |
| (c) Deferred tax liabilities (net)                              | 4.30                  | 4.48                    |
| <b>Total non-current liabilities</b>                            | <b>5.28</b>           | <b>105.55</b>           |
| <b>(3) Current liabilities</b>                                  |                       |                         |
| (a) Financial liabilities:                                      |                       |                         |
| (i) Borrowings                                                  | 0.99                  | -                       |
| (ii) Trade payables                                             |                       |                         |
| - total outstanding dues of micro and small enterprises         | 0.33                  | 0.32                    |
| - total outstanding dues other than micro and small enterprises | 65.31                 | 36.02                   |
| (iii) Other financial liabilities                               | 1.13                  | 2.46                    |
| (b) Other current liabilities                                   | 4.11                  | 4.21                    |
| (c) Provisions                                                  | 0.03                  | 0.02                    |
| (d) Current tax liabilities (net)                               | 15.72                 | 1.40                    |
| <b>Total current liabilities</b>                                | <b>87.61</b>          | <b>44.43</b>            |
| <b>Total equity and liabilities</b>                             | <b>351.96</b>         | <b>365.84</b>           |

For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
 Director  
 DIN : 00005148

  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

  
**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

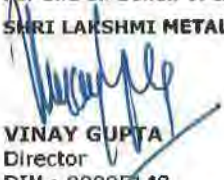


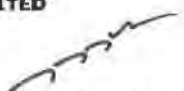
Place: Delhi  
 Date: October 27, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**MANAGEMENT CERTIFIED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

| Particulars                                                                         | (Rupees in crore) |                              |
|-------------------------------------------------------------------------------------|-------------------|------------------------------|
|                                                                                     | H1 FY 22          | Year ended<br>March 31, 2021 |
| <b>I</b> Revenue from operations                                                    | 511.02            | 730.36                       |
| <b>II</b> Other income                                                              | 0.85              | 0.11                         |
| <b>III Total income (I + II)</b>                                                    | <b>511.88</b>     | <b>730.47</b>                |
| <b>IV Expenses</b>                                                                  |                   |                              |
| (a) Cost of materials consumed                                                      | 346.28            | 555.23                       |
| (b) Purchase of stock-in-trade                                                      | 68.25             | 57.20                        |
| (c) Changes in inventories of finished goods, work-in-progress, rejection and scrap | 9.97              | (6.25)                       |
| (d) Employee benefits expense                                                       | 3.61              | 6.91                         |
| (e) Finance costs                                                                   | 3.28              | 12.29                        |
| (f) Depreciation expense                                                            | 1.80              | 3.51                         |
| (g) Other expenses                                                                  | 20.94             | 39.41                        |
| <b>Total expenses</b>                                                               | <b>454.13</b>     | <b>668.30</b>                |
| <b>V Profit before tax (III - IV)</b>                                               | <b>57.75</b>      | <b>62.17</b>                 |
| <b>VI Tax expense:</b>                                                              |                   |                              |
| (a) Current tax                                                                     | 14.90             | 16.40                        |
| (b) Deferred tax (credit) (net)                                                     | (0.23)            | (0.28)                       |
| (c) Income tax expense of earlier year                                              | -                 | -                            |
| <b>Total tax expense</b>                                                            | <b>14.67</b>      | <b>16.12</b>                 |
| <b>VII Profit for the year (V-VI)</b>                                               | <b>43.08</b>      | <b>46.05</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                           | -                 | -                            |
| (b) Remeasurement of post employment benefit obligation                             | 0.17              | 0.32                         |
| (c) Income tax relating to (b) above                                                | (0.04)            | (0.08)                       |
| <b>Other comprehensive income for the year</b>                                      | <b>0.13</b>       | <b>0.24</b>                  |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                        | <b>43.21</b>      | <b>46.29</b>                 |
| <b>X Earnings per equity share of Rupees 10 each</b>                                |                   |                              |
| (a) Basic (in rupees)                                                               | 73.08             | 78.12                        |
| (b) Diluted (in rupees)                                                             | 73.08             | 78.12                        |

For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
 Director  
 DIN : 00005149

  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

  
**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

Place: Delhi  
 Date: October 27, 2021





Date: December 27, 2021

Ref. No.: CPC/MB/128/2021-22

The Board of Directors

**Shri Lakshmi Metal Udyog Limited**

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

Dear Sir(s),

**Subject: Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited (“Scheme”) and their respective shareholders and creditors**

**Re: Due Diligence Certificate in adherence to para 3 of Part I of the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021**

**PURPOSE:**

This has reference to our engagement for providing Due Diligence Certificate (“Certificate”) on the accuracy and adequacy of the disclosures made in the Abridged Prospectus by **Shri Lakshmi Metal Udyog Limited** (“the Company”) as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021. The Scheme, under Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Company on February 27, 2021 and shall be effective from the Appointed Date i.e. April 01, 2021 or such other date as may be fixed or approved by the Hon’ble National Company Law Tribunal or any other Appropriate Authority.

The information contained herein and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance of the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021.

**SCOPE AND LIMITATIONS:**

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI’s Master Circular dated November 23, 2021 and hence should not be used for any other purpose or transaction.




- Our due diligence and result are specific to the date of this Certificate and based on information as at December 24, 2021. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company have drawn our attention to all the matters, which they are aware of concerning inter-alia the financial position of the Company, its business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or are likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

**CONCLUSION:**

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated December 24, 2021 is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate.

Yours Faithfully,

For Corporate Professionals Capital Private Limited

  
(Ruchika Sharma)

Associate Partner – M&A and Transactions





**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR  
ABRIDGED PROSPECTUS  
(AS PROVIDED IN PART E OF SCHEDULE VI OF SEBI (ISSUE OF CAPITAL AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)**

The information mentioned hereinafter are in terms of the provisions of SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021 for the Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective shareholders and creditors.

**THIS INFORMATION MEMORANDUM CONTAINS 6 PAGES. PLEASE ENSURE THAT  
YOU HAVE RECEIVED ALL THE PAGES**

**SHRI LAKSHMI METAL UDYOG LIMITED**

The Company was incorporated under the provisions of the Companies Act, 1956  
**Registered Office:** 37, Hargobind Enclave, Vikas Marg, Delhi – 110092  
**Corporate Office:** 36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad, UP – 201010  
**Contact Person:** Mr. Shivam Maheshwari  
**Tel. No.:** +91-20-4041400  
**Fax No.:** +91-20-4041444  
**E-mail:** [shivam@aplapollo.com](mailto:shivam@aplapollo.com)  
**Website:** [www.aplapollo.com](http://www.aplapollo.com)  
**CIN:** U85110DL1994PLC224835

**STATUTORY AUDITORS OF THE COMPANY**

Deloitte Haskins & Sells LLP, Chartered Accountants  
**Address:** 7<sup>th</sup> Floor, Building 10, Tower B, DLF Cyber City Complex,  
 DLF City Phase –II, Gurugram – 122002  
**Tel No.:** +91-24-6792000  
**Fax No.:** +91-24-6792012  
**Website:** [www.deloitte.com](http://www.deloitte.com)

**PROMOTERS OF SHRI LAKSHMI METAL UDYOG LIMITED**

APL Apollo Tubes Limited is the Promoter of Shri Lakshmi Metal Udyog Limited

**PROCEDURE**

Pursuant to the Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited:

- Shareholding of APL Apollo Tubes Limited in Shri Lakshmi Metal Udyog Limited will be cancelled without any consideration
- Shareholding of Shri Lakshmi Metal Udyog Limited in Apollo Tricoat Tubes Limited will be cancelled without any consideration;
- Shares of APL Apollo Tubes Limited will be issued in the ratio of 1:1 to the public shareholders of Apollo Tricoat Tubes Limited.

**DETAILS OF APL APOLLO TUBES LIMITED, I.E. PROMOTER OF SHRI LAKSHMI  
METAL UDYOG LIMITED**

| PARTICULARS               | DETAILS                                               |
|---------------------------|-------------------------------------------------------|
| PAN                       | AAACB0960D                                            |
| Educational Qualification | Not Applicable, as the Promoter is a Corporate entity |



|                                                                |                                                                                                                                                                                                                    |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Experience in business or employment                           | The Company was incorporated in the year 1986 and is primarily engaged in the business of production of ERW steel tubes and GP Coils.                                                                              |
| List of Companies promoted                                     | <ul style="list-style-type: none"> <li>▪ APL Apollo Building Products Private Limited</li> <li>▪ APL Apollo Mart Limited</li> <li>▪ Blue Ocean Projects Private Limited</li> <li>▪ APL Apollo Tubes FZE</li> </ul> |
| List of Companies in which person is Director                  | Not Applicable, as the Promoter is a Corporate entity                                                                                                                                                              |
| No. & % of shares held in Shri Lakshmi Metal Udyog Limited     | 58,95,000 Equity Shares of Rs.10/- each (100%)                                                                                                                                                                     |
| Ultimate Beneficial owners of Shri Lakshmi Metal Udyog Limited | None                                                                                                                                                                                                               |

#### CHANGES IN THE SHAREHOLDING STRUCTURE OF PROMOTERS

| Date                                                                                                                                                                                                                    | Name of the Promoter     | No. of Shares | Shares (%) | Cumulative Shares (%) | Particular of Change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|------------|-----------------------|----------------------|
| 25.04.1994                                                                                                                                                                                                              | Erstwhile Promoters      | 400           | 0.01       | 0.01                  | Subscription to MOA  |
| APL Apollo Tubes Limited acquired 5395000 (91.52%) equity shares of Shri Lakshmi Metal Udyog Limited in April 2008, thus details of change in shareholding structure of promoters prior to April 2008 is not available. |                          |               |            |                       |                      |
| 31.03.2009                                                                                                                                                                                                              | APL Apollo Tubes Limited | 500000        | 8.48       | 100.00                | Preferential Issue   |
| As on date                                                                                                                                                                                                              |                          | 5895000       | 100.00     |                       |                      |

#### BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Shri Lakshmi Metal Udyog Limited is a company incorporated under the Companies Act, 1956 on 25.04.1994. Shri Lakshmi Metal Udyog Limited is engaged in the business of production of ERW steel tubes and GP Coils.

#### BOARD OF DIRECTORS

| Sr. No. | Name            | Designation (Independent/ Whole-time/ Executive/ Nominee) | Experience including current/past position held in other firms<br><br>Add DIN details<br><br>Please provide Qualification, Experience and position of present and past Directorship in other companies                                                                                                                                                                                                                  |
|---------|-----------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Mr. Vinay Gupta | Non-Executive                                             | DIN: 00005149<br><br><ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ Apollo Metalex Private Limited – Managing Director</li> <li>▪ APL Infrastructure Private Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Blue Ocean Projects Private Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> </ul> |





|    |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                  |               | <ul style="list-style-type: none"> <li>▪ SG Air Travel Private Limited – Director</li> <li>▪ Apollo Tricoat Tubes Limited – Director</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2. | Mr. Sanjay Gupta | Non-Executive | <p>DIN: 00233188</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ Apollo Pipes Limited – Chairman</li> <li>▪ Apollo Metalex Private Limited – Director</li> <li>▪ APL Infrastructure Private Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Blue Ocean Projects Private Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> <li>▪ Greenera Farm Villas Private Limited – Director</li> </ul> <p>Resigned from the following company in last 3 years</p> <ul style="list-style-type: none"> <li>▪ SG Air Travel Private Limited – Director- 15/03/2021</li> </ul>                                                                                                                                                                                                                                                                        |
| 3. | Ms. Neeru Abrol  | Independent   | <p>DIN: 01279485</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Independent Director</li> <li>▪ Apollo Metalex Private Limited – Independent Director</li> <li>▪ Apollo Pipes Limited – Independent Director</li> <li>▪ APL Apollo Tubes Limited – Independent Director</li> <li>▪ Apollo Tricoat Tubes Limited – Independent Director</li> <li>▪ TCNS Clothing Co. Limited – Independent Director</li> <li>▪ STECOL International Private Limited – Independent Director</li> </ul> <p>Resigned from the following company in last 3 years</p> <ul style="list-style-type: none"> <li>▪ RDF Power Projects Limited – Independent Director - 05/09/2018</li> <li>▪ Dakshin Dilli Swachh Initiatives Limited – Independent Director -12/09/2018</li> <li>▪ East Delhi Waste Processing Company limited – Independent Director -12/09/2018</li> <li>▪ Jindal United Steel Limited – Independent Director - 20/05/2019</li> </ul> |
| 4. | Ms. Romi Sehgal  | Non-Executive | <p>DIN: 03320454</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Apollo Metalex Private Limited – Director</li> <li>▪ Apollo Tricoat Tubes Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



### CHANGE IN THE DIRECTORSHIP OF THE COMPANY IN LAST 3 YEARS

| S. No. | Name                                | Designation (Independent/ Whole-time/ Executive/ Nominee) | Experience including current/past position held in other firms<br><br>Please provide Qualification, Experience and position of present and past Directorship in other companies |
|--------|-------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Ms. Anita Bhatnagar (DIN: 07581512) | Independent Director                                      | Appointed on 03/11/2018 and resigned on 08/11/20219                                                                                                                             |
| 2.     | Ms. Neeru Abrol (DIN: 01279485)     | Independent Director                                      | Appointed on 25/09/2020                                                                                                                                                         |
| 3.     | Shri S.T. Gerela (DIN: 01565534)    | Independent Director                                      | Resigned on 28/09/2019                                                                                                                                                          |

### SHAREHOLDING PATTERN (AS ON DATE)

| S. No.       | Particulars               | Number of Shares   | Percentage holding of pre-scheme |
|--------------|---------------------------|--------------------|----------------------------------|
| 1.           | Promoter & Promoter Group | 58,95,000**        | 100%                             |
| 2.           | Public                    | 0                  | 0.00                             |
| <b>Total</b> |                           | <b>58,95,000**</b> | <b>100%</b>                      |

\*\* Includes 6 nominee shareholders holding 1 equity share each on behalf of APL Apollo Tubes Limited, the holding company.

### CHANGES OF CAPITAL STRUCTURE OF THE COMPANY

| Details of Capital structure |               |       |                            |        |                     |                       |
|------------------------------|---------------|-------|----------------------------|--------|---------------------|-----------------------|
| Date of allotment            | Shares issued |       | Cumulative paid up capital |        | Mode of allotment   | Identity of allottees |
|                              | No.           | %     | No.                        | %      |                     |                       |
| On Incorporation             | 400           | 0.01  | 400                        | 0.01   | Subscription to MOA | Promoter              |
|                              | 5394600*      | 91.51 | 5395000                    | 91.52  | -                   | -                     |
| 31.03.2009                   | 500000        | 8.48  | 5895000                    | 100.00 | Preferential Issue  | Promoter              |

\*It may be noted that APL Apollo Tubes Limited acquired the equity shares of Shri Lakshmi Metal Udyog Limited in April 2008, thus change in capital structure prior to April, 2008 is not available.

### RESTATED AUDITED FINANCIALS

| Particulars                        | (Amount in INR)                         |                              |                              |                              |                              |                              |
|------------------------------------|-----------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                    | For the period as at September 30, 2021 | Audited as on March 31, 2021 | Audited as on March 31, 2020 | Audited as on March 31, 2019 | Audited as on March 31, 2018 | Audited as on March 31, 2017 |
| Total Income from operations       | 511.02                                  | 730.36                       | 679.70                       | 814.46                       | 632.19                       | 518.17                       |
| Net Profit / (Loss) before tax and | 57.75                                   | 62.17                        | 57.48                        | 41.10                        | 58.79                        | 51.66                        |





| Particulars                                           | For the period as at September 30, 2021 | Audited as on March 31, 2021 | Audited as on March 31, 2020 | Audited as on March 31, 2019 | Audited as on March 31, 2018 | Audited as on March 31, 2017 |
|-------------------------------------------------------|-----------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| extraordinary items                                   |                                         |                              |                              |                              |                              |                              |
| Net Profit / (Loss) after tax and extraordinary items | 43.08                                   | 46.05                        | 45.23                        | 26.46                        | 38.23                        | 33.05                        |
| Equity Share Capital                                  | 5.90                                    | 5.90                         | 5.90                         | 5.90                         | 5.90                         | 5.90                         |
| Reserves and Surplus                                  | 253.17                                  | 209.96                       | 163.67                       | 116.56                       | 120.96                       | 116.80                       |
| Net Worth                                             | 259.07                                  | 215.86                       | 169.57                       | 122.46                       | 126.86                       | 122.70                       |
| Basic earnings per share                              | 73.08                                   | 78.12                        | 76.72                        | 44.88                        | 64.85                        | 56.06                        |
| Diluted Earnings per share                            | 73.08                                   | 78.12                        | 76.72                        | 44.88                        | 64.85                        | 56.06                        |
| Return on net worth (%)                               | 16.63                                   | 21.33                        | 26.67                        | 21.61                        | 30.14                        | 26.94                        |
| Net asset value per share                             | 439.10                                  | 365.86                       | 287.41                       | 207.56                       | 215.02                       | 207.97                       |

**Note 1:** Networth = Equity Share Capital + Free Reserves - Miscellaneous Expenditure written off, along with the detailed working

**Note 2:** Return on Net Worth = Net Profit or (Loss) after tax and extraordinary items/ Net Worth \* 100

**Note 3:** EPS = PAT / Equity paid up capital

**Note 4:** Net Asset Value per Share = Assets – Liabilities/ Share outstanding

### RISK FACTORS

- The proposed Scheme is subject to the approval of jurisdictional NCLTs. If the proposed Scheme does not receive the requisite approvals, the objects and benefits mentioned in the proposed Scheme will not be achieved.
- Pandemic like Covid-19 can adversely affect the operations and results of the Company.
- The success of the business being merged into APL Apollo Tubes Limited is largely dependent upon the knowledge and experience of the senior management, key management personnel and skilled manpower and any inability to attract and retain key personnel may adversely impact the business prospects.
- The Amalgamating Companies operate businesses that complement each other and hence the integration is expected to help leverage the resources and capabilities of the amalgamated company and also eliminate administrative costs and compliance resulting from the current group structure. Thus no company specific risk on account of merger is envisaged."

### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company and amount involved: Following two income tax litigations pertaining to disputed demands are pending:

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (net of payment) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------|----------------|--------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2016-17                            | 1.21                                      | 0.30                                        |
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2018-19                            | 0.77                                      | -                                           |





- B. Brief details of top 5 material outstanding litigations against the Company and amount involved:  
As mentioned in clause A above.
- C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Promoters: Nil

### RATIONALE OF THE SCHEME OF ARRANGEMENT

The proposed Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited is in the interest of shareholders and creditors on account of following reasons—

- a) Combined business under “APL Apollo” brand resulting in wider product offerings and geographical footprint thereby leading to a stronger market presence which is best suitable for long term growth market;
- b) Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated entity;
- c) The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
- d) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- e) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated entity; and
- f) Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

### ANY OTHER IMPORTANT INFORMATION

Not Applicable

### DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the scheme is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this scheme are true and correct.

**For Shri Lakshmi Metal Udyog Limited**

*Shivam*  
Shivam Maheshwari  
Company Secretary  
Place: Delhi

Date: December 24, 2021



**APL APOLLO TUBES LIMITED**

**Corporate Identity Number: L74899DL1986PLC023443**

**Registered Office: 37, Hargobind Enclave, Vikas Marg, Delhi – 110092**

**Telephone: 91-11-22373437. Fax: 91-11-22373537.**

**Website: [www.aplapollo.com](http://www.aplapollo.com); Email: [investors@aplapollo.com](mailto:investors@aplapollo.com)**

**Notice of Meeting of Secured Creditors of APL Apollo Tubes Limited scheduled to be held through Video Conferencing / Other Audio Visual Means (“VC”/ “OAVM”) under the supervision of the Hon’ble National Company Law Tribunal**

|               |                                                                                                                               |
|---------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Day</b>    | Tuesday                                                                                                                       |
| <b>Date</b>   | 08 February, 2022                                                                                                             |
| <b>Time</b>   | 10:30 A.M. IST                                                                                                                |
| <b>Venue*</b> | Since the meeting is proposed to be held through Video Conferencing, physical venue of the meeting is not relevant/applicable |

*\* Please note that there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of COVID-19 pandemic.*

| <b>S. no.</b> | <b>Contents</b>                                                                                                                                                                                                                                                                                                                      | <b>Page No.</b> |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1.            | Notice of the Meeting of Secured Creditors of APL Apollo Tubes Limited (“ <b>the Company</b> ” or “ <b>the Amalgamated Company</b> ”) along with Instructions for attending the meeting through VC/ OAVM                                                                                                                             | 4-14            |
| 2.            | Explanatory Statement under sections 230 and 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any                                                                                                                                     | 15-44           |
| 3.            | <b>Annexure-I</b> - Scheme of Amalgamation and Arrangement between Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited and their respective shareholders and creditors (“ <b>Scheme</b> ”)                                                                                                   | 45-80           |
| 4.            | <b>Annexure-II</b> – Copy of order of the Hon’ble National Company Law Tribunal in pursuance of which the meeting is to be convened                                                                                                                                                                                                  | 81-90           |
| 5.            | <b>Annexure-III</b> - Valuation Report issued by SSPA & Co., Chartered Accountants dated February 27, 2021.                                                                                                                                                                                                                          | 91-101          |
| 6.            | <b>Annexure-IV</b> - Fairness Opinion issued by Fortress Capital Management Services Private Limited dated February 27, 2021.                                                                                                                                                                                                        | 102-108         |
| 7.            | <b>Annexure-V</b> - Complaints Report dated July 07, 2021 submitted to BSE Limited by Amalgamating Company 2 and Amalgamated Company and Complaints Report dated July 22, 2021 submitted to National Stock Exchange of India Limited by Amalgamated Company.                                                                         | 109-114         |
| 8.            | <b>Annexure-VI</b> – Observation Letter/No Objection Letter dated August 02, 2021 obtained from BSE Limited and National Stock Exchange of India Limited.                                                                                                                                                                            | 115-120         |
| 9.            | <b>Annexure-VII</b> – Report adopted by the respective Board of Directors Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited under Section 232(2)(c) of the Companies Act, 2013 as per the provisions of Section 232(2)(c) of the Companies Act, 2013.                                      | 121-132         |
| 10.           | <b>Annexure-VIII</b> - Copy of audited financial statements of Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as at March 31, 2021                                                                                                                                                      | 133-271         |
| 11.           | <b>Annexure-IX</b> - Copy of financial statements of Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited (provisional) as at September 30, 2021 subjected to limited review by the Statutory Auditors and management certified financial statements (provisional) of Shri Lakshmi Metal Udyog Limited as on September 30, 2021 | 272-288         |



|     |                                                                                                                                                                                                                                                                                               |         |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 12. | <b>Annexure-X</b> -Information in the format prescribed for abridged prospectus pertaining to the unlisted entity i.e., Shri Lakshmi Metal Udyog Limited involved in the Scheme as provided in Part E of Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 | 289-296 |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

Sd/-

Ms. Deepa Krishan, Former Member (Technical) NCLT  
**Chairperson of the meeting of Secured Creditors of**  
APL Apollo Tubes Limited

Date: 27<sup>th</sup> day of December, 2021

Place: Delhi

**Form No. CAA 2**

**(Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the  
Companies (Compromises, Arrangements & Amalgamations) Rules, 2016)**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**

**NEW DELHI BENCH**

**COMPANY APPLICATION NO. CA(CAA)-107/(ND)/2021**

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the matter of Scheme of Amalgamation and Arrangement between

Shri Lakshmi Metal Udyog Limited (hereinafter  
referred to as “Shri Lakshmi”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: U85110DL1994PLC224835

(Amalgamating Company 1 /  
Applicant Company 1)

**And**

Apollo Tricoat Tubes Limited (hereinafter referred to  
as “Apollo Tricoat”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74900DL1983PLC014972

(Amalgamating Company 2 /  
Applicant Company 2)

**And**

APL Apollo Tubes Limited (hereinafter referred to as  
“APL Apollo”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74899DL1986PLC023443

(Amalgamated Company /  
Applicant Company 3)

**And**

Their Respective Shareholders and Creditors

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS  
OF APL APOLLO TUBES LIMITED**

To,

The Secured Creditors of APL Apollo Tubes Limited

Notice is hereby given that the Hon’ble National Company Law Tribunal, New Delhi (“NCLT”) vide its Order dated November 30, 2021 (date of pronouncement), inter alia, has directed for convening of a meeting of Secured Creditors of APL Apollo Tubes Limited through VC / OAVM with the facility of E-voting during the meeting in compliance with the General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 22/2020 dated June 15, 2020 read with General Circular No. 33/2020 dated September 28, 2020 read with General Circular No. 39/2020 dated December 31, 2020 read with General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs, Government of India (collectively referred to as “MCA Circulars”), for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation and Arrangement between Shri Lakshmi, Apollo Tricoat and APL Apollo and their respective shareholders and creditors. In the said meeting the following business will be transacted:

In pursuance of the said NCLT Order and as directed therein, further notice is hereby given that a meeting of secured creditors of the Amalgamated Company will be held on Tuesday, February 08, 2022 at 10:30 A.M IST by way of VC / OAVM (“**Meeting**”) following the operating procedures (with requisite modifications as may be required) referred to in MCA Circulars and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI Circulars”). At the Meeting, the following resolution will be considered and if thought fit, be passed under section 230 to 232 and other applicable provisions of the Companies Act, 2013 by requisite majority:

“**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and related circulars and notifications thereto as applicable under the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the relevant provisions of any other applicable laws and the clauses of the Memorandum and Articles of Association of APL Apollo Tubes Limited and subject to the approval by the requisite majority of the equity shareholders of APL Apollo Tubes Limited, and subsequent approval of the NCLT and subject to such other consents, approvals, permissions and sanctions being obtained from appropriate authorities to the extent applicable or necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the secured creditors be and is hereby accorded to the Scheme.

**RESOLVED FURTHER THAT** Restructuring Committee as constituted by the Board of the Amalgamated Company, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements

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embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT and/or any other authority(ies) while sanctioning the Scheme or by any authority(ies) under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Restructuring Committee may deem fit and proper without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**Take Further Notice** that in pursuance of the said order, a meeting of the secured creditors of APL Apollo Tubes Limited is scheduled to be held through VC / OAVM on Tuesday, February 08, 2022 at 10:30 A.M IST, when you are requested to attend.

**TAKE FURTHER NOTICE** that in compliance with the NCLT Order and the provisions of (a) Section 230(4) read with Section 108 of the Companies Act, 2013 and the rules made thereunder; (b) Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (c) Secretarial Standards – 2 issued by the Institute of Company Secretaries of India, the Amalgamated Company has provided the facility of voting through electronic voting system (“e-voting”) during the Meeting, so as to enable the secured creditors to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by secured creditors of the Amalgamated Company to the Scheme shall be carried out through e-voting during the Meeting to be held on Tuesday, February 08, 2022.

**TAKE FURTHER NOTICE** that Central Depository Services (India) Limited (“CDSL”) shall be providing the facility of e-voting during the Meeting, and participation in the Meeting through VC/ OAVM.

**TAKE FURTHER NOTICE** that in terms of the said NCLT Order, the voting rights of secured creditors shall be in proportion to the principal amount due to them as on *June 30, 2021*, being the cut-off date (“**Cut-off Date**”). The secured creditors are requested to read the instructions for e voting during the Meeting in the Notes below carefully.

**TAKE FURTHER NOTICE** that since the physical attendance of secured creditors has been dispensed with in pursuance to NCLT Order, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by secured creditors will not be available for the Meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013 authorized representatives of the secured creditors may be appointed for the purpose of participation in the meeting through VC/ OAVM facility and e-voting during the Meeting provided an authority letter/ power of attorney by the Board of Directors or a certified copy of the resolution passed by its Board of Directors or other governing body authorizing such representative to attend and vote at the Meeting through VC/ OAVM on its behalf along with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote is emailed to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) with a copy marked to investors@aplapollo.com before the commencement of the Meeting.

A copy of the Scheme, the Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Company viz. [www.aplapollo.com](http://www.aplapollo.com) and will also be available on the website of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

Copies of this Notice which include Scheme and Explanatory Statement under Section 230, 232 and 102 of the Companies Act, 2013 can be obtained free of charge from the Registered Office of the Amalgamated Company and/or from the office of the Advocate at Agarwal Law Associates, 34, FF, Babar Lane, Bengali Market, New Delhi-110001.

NCLT has appointed Ms. Deepa Krishan to act as the Chairperson of the said Meeting including any adjournment(s) thereof.

The Scheme of Amalgamation and Arrangement, if approved at the Meeting, will be subject to the subsequent approval of the NCLT and any other approvals as may be required.

The voting results of the meeting shall be announced by the Chairperson not later than 48 (forty eight) hours of the conclusion of the Meeting upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company [www.aplapollo.com](http://www.aplapollo.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com), being the agency appointed by the Company to provide the voting facility to the secured creditors, as aforesaid, as well as on the notice board of the Amalgamated Company at its Registered Office and Corporate Office besides being notified to NSE and BSE, the stock exchanges where shares of the Amalgamated Company are listed.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the secured creditors only if the Scheme is approved by majority of persons representing three-fourth in value of the secured creditors, of the Amalgamated Company, voting through e voting facility during the Meeting to be conducted through VC/OAVM.

Sd/-

Ms. Deepa Krishan

Former Member (Technical) NCLT

**The Chairperson appointed for the  
Meeting of Secured Creditors of  
APL Apollo Tubes Limited**

**Dated: 27<sup>th</sup> day of December, 2021**

**Place: Delhi**

**Notes:**

1. In view of the ongoing COVID-19 pandemic, social distancing norms to be followed and pursuant to MCA Circulars and SEBI Circulars, and in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the NCLT Order, this Meeting is being held by VC/ OAVM without physical presence of the Secured Creditors at a common venue, as per applicable procedures mentioned in the MCA Circulars, for the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation and Arrangement under the provisions of sections 230 to 232 of the Companies Act, 2013 and rules made thereunder.
2. Explanatory Statement under sections 230, 232 and 102 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 to the Notice, is annexed hereto and forms part of the Notice.
3. Central Depository Services (India) Limited (CDSL) is appointed to provide the facility for convening the meeting through VC and to provide e-voting facility during the meeting; to handle and supervise the entire process of holding the meeting through VC and e-voting during the meeting in a secured manner.
4. Secured Creditors will be able to attend the Meeting on Tuesday, February 08, 2022 at 10:30 A.M IST through VC/ OAVM by logging on to the e-voting website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials.
5. Voting rights shall be reckoned on the basis of the proportion of the principal amount due to Secured Creditors as on *June 30, 2021* being the cut-off date (“**Cut-off Date**”).
6. In compliance with the NCLT Order, the attendance of the Secured Creditors participating through VC/ OAVM shall be counted for the purpose of reckoning the quorum.
7. In terms of the directions contained in the Order, “the quorum of the meeting shall be as 2 Secured Creditors of the Amalgamated Company). In case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by half an hour (i.e., 30 minutes) and thereafter, the persons present shall be deemed to constitute the quorum, however, the requirement of Section 230(6) of the Act



shall be complied with regard to the agreement to the scheme by majority of persons representing 75% in value.

8. In terms of the MCA Circulars since the physical attendance of Secured Creditors has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Secured Creditors will not be available. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the institutional/ corporate Secured Creditors may be appointed for the purpose of voting through e-Voting, for participation in the meeting through VC Facility.
  9. Institutional/ Corporate Secured Creditors (i.e. other than individuals/HUF, NRI, etc) of Amalgamated Company are entitled to appoint an authorized representative for the purpose of participating and / or voting during the Meeting held through VC. Further, such Institutional/ Corporate Secured Creditors (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned certified copy (.pdf file) of the relevant resolution/ authority letter / power of attorney together with attested specimen signature of the duly authorized representatives who are authorized to vote, to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) from their registered email address with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com), no later than 48 hours before the scheduled time of the Meeting.
  10. The authorized representative of the Secured Creditor (in case such Secured Creditor is a corporate member) should additionally e-mail copy of their valid and legible identity proof (.pdf file) issued by a statutory authority (i.e. Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) from their registered email address with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com) , no later than 48 hours before the scheduled time of the Meeting.
  11. Ms. Shruti Rawat, PCS has been appointed by the NCLT, as the Scrutinizer to scrutinize the votes cast through e-voting during the Meeting.
  12. The Scrutinizer's decision on the validity of e-voting during the meeting will be final. The Scrutinizer appointed for Voting Process will submit his report to the NCLT appointed Chairperson of the meeting or a person authorized by him upon completion of scrutiny, in a fair and transparent manner, of voting not later than forty eight hours from the conclusion of the voting. The Chairperson or a person authorized by her shall
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announce the results of e-voting and the results shall be placed on the website of Company and at the Registered Office of the Company. The Resolution, if approved by the requisite majority, shall be deemed to have been passed on February 08, 2022.

13. The Notice convening the meeting, the date of dispatch of the Notice and the Explanatory Statement, amongst others, will be published through advertisement in Delhi editions of “Business Standard” both English and Hindi edition.
  14. The relevant documents referred in the Notice and the Explanatory Statement are open for inspection by the Secured Creditors electronically up to the conclusion of the Meeting and physically at the Registered Office of the Amalgamated Company on all working days, except Saturdays and Sundays, between 11:00 A.M. IST and 1:00 P.M. IST up to the date of the Meeting. Those Secured Creditors who wish to inspect such documents electronically may write an e-mail to [investors@aplapollo.com](mailto:investors@aplapollo.com).
  15. Secured Creditors who would like to express their views at the Meeting may register themselves as a speaker by sending their request from their registered email id mentioning their name, address and PAN at [investors@aplapollo.com](mailto:investors@aplapollo.com) by February 1, 2021. The Secured Creditors who do not wish to speak during the Meeting but have queries may send their queries from their registered email id mentioning their name, address and PAN at [investors@aplapollo.com](mailto:investors@aplapollo.com) . These queries will be replied to by the Company suitably by email.
  16. Those Secured Creditors who have registered themselves as speakers will only be allowed to express their views/ask questions during the meeting for a maximum time of 3 (three) minutes each, once the floor is open for queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the Meeting.
  17. This Notice is being sent to the Secured Creditors by electronic mode to those whose e-mail address are registered with the Company. However, in case a Secured Creditor wishes to receive a physical copy of the Notice, he/she is requested to send an e-mail from their registered email ID to [investors@aplapollo.com](mailto:investors@aplapollo.com) or a letter addressed to Mr. Deepak C S, Compliance Officer of the Amalgamated Company, at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 by duly quoting his/her name, address and PAN. For Secured Creditors whose e-mail address is registered but who have requested for
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physical copy of the Notice or whose e-mail address is not registered, the physical copy of the Notice is being sent by permitted mode.

18. In compliance with the NCLT Order, the Notice is being sent to all the Secured Creditors of the Amalgamated Company as on *June 30, 2021*, i.e. cut-off date for dispatch of Notice. This Notice of the Meeting is also displayed / posted on the website of the Amalgamated Company at [www.aplapollo.com](http://www.aplapollo.com), Stock Exchanges' website ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
  19. The Instructions to attend and vote electronically are as under:-
    - i. Secured Creditors should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials (*To be sent separately*), to attend the Meeting on Tuesday, February 08, 2022 at 10:30 A.M IST and vote.
    - ii. Click on Shareholders/ Members.
    - iv. Enter your User ID (*To be sent separately*)
    - v. Next enter the Image Verification as displayed and Click on Login.
    - vi. Enter your password (*To be sent separately*)
    - vii. After entering these details appropriately, click on "SUBMIT" tab.
    - viii. Select the EVSN of the Company as registered in the e-Voting system ([www.evotingindia.com](http://www.evotingindia.com)) on which you choose to vote.
    - ix. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
    - x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
    - xi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
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xii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xiii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai

**Enclosures: as above**



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
NEW DELHI BENCH**

**COMPANY APPLICATION NO. CA(CAA)-107/(ND)/2021**

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the Matter of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016

And

In the matter of Scheme of Amalgamation and Arrangement between

Shri Lakshmi Metal Udyog Limited (hereinafter referred to as “Shri Lakshmi”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: U85110DL1994PLC224835

(Amalgamating Company 1 /  
Applicant Company 1)

**And**

Apollo Tricoat Tubes Limited (hereinafter referred to as “Apollo Tricoat”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74900DL1983PLC014972

(Amalgamating Company 2 /  
Applicant Company 2)

**And**

APL Apollo Tubes Limited (hereinafter referred to as  
“APL Apollo”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74899DL1986PLC023443

(Amalgamated Company /  
Applicant Company 3)

**And**

Their Respective Shareholders and Creditors

**EXPLANATORY STATEMENT UNDER SECTION 230 to 232 AND SECTION 102  
OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES  
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO  
THE NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL CONVENED  
MEETING OF THE SECURED CREDITORS OF APL APOLLO TUBES LIMITED**

Pursuant to the NCLT Order dated November 30, 2021 (date of pronouncement) in Company Scheme Application No. CA(CAA) -107/(ND)/ 2021 passed by the Hon’ble National Company Law Tribunal, New Delhi Bench (“NCLT”), a meeting of the secured creditors of APL Apollo Tubes Limited, is being convened by way of VC/ OAVM on Tuesday, February 08, 2022 at 10:30 A.M IST (“**Meeting**”), for the purpose of considering and if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Amalgamation and Arrangement between Shri Lakshmi, Apollo Tricoat and APL Apollo and their respective members and creditors (“**Scheme**”) for amalgamation of Shri Lakshmi and Apollo Tricoat with APL Apollo. The aforesaid Scheme of Amalgamation and Arrangement is enclosed as **Annexure I**.

The meeting of equity shareholders and unsecured creditors of the Amalgamated Company is being held on Tuesday, February 08, 2022 at 2:00 P.M IST and 11:30 AM IST respectively for approval of Scheme as per NCLT Order dated November 30, 2021.

This statement explaining the terms of the Scheme is being furnished, inter alia, as required

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under section 230(3) of the Companies Act, 2013 along with the Notice dated December 27, 2021 of the Meeting.

1. The draft Scheme was placed before the Audit Committee, Committee of Independent Directors, and Board of Directors of the Amalgamated Company at their respective meetings held on February 27, 2021. In accordance with the provisions of Securities and Exchange Board of India (“SEBI”) Circular bearing no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (including amendments thereof), the Audit Committee and Committee of Independent Directors of the Applicant Company 3 vide a resolution passed on February 27, 2021 recommended the Scheme to the Board of Directors of the Amalgamated Company. The Board of Directors of the Amalgamated Company at its meeting held on February 27, 2021, approved the Scheme, interalia, based on such recommendation of the Audit Committee and Committee of Independent Directors.

2. List of the companies/parties involved in the Scheme of Amalgamation and Arrangement:

A. Shri Lakshmi Metal Udyog Limited

B. Apollo Tricoat Tubes Limited

C. APL Apollo Tubes Limited

3. Details of the companies/parties to the Scheme:

**A. Shri Lakshmi Metal Udyog Limited**

a. Shri Lakshmi Metal Udyog Limited (“**Shri Lakshmi**” or “**Amalgamating Company 1**”) was incorporated on the 25th day of April 1994 under the provisions of the Companies Act, 1956 as a private limited company which was later on converted into public limited company on 13<sup>th</sup> day of January 1995. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamating Company 1 is engaged in the business of production of ERW steel tubes and GP coils.

b. The main objects of the Amalgamating Company 1 are set out in the

Memorandum of Association which are as under:

i. *“To carry on the business as manufacturers, exporters, importers, commission Agent, buying and selling agents, representatives of manufacturer, sellers and dealers in all kinds and varieties of Iron and Steel, Scraps, Steel converters, Steel tubes, plastic tubes, rollers, ferrous and non ferrous metal founders, fabricators, Sheet metal grinders, P S Tanks, Tubular poles, steel structures, stamping and pressing of sheet metal.”*

c. The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 1 as on September 30, 2021 was as set out below:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 70,00,000 Equity Shares of Rs.10/- each             | 7,00,00,000            |
| <b>Total</b>                                        | <b>7,00,00,000</b>     |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 58,95,000 Equity Shares of Rs.10/- each             | 5,89,50,000            |
| <b>Total</b>                                        | <b>5,89,50,000</b>     |

There is no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 1 subsequent to September 30, 2021.

d. The details of the present promoter(s) and directors of the Amalgamating Company 1 along with their addresses are as follows:

i. **Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                                    |
|---------------|----------------------|---------------------------------------------------|
| 1             | APL Apollo Tubes Ltd | 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 |



ii. **Directors**

| <b>S. No.</b> | <b>Name</b>  | <b>Address</b>                                               | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|--------------|--------------------------------------------------------------|----------------|----------------------------|
| 1             | Sanjay Gupta | G-8, Maharani Bagh, Delhi-110065                             | 00233188       | 28/04/2008                 |
| 2             | Vinay Gupta  | H-5, Maharani Bagh, Delhi-110065                             | 00005149       | 29/09/2009                 |
| 3             | Neeru Abrol  | K-3 Lajpat Nagar –III, New Delhi-110024                      | 01279485       | 08/11/2019                 |
| 4             | Romi Sehgal  | E-103, The Residency, Ardee City, Sector 5, Gurgaon, Haryana | 03320454       | 24/05/2018                 |

- e. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamating Company 1 as on June 30, 2021 is INR 2,34,89,129/- and INR 2,53,76,89,657/-

**B. Apollo Tricoat Tubes Limited**

- a. Apollo Tricoat Tubes Limited (“**Apollo Tricoat**” or “**Amalgamating Company 2**”) was incorporated on the 12<sup>th</sup> day of January 1983 under the provisions of the Companies Act, 1956 as a public limited company. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamating Company 2 is primarily engaged in business of production of steel designer roofing, fencing, steel door-frames, designer hand railing etc.
- b. The equity shares of Amalgamating Company 2 are listed on BSE Limited (“**BSE**”).
- c. The main objects of the Amalgamating Company 2 are set out in the Memorandum of Association which are as under:
- i. *“To manufacture the TriCoat Tubes in three variants SureCoat, DureCoat and SuperCoat with the advanced Galvant Technology and to carry on in*

*India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing, factoring, otherwise dealing in iron & steel and ferrous and non-ferrous metals of all qualities, grades, types and kinds, as iron mongers, iron masters, steel makers and steel converters and/or all products made of Iron and Steel, Iron-ore and other alloys including zinc or/ and colour quoted steel, coils, sheets, pipes and tubes and other materials in any variants, using advanced technology, machinery or equipments required for manufacture of such item.*

- ii. To carry on the business as manufacturers of Iron, steel or other metal pipes, seamless pipes, sheets, rods and other products of iron, steel or other metals now known or that may hereafter be invented as also to carry on the business of ironmasters, iron founders, metal workers, steel makers and steel converters and to purchase or otherwise acquire, set up, erect, maintain, reconstruct and adapt any offices, workshops, plant, machinery and other things found necessary or convenient for the purpose of the Company.*
- iii. To provide the technical and management consultancy services, both in India and abroad, for design, application, development, production, fabrication, operation, promotion, marketing and use of products out of stainless steel, aluminum sheets, ceramic, wood, leather, glass, acrylic, plastic, wax and other metal / alloys sheet required and/or used in the house hold / official goods, architectural, construction automobiles, railway transport and other allied sectors.”*

d. The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 2 as on September 30, 2021 was as set out below:

| <b>Particulars</b>                       | <b>Amount (in Rs.)</b> |
|------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>          |                        |
| 7,50,00,000 Equity Shares of Rs.2/- each | 15,00,00,000           |
| <b>Total</b>                             | <b>15,00,00,000</b>    |

|                                                     |                     |
|-----------------------------------------------------|---------------------|
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                     |
| 6,08,00,000 Equity Shares of Rs.2/- each            | 12,16,00,000        |
| <b>Total</b>                                        | <b>12,16,00,000</b> |

There is no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 2 subsequent to September 30, 2021.

- e. The details of the present promoter(s) and directors of the Amalgamating Company 2 along with their addresses are as follows:

**i. Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>                      | <b>Address</b>                                    |
|---------------|----------------------------------|---------------------------------------------------|
| 1             | Shri Lakshmi Metal Udyog Limited | 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 |
| 2             | Rahul Gupta                      | G-8, Maharani Bagh, Delhi-110065                  |

**ii. Directors**

| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                                            | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|----------------------|-----------------------------------------------------------|----------------|----------------------------|
| 1             | Vinay Gupta          | H-5, Maharani Bagh, Delhi-110065                          | 00005149       | 23/10/2020                 |
| 2             | Bharat Bhushan Sahny | B-22, Dayanand Colony, Lajpat Nagar- 4, New Delhi-110024  | 00014334       | 28/02/2014                 |
| 3             | Neeru Abrol          | K-3, Lajpat Nagar-3, Delhi-110024                         | 01279485       | 20/01/2020                 |
| 4             | Romi Sehgal          | E-103, The Residency, Adree City, Sector 52 Gurgaon122003 | 03320454       | 01/02/2020                 |
| 5             | Anilkumar            | S-34, Greater Kailash-II,                                 | 06752578       | 11/06/2018                 |

| S. No. | Name        | Address                          | DIN No.  | Date of Appointment |
|--------|-------------|----------------------------------|----------|---------------------|
|        | Bansal      | Delhi-110048                     |          |                     |
| 6      | Rahul Gupta | G-8, Maharani Bagh, Delhi-110065 | 07151792 | 04/05/2018          |

- f. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamating Company 2 as on June 30, 2021 is INR 59,04,73,624/- and INR 1,45,59,46,728/-

### C. APL Apollo Tubes Limited

- a. APL Apollo Tubes Limited (“**APL Apollo**” or “**Amalgamated Company**”) was incorporated on the 24th day of February 1986 under the provisions of the Companies Act, 1956 as a private limited company which was later on converted into public limited company on 19<sup>th</sup> day of October 1993. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamated Company is primarily engaged in the business of production of ERW steel tubes.
- b. The equity shares of Amalgamated Company are listed on BSE and National Stock Exchange of India Limited (“**NSE**”).
- c. The main objects of the Amalgamated Company are set out in the Memorandum of Association which are as under:
- i. *“To manufacture, fabricate, forging, produce export, import, buy sell, let on hire, exchange, alter, improve, prepare for market and deal in all kinds of steel tubes and pipes.*
  - ii. *To carry on the business of iron masters, steel, makers, steel converters, melters, iron and steel founders and iron manufacturers.*
  - iii. *To carry on the business of manufacture, exporter, importers, buying, selling and dealers in all raw materials used in the manufacture, of all type of steel tube and pipes.*



iv. *To acquire and utilize machinery plant and equipment for the manufacture of iron and steel products.”*

- d. The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company as on September 30, 2021 was as set out below:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 37,50,00,000 Equity Shares of Rs.2/- each           | 75,00,00,000           |
| <b>Total</b>                                        | <b>75,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 24,97,92,000 Equity Shares of Rs.2/- each           | 49,95,84,000           |
| <b>Total</b>                                        | <b>49,95,84,000</b>    |

There is no change in the authorised share capital subsequent to September 30, 2021. However, the issued, subscribed and paid-up share capital of the Amalgamated Company has increased to Rs. 50,02,11,000 pursuant to issue of 313500 equity shares of Rs, 2 each to eligible employees under ESOP scheme on November 17, 2021.

- e. The details of the present promoter(s) and directors of the Amalgamated Company along with their addresses are as follows:

**i. Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>  | <b>Address</b>                           |
|---------------|--------------|------------------------------------------|
| 1             | Sanjay Gupta | G-8, Maharani Bagh, Delhi-110065         |
| 2             | Veera Gupta  | C-380, Yojna Vihar, Delhi, 110092, Delhi |
| 3             | Rahul Gupta  | G-8, Maharani Bagh, Delhi-110065         |
| 4             | Rohan Gupta  | G-8, Maharani Bagh, Delhi-110065         |

|   |                                    |                                                                                 |
|---|------------------------------------|---------------------------------------------------------------------------------|
| 5 | APL Infrastructure Private Limited | 36, Kaushambi, Near Anand Vihar Terminal behind Wave Cinema Ghaziabad UP 201010 |
|---|------------------------------------|---------------------------------------------------------------------------------|

ii. **Directors**

| S. No. | Name                | Address                                                              | DIN No.  | Date of Appointment |
|--------|---------------------|----------------------------------------------------------------------|----------|---------------------|
| 1      | Sanjay Gupta        | G-8, Maharani Bagh, Delhi-110065                                     | 00233188 | 02/09/2003          |
| 2      | Vinay Gupta         | H-5, Maharani Bagh, Delhi-110065                                     | 00005149 | 16/05/2008          |
| 3      | Virendra Singh Jain | B-12, 'Saket', 2nd Floor Gyan Bharti School Lane, South Delhi-110017 | 00253196 | 28/01/2017          |
| 4      | Neeru Abrol         | K-3 Lajpat Nagar –III, New Delhi-110024                              | 01279485 | 24/03/2015          |
| 5      | Abhilash Lal        | H. No. C-192, DLF Ph-2, Belvedere Park Towers, Gurgaon-122002        | 03203177 | 12/02/2014          |
| 6      | Romi Sehgal         | E-103, The Residency, Ardee City, Sector 5, Gurgaon, Haryana         | 03320454 | 13/08/2016          |
| 7      | Anilkumar Bansal    | S-34, Greater Kailash, New Delhi – 110048                            | 06752578 | 04/08/2014          |
| 8      | Ashok Kumar Gupta   | C-380, Yojna Vihar, Delhi, 110092, Delhi                             | 01722395 | 19/10/2011          |
| 9      | Ameet Kumar Gupta   | 78-A/1, Friends Colony (East), New Delhi-110065                      | 00002838 | 06/08/2021          |
| 10     | Rahul Gupta         | G-8, Maharani Bagh, Delhi-110065                                     | 07151792 | 06/08/2021          |

- f. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamated Company as on June 30, 2021 is INR 2,50,66,99,767/- and INR 10,80,75,19,857/-

#### **4. Relationship subsisting between the companies who are parties to the Scheme**

The Amalgamating Company 1 is wholly-owned subsidiary of the Amalgamated Company. The Amalgamating Company 2 is subsidiary of Amalgamating Company 1 and step down subsidiary of Amalgamated Company.

#### **5. Details of the Board meeting at which the Scheme was approved by the Board of Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company respectively, including the names of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution**

- A. All directors of the Amalgamating Company 1, namely, Mr. Sanjay Gupta, Mr. Vinay Gupta, Mrs. Neeru Abrol and Mr. Romi Sehgal had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme.
- B. All directors of the Amalgamating Company 2 except Shri Vinay Gupta had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme. The directors who attended the meeting are: Mr. Bharat Bhushan Sahny, Ms. Neeru Abrol, Mr. Romi Sehgal, Mr. Anilkumar Bansal and Mr. Rahul Gupta.
- C. All directors of the Amalgamated Company except Shri Vinay Gupta had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme. The directors who attended the meeting are: Mr. Sanjay Gupta, Mr. Virendra Singh Jain, Ms. Neeru Abrol, Mr. Abhilash Lal, Mr. Romi Sehgal, Mr. Anilkumar Bansal and Mr. Ashok Kumar Gupta.

#### **6. Salient features / details / extract of the Scheme**

**The salient features / details / extract of the Scheme are, interalia, as under:**

- i. The proposed Scheme is among Shri Lakshmi (Amalgamating Company 1), Apollo Tricoat (Amalgamating Company 2) and APL Apollo (Amalgamated Company) and their respective members and pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

- ii. The Appointed Date for the purpose of Scheme to be April 01, 2021 or such other date as may be fixed by the Hon'ble Tribunal of Judicature at Delhi or any other Competent authority, as may be applicable.
- iii. The Effective Date means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by the all the companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date"
- iv. The Scheme provides that upon the coming into effect of this Scheme and with effect from Appointed Date, the Amalgamating Company 1 and Amalgamated Company 2 shall, pursuant to the provisions of Sections 230 to 232 of the Act and sanction of this Scheme by NCLT and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Amalgamated Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of the Amalgamating Company 1 and Amalgamating Company 2 along with all the rights, title, interest or obligations of the Amalgamating Company and Amalgamating Company 2 therein become that of the Amalgamated Company.
- v. **Consideration:**

Since the Amalgamating Company 1 is the wholly owned subsidiary of the Amalgamated Company, upon the Scheme becoming effective, all the equity shares held by the Amalgamated Company and its nominees in the Amalgamating Company 1 shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon the Scheme being effective.

Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on



the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-

*“one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) of the Amalgamated Company to be issued and allotted to the Eligible Members of the Amalgamating Company 2 against one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in the Amalgamating Company 2.”*

Upon the Scheme being effective, and in consideration to the Amalgamating Company 1, being shareholder of the Amalgamating Company 2, in terms of the Scheme, 3,39,40,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.

vi. **Accounting treatment:**

**In the books of Amalgamated Company**

Upon the Scheme becoming effective the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 1 and Amalgamating Company 2 in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with ICAI ITFG Clarification.

**In the books of Amalgamating Company 1 and Amalgamating Company 2**

As the Amalgamating Company 1 and Amalgamating Company 2 shall stand dissolved without being wound up upon the Scheme becoming effective as mentioned in clause 23 of the Scheme and all the assets and liabilities shall be transferred to Amalgamated Company, hence there is no accounting treatment prescribed under this Scheme in the books of the Amalgamating Company 1 and Amalgamating Company 2.

vii. **Purpose and Rationale for the Scheme of Amalgamation and Arrangement**

- a. Combined business under “APL Apollo” brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
  - b. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;
  - c. Amalgamating Company 1 and Amalgamating Company 2 operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
  - d. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
  - e. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
  - f. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.
- viii. Scheme coming into effect, the Amalgamating Company 1 and Amalgamating Company 2 shall, without any further act or deed, stand dissolved without winding up.
- ix. As an integral part of the Scheme, the face value of 1 (One) equity share of the Amalgamating Company 1 amounting to INR 10/- (Indian Rupees Ten Only) shall be sub-divided into face value of INR 2/- (Indian Rupees Two only) comprising 5 equity shares of the Amalgamating Company 1; accordingly, authorised share capital of the Amalgamating Company 1 shall be restructured as under:
-

*“The authorised share capital of the Amalgamating Company 1 is INR 7,00,00,000/- (Indian Rupees Seven crore only) divided into 3,50,00,000 (Three Crore Fifty Lacs) equity shares of INR 2 each (Indian Rupees Two only).”*

**x. Valuation report**

Since the Amalgamating Company 1 is wholly-owned subsidiary of the Amalgamated Company, no shares are required to be issued as part of the Scheme. Accordingly, there is no requirement of a Valuation Report with respect to shares of Amalgamating Company 1.

Valuation report for the purpose of valuing equity shares of the Amalgamated Company and Amalgamating Company 2 has been obtained from SSPA & Co., Chartered Accountants (Registered Valuer) dated February 27, 2021.

**xi. Effect of the Scheme**

**A. Directors, Key Managerial Personnel and their Relatives**

The Directors and Key Managerial Personnel (“KMP”) of the Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and their respective relatives do not have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding in the Amalgamated Company, if any, or to the extent the said Directors and KMP(s) are the partners, directors, members and/or beneficiaries of the companies, firms, association of persons, bodies corporate and/or trust, as the case may be, that hold shares in the Amalgamated Company. There will be no adverse effect of the Scheme on the Directors and KMP of the Amalgamated Company.

Details of the Directors and KMP(s) of the Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and their respective equity shareholding as on September 30, 2021 in the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 are as follows:

**a. Amalgamated Company**

| S.No. | Name                | Shareholding as on September 30, 2021 |                        |                     |
|-------|---------------------|---------------------------------------|------------------------|---------------------|
|       |                     | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1     | Sanjay Gupta        | 1*                                    | NIL                    | 3,50,000            |
| 2     | Vinay Gupta         | 1*                                    | NIL                    | NIL                 |
| 3     | Virendra Singh Jain | NIL                                   | 500                    | 520                 |
| 4     | Neeru Abrol         | NIL                                   | NIL                    | NIL                 |
| 5     | Abhilash Lal        | NIL                                   | NIL                    | NIL                 |
| 6     | Romi Sehgal         | NIL                                   | 7,938                  | 1,15,427            |
| 7     | Anilkumar Bansal    | NIL                                   | 1,600                  | 10,000              |
| 8     | Ashok Kumar Gupta   | NIL                                   | NIL                    | NIL                 |
| 9     | Ameet Kumar Gupta   | NIL                                   | NIL                    | NIL                 |
| 10    | Rahul Gupta         | NIL                                   | NIL                    | 30,02,000           |

**b. Amalgamating Company 1**

| S.No. | Name         | Shareholding as on September 30, 2021 |                        |                     |
|-------|--------------|---------------------------------------|------------------------|---------------------|
|       |              | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1     | Sanjay Gupta | 1*                                    | NIL                    | 3,50,000            |
| 2     | Vinay Gupta  | 1*                                    | NIL                    | NIL                 |
| 3     | Neeru Abrol  | NIL                                   | NIL                    | NIL                 |
| 4     | Romi Sehgal  | NIL                                   | 7,938                  | NIL                 |



### c. Amalgamating Company 2

| S.No. | Name                 | Shareholding as on September 30, 2021 |                        |                     |
|-------|----------------------|---------------------------------------|------------------------|---------------------|
|       |                      | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1     | Vinay Gupta          | 1*                                    | NIL                    | NIL                 |
| 2     | Bharat Bhushan Sahny | NIL                                   | NIL                    | NIL                 |
| 3     | Neeru Abrol          | NIL                                   | NIL                    | NIL                 |
| 4     | Romi Sehgal          | NIL                                   | 7,938                  | 1,15,427            |
| 5     | Anilkumar Bansal     | NIL                                   | 1,600                  | 10,000              |
| 6     | Rahul Gupta          | NIL                                   | NIL                    | 30,02,000           |

*\*Share held in Amalgamating Company 1 in representative capacity*

### B. Promoter and Non-Promoter Members

C. The shareholding of promoter and promoter group shall be reduced from 36.84% to 33.26% approximately post issuance of shares as mentioned in the Scheme. Accordingly, public shareholding shall be increased from 63.16% to 66.74% approximately post issuance of shares. **Creditors**

The rights and interests of creditors (secured and unsecured) of the Amalgamated Company are not likely to be prejudicially affected as the Amalgamated Company is a company with high Net Worth and sound financial background. Further, no compromise is offered to any of the creditors of the Amalgamated Company nor their rights are sought to be modified in any manner and the Amalgamated Company undertakes to meet with all such liabilities in the regular course of business.

### D. Employees

The rights and interest of the Employees of the Amalgamated Company will not be prejudicially affected by the Scheme. The employees of the Amalgamating

Company 1 and Amalgamating Company 2 shall become the employees of the Amalgamated Company upon the Scheme becoming effective.

**E. Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee**

None of the Amalgamating Company 1, Amalgamating Company 2 and the Amalgamated Company has any depositors, debenture holders, deposit trustee or debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme.

**Report of the Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company**

Further a report of the Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company, explaining effect of the Scheme on each class of shareholders, KMP, promoters and non-promoter shareholders, forms part of this Notice and is annexed herewith as **Annexure VII**.

- xii. No investigation proceedings have been instituted or are pending in relation to the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company under the Companies Act, 2013 or erstwhile Companies Act, 1956.
- xiii. **Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending:**

The Amalgamated Company may be required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme such as the concerned Registrar of Companies, Regional Director and will obtain the same at the relevant time.

- xiv. **Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the detailed pre scheme and post scheme (expected) capital structure and shareholding pattern of Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 are given herein below:**

## A. Capital Structure

### a. Pre-scheme & Post-scheme capital structure of Amalgamated Company as on September 30, 2021:

#### Pre-scheme:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 37,50,00,000 Equity Shares of Rs.2/- each           | 75,00,00,000           |
| <b>Total</b>                                        | <b>75,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 24,97,92,000 Equity Shares of Rs.2/- each           | 49,95,84,000           |
| <b>Total</b>                                        | <b>49,95,84,000</b>    |

#### Post-scheme:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 48,50,00,000 Equity Shares of Rs.2/- each           | 97,00,00,000           |
| <b>Total</b>                                        | <b>97,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 27,66,52,000 Equity Shares of Rs.2/- each           | 55,33,04,000           |
| <b>Total</b>                                        | <b>55,33,04,000</b>    |

**b. Pre-scheme & Post-scheme shareholding pattern of Amalgamated Company as on September 30, 2021:**

| Category of shareholder                                      | No. of shares held  |                     | Total shareholding as a % of total no. of shares |                |
|--------------------------------------------------------------|---------------------|---------------------|--------------------------------------------------|----------------|
|                                                              | Pre-Scheme          | Post-Scheme         | Pre-Scheme                                       | Post-Scheme    |
| <b>Promoter and Promoter Group</b>                           | 9,20,23,870         | 9,20,23,870         | 36.84%                                           | 33.26%         |
| <b>Total shareholding of Promoter and Promoter Group (A)</b> | <b>9,20,23,870</b>  | <b>9,20,23,870</b>  | <b>36.84%</b>                                    | <b>33.26%</b>  |
| <b>Public Shareholding</b>                                   | 15,77,68,130        | 18,46,28,130        | 63.16%                                           | 66.74%         |
| <b>Total Public Shareholding (B)</b>                         | <b>15,77,68,130</b> | <b>18,46,28,130</b> | <b>63.16%</b>                                    | <b>66.74%</b>  |
| <b>Total (A)+(B)</b>                                         | <b>24,97,92,000</b> | <b>27,66,52,000</b> | <b>100.00%</b>                                   | <b>100.00%</b> |



c. **Pre-scheme & Post-scheme capital structure of Amalgamating Company 1 as on September 30, 2021:**

**Pre-scheme:**

| Particulars                                         | Amount (in Rs.)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 70,00,000 Equity Shares of INR 10/- each            | 7,00,00,000        |
| <b>Total</b>                                        | <b>7,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |
| 58,95,000 Equity Shares of INR 10/- each            | 5,89,50,000        |
| <b>Total</b>                                        | <b>5,89,50,000</b> |

d. **Pre-scheme & Post-scheme shareholding pattern of Amalgamating Company 1 as on September 30, 2021:**

**Pre-Scheme:**

| Category Code | Category of Shareholders                      | Pre Scheme Shareholding Pattern |                                  |
|---------------|-----------------------------------------------|---------------------------------|----------------------------------|
|               |                                               | Total No. of Shares             | As a percentage of total Capital |
| (A)           | <b>Promoter and Promoter Group</b>            | <b>5,895,000</b>                | <b>100.00%</b>                   |
|               | <i>APL Apollo Tubes Limited</i>               | <i>5,895,000</i>                | <i>100.00%</i>                   |
| (B)           | <b>Public Shareholders</b>                    | -                               | <b>0.00%</b>                     |
| (C)           | <b>Non-Promoter Non - Public Shareholders</b> | -                               | <b>0.00%</b>                     |
|               | <b>TOTAL (A) + (B) + (C)</b>                  | <b>5,895,000</b>                | <b>100.00%</b>                   |

**Post-scheme** capital structure and shareholding pattern of the Amalgamating Company 1 is not applicable, as the Amalgamating Company 1 shall be dissolved upon the Scheme becoming effective.

e. Pre-scheme & Post-scheme capital structure of Amalgamating Company 2 as on September 30, 2021:

| Particulars                                         | Amount (in Rs.)     |
|-----------------------------------------------------|---------------------|
| <b>Authorised Share Capital</b>                     |                     |
| 7,50,00,000 Equity Shares of Rs.2/- each            | 15,00,00,000        |
| <b>Total</b>                                        | <b>15,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                     |
| 6,08,00,000 Equity Shares of Rs.2/- each            | 12,16,00,000        |
| <b>Total</b>                                        | <b>12,16,00,000</b> |

f. Pre-scheme & Post-scheme shareholding pattern of Amalgamating Company 2 as on September 30, 2021:

**Pre-Scheme:**

| Category of shareholder                                      | No. of shares held | Total shareholding as a % of total no. of shares |
|--------------------------------------------------------------|--------------------|--------------------------------------------------|
| <b>Promoter and Promoter Group</b>                           | 3,39,40,000        | 55.82%                                           |
| <b>Total shareholding of Promoter and Promoter Group (A)</b> | <b>3,39,40,000</b> | <b>55.82%</b>                                    |
| <b>Public Shareholding</b>                                   | 2,68,60,000        | 44.18%                                           |
| <b>Total Public Shareholding (B)</b>                         | <b>2,68,60,000</b> | <b>44.18%</b>                                    |
| <b>Total (A)+(B)</b>                                         | <b>60,800,000</b>  | <b>100.00%</b>                                   |

**Post-scheme** capital structure and shareholding pattern of the Amalgamating Company 2 is not applicable, as the Amalgamating Company 2 shall be dissolved upon the Scheme becoming effective.

7. The copy of Scheme of Amalgamation and Arrangement has been filed with the Registrar of Companies, Delhi.
8. No winding up proceedings or proceedings under the Insolvency and Bankruptcy Code are pending against the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company as on date.
9. The certificate is issued by the Statutory Auditor of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company to the effect that the accounting treatment, proposed in the Scheme is in conformity with the applicable Accounting Standards/Indian Accounting Standards prescribed under the Companies Act, 2013 read with relevant rules thereto. The auditor's certificate stated above is available for inspection.
10. National Stock Exchange of India Limited vide its observation letter issued to Amalgamated Company dated August 02, 2021 had provided, *inter alia*, below comments on the Scheme:-

*“The Company shall ensure that following information pertaining to the promoters of APL Apollo Tubes Limited is brought to the notice of shareholders and Hon’ble NCLT:*

*i. SEBI had vide orders dated June 23, 2020, restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of two years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.”*

It may be noted that the operation of the said SEBI orders have since been stayed by the Hon’ble Securities Appellate Tribunal vide orders dated July 14, 2020 on the respective appeals filed by the above promoters.

11. The following documents will be open for inspection by the secured creditors electronically up to the date of the ensuing Meeting and during the Meeting hours and physically at the Registered Office of Amalgamated Company situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 on all working days except Saturdays and Sundays between 11:00 A.M. IST and 1:00 P.M. IST up to the date of the ensuing Meeting:

**(I) Annexures to this Notice:**

- a. **Annexure-I** - Scheme of Amalgamation and Arrangement between Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited and their respective shareholders and creditors
- b. **Annexure-II** – Copy of order of the Hon’ble National Company Law Tribunal in pursuance of which the meeting is being convened
- c. **Annexure-III** - Valuation Report issued by SSPA & Co., Chartered Accountants dated February 27, 2021
- d. **Annexure-IV** - Fairness Opinion issued by Fortress Capital Management Services Private Limited dated February 27, 2021
- e. **Annexure-V** - Complaints Report dated July 07, 2021 submitted to BSE Limited by Amalgamating Company 2 and Amalgamated Company and Complaints Report dated July 22, 2021 submitted to National Stock Exchange of India Limited by Amalgamated Company.
- f. **Annexure-VI** – Observation Letters both dated August 02, 2021 obtained from BSE Limited and National Stock Exchange of India Limited
- g. **Annexure-VII** – Report adopted by the Board of Directors Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as per the provisions of Section 232(2)(c) of the Companies Act, 2013
- h. **Annexure-VIII** - Copy of audited financial statements of Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as at March 31, 2021



- i. **Annexure-IX** - Copy of limited reviewed financial statements of Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited (provisional) as on September 30, 2021 and management certified financial statements (provisional) of Shri Lakshmi Metal Udyog Limited as on September 30, 2021
- j. **Annexure-X** - Information in the format prescribed for abridged prospectus pertaining to the unlisted entity i.e., Shri Lakshmi Metal Udyog Limited involved in the Scheme as provided in Part E of Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

**(II) Other documents:**

- a. Copy of the Statutory Auditors' certificate of Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company to the effect that the accounting treatment in the Scheme of Amalgamation and Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013
- b. Copies of the Memorandum of Association, Articles of Association and Certificate of Incorporation of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company
- c. Copy of Audit Committee Report dated February 27, 2021 of Amalgamated Company recommending Scheme of the Amalgamated Company
- d. Copy of Audit Committee Report dated February 27, 2021 of Amalgamated Company recommending Scheme of the Amalgamating Company
- e. Copy of Committee of Independent Directors Report dated February 27, 2021 of Amalgamated Company and Amalgamated Company recommending Scheme of the Amalgamated Company
- f. Copy of Committee of Independent Directors Report dated February 27, 2021 of Amalgamated Company recommending Scheme of the Amalgamating Company

- g. Copies of the resolutions passed by the respective Board of Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company on February 27, 2021 approving the Scheme
- h. A copy of the Scheme of Amalgamation and Arrangement and Explanatory Statement may also be obtained from the Registered Office of the Amalgamated Company and / or at the office of the Advocate at Agarwal Law Associates, 34, FF, Babar Lane, Bengali Market, New Delhi-110001.

Sd/-

Ms. Deepa Krishan

**Former Member (Technical) NCLT**

**The Chairperson appointed for the Meeting**

**Date : 27<sup>th</sup> day of December, 2021**

**Place : Delhi**

**Registered Office:**

37, Hargobind Enclave,

Vikas Marg, Delhi – 110092

India

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**SCHEME OF AMALGAMATION AND ARRANGEMENT**

**OF**

**SHRI LAKSHMI METAL UDYOG LIMITED  
(AMALGAMATING COMPANY 1)**

**AND**

**APOLLO TRICOAT TUBES LIMITED  
(AMALGAMATING COMPANY 2)**

**WITH**

**APL APOLLO TUBES LIMITED  
(AMALGAMATED COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE  
COMPANIES ACT, 2013**

## PREAMBLE

### 1. DESCRIPTION OF THE AMALGAMATING COMPANIES AND THE AMALGAMATED COMPANY

- 1.1. Shri Lakshmi Metal Udyog Limited (**hereinafter referred to as “Shri Lakshmi” or “Amalgamating Company 1”**) was incorporated on the 25<sup>th</sup> day of April 1994 as a company limited by shares. The Corporate Identification Number of Amalgamating Company 1 is U85110DL1994PLC224835.

The Registered Office of Amalgamating Company 1 is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having permanent account number (‘PAN’) as AAHCS9174M. Email id of its authorized representative is comsec@aplapollo.com.

Amalgamating Company 1 is primarily engaged in the business of production of ERW steel tubes and GP coils.

- 1.2. Apollo Tricoat Tubes Limited (**hereinafter referred to as “Apollo Tricoat” or “Amalgamating Company 2”**) was incorporated on the 12<sup>th</sup> day of January 1983 as a company limited by shares. The Corporate Identification Number of Amalgamating Company 2 is L74900DL1983PLC014972. The equity shares of Amalgamating Company 2 are listed on BSE Limited.

The Registered Office of Amalgamating Company 2 is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having PAN as AAFCP5174L. Email id of its authorized representative is surbhiarora@apollotricoat.com.

Amalgamating Company 2 is primarily engaged in business of production of steel designer roofing, fencing, steel door-frames, designer hand railing etc.

- 1.3. APL Apollo Tubes Limited (**hereinafter referred to as “APL Apollo” or “Amalgamated Company”**), was incorporated on the 24<sup>th</sup> day of February 1986 as a company limited by shares. The Corporate Identification Number of Amalgamated Company is L74899DL1986PLC023443. The equity shares of APL Apollo are listed on National Stock Exchange of India Limited (hereinafter called ‘NSE’) and BSE Limited (hereinafter called ‘BSE’)



The Registered Office of Amalgamated Company is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having PAN as AAACB0906D. Email id of its authorized representative is comsec@aplapollo.com.

Amalgamated Company is primarily engaged in in the business of production of ERW steel tubes.

## **2. DESCRIPTION OF THE SCHEME**

2.1 This Scheme (as defined hereunder) provides, inter alia, for:

(i) the amalgamation of Amalgamating Companies (as defined hereunder) into Amalgamated Company, by way of merger by absorption and dissolution of Amalgamating Companies without winding up and cancellation of shares in Amalgamating Companies and consequent issuance of Amalgamated Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to Eligible Members (as defined hereunder), in respect of each share of the Amalgamating Company 2 held by them in accordance with this Scheme ("Amalgamation"); and

(ii) various other matters incidental, consequential or otherwise integrally connected therewith, including increase in the share capital of Amalgamating Companies

pursuant to Sections 230 to 232 and other relevant provisions of The Act (as defined hereunder) in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder).

2.2 Amalgamation of Amalgamating Companies into Amalgamated Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the IT Act such that, inter alia:

- (i) all the properties of Amalgamating Companies, immediately before Amalgamation, shall become the properties of Amalgamated Company, by virtue of Amalgamation;
- (ii) all the liabilities of Amalgamating Companies, immediately before Amalgamation, shall become the liabilities of Amalgamated Company, by virtue of Amalgamation; and

- (iii) shareholders holding at least three fourths in value of the shares in Amalgamating Companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, Amalgamated Company or its subsidiary), will become shareholders of Amalgamated Company by virtue of Amalgamation.

### **3. PURPOSE AND RATIONALE FOR THE SCHEME OF AMALGAMATION AND ARRANGEMENT**

This scheme of amalgamation and arrangement (“**Scheme**” or “**the Scheme**” or “**this Scheme**”) provides for amalgamation of Amalgamating Company 1 and Amalgamating Company 2 (**Collectively referred to as “Amalgamating Companies”**) into and with Amalgamated Company in the manner set out in the Scheme, in accordance with sections 230 to 232 and other applicable provisions of The Act (as defined hereunder) and the rules or regulations framed thereunder.

Amalgamating Company 1 is a wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is a subsidiary of Amalgamating Company 1. The Scheme seeks to undertake the amalgamation of Amalgamating Company 1 and Amalgamating Company 2 with Amalgamated Company.

The proposed amalgamation of Amalgamating Companies with Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- (a) Combined business under “APL Apollo” brand resulting in wider product offerings and geographical footprint thereby leading to a stronger market presence which is best suitable for long term growth market;
- (b) Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of Amalgamated Company;
- (c) Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
- (d) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;

- (e) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of Amalgamated Company; and
- (f) Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

The Scheme would, thus, have beneficial results for Amalgamating Companies and Amalgamated Company, their shareholders, and all concerned and will not be prejudicial to the interests of any concerned shareholders or general public at large.

Under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured of Amalgamating Companies and/or Amalgamated Company. No compromise is offered under this Scheme to any of the creditors of Amalgamating Companies and/or Amalgamated Company. The liability of the creditors of Amalgamating Companies and/or Amalgamated Company, under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by Amalgamated Company in its ordinary course of business.

Accordingly, to achieve the above objectives, the Board of Directors of Amalgamating Companies and Amalgamated Company have considered and proposed to make requisite application(s) and/or petition(s) before the NCLT (as defined hereunder), New Delhi under sections 230 to 232 and other applicable provisions of The Act (as defined hereunder) (as may be in force) for the sanction of this Scheme to amalgamate Amalgamating Companies into and with Amalgamated Company.

#### **4. PARTS OF THE SCHEME OF AMALGAMATION AND ARRANGEMENT**

The Scheme is divided into the following parts:

**Part I**, which deals with the definitions and interpretations of the terms used in the Scheme; the Effective Date of the Scheme; and the Share Capital of Amalgamating Companies and Amalgamated Company;

**Part II**, deals with amalgamation of Amalgamating Companies with APL Apollo in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable;

**Part III**, which deals with the consideration, changes in share capital and matters relating to accounting;

**Part IV**, which deals with the general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



## PART – I

### 5. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following words and expressions shall have the following meaning:

- 5.1 **“Act” or “The Act”** means the Companies Act, 2013, to the extent applicable, including the rules and regulations made thereunder and will include circulars, notifications, guidelines and any statutory modifications, re-enactments and / or amendments thereof for the time being in force;
- 5.2 **“Amalgamating Companies”** means Shri Lakshmi and Apollo Tricoat collectively, which are proposed to be amalgamated into APL Apollo;
- 5.3 **“Amalgamating Company 2 Shares”** means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- 5.4 **“Amalgamated Company”** means APL Apollo;
- 5.5 **“Amalgamated Company Shares”** means fully paid up equity shares of Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- 5.6 **“Applicable Laws”** mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;
- 5.7 **“Appointed Date”** means the 1<sup>st</sup> day of April, 2021 or such other date as may be fixed by the Hon’ble NCLT of judicature at Delhi, or such other competent authority, as may be applicable;
- 5.8 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and

Exchange Board of India, Stock Exchanges, Regional Director, Official Liquidator, Registrar of Companies and National Company Law Tribunal;

- 5.9 **“Board of Directors” or “Board”** means the Board of Directors of Amalgamating Companies or Amalgamated Company, as the case may be and includes any committee thereof or persons authorised by the Board or committee thereof;
- 5.10 **“BSE”** means BSE Limited;
- 5.11 **“Effective Date”** means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by Amalgamated Company and Amalgamating Companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";
- 5.12 **“Eligible Member”** shall mean each person (other than Shri Lakshmi) whose name appears in the register of members of Amalgamating Company 2 and/or whose name appears as the beneficial owner of Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time;
- 5.13 **“IT Act”** shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;
- 5.14 **“IND-AS”** means the accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended
- 5.15 **“Intellectual Property Rights”** means rights of any patent, copyright, trademark or service mark, trade secret, trade dress and packaging material and styles, logos, colour schemes, product registrations owned by or licensed to Amalgamating Companies or any other proprietary rights protection legally available under common law or otherwise.
- 5.16 **“NCLT” or “Tribunal”** means the National Company Law Tribunal, New Delhi or any other Bench of the NCLT having jurisdiction in relation to both Amalgamating Companies and Amalgamated Company;
- 5.17 **“NSE”** means the National Stock Exchange of India Limited;

- 5.18 **“Record date”** shall mean the date fixed by the respective Board of Amalgamating Company 2 and Amalgamated Company for the purpose of determining the shareholders of Amalgamating Company 2 to whom Amalgamated Company Shares shall be allotted under this Scheme;
- 5.19 **“Record Time”** means 6:00 pm (Indian Time) on the Record Date;
- 5.20 **“Scheme of Amalgamation and Arrangement”** or **“Scheme”** means this scheme of amalgamation and arrangement involving the amalgamation of Amalgamating Companies with Amalgamated Company as approved, with or without any amendments/modifications;
- 5.21 **“SEBI”** means Securities and Exchange Board of India;
- 5.22 **“SEBI Circular”** means the circular issued by the SEBI, being Circular Ref. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and any amendments thereof or modifications issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI LODR”**);
- 5.23 **“Share Exchange Ratio”** shall have the meaning ascribed to it in Clause 16.2;
- 5.24 **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited.

#### **EXPRESSIONS NOT DEFINED IN THIS SCHEME**

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

#### **6. DATE OF COMING INTO EFFECT**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall come into legal operation from the Appointed Date, but the same shall become effective on and from the Effective Date.

## 7. DETAILS OF SHARE CAPITAL, DIRECTORS AND PROMOTERS

### 7.1 Shri Lakshmi Metal Udyog Limited ('Shri Lakshmi' or 'Amalgamating Company 1')

7.1.1 The share capital of Amalgamating Company 1 as on December 31, 2020 is as under:

| Particulars                                         | (Amount in INR)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 70,00,000 Equity Shares of INR 10/- each            | 7,00,00,000        |
| <b>Total</b>                                        | <b>7,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |
| 58,95,000 Equity Shares of INR 10/- each            | 5,89,50,000        |
| <b>Total</b>                                        | <b>5,89,50,000</b> |

Subsequent to December 31, 2020 and till the date of the Scheme being approved by the Board of Directors of Amalgamating Company 1, there has been no change in the issued, subscribed or paid up capital of Amalgamating Company 1.

The entire paid up share capital of Amalgamating Company 1 is held by Amalgamated Company and its nominees.

### 7.1.2 List of directors as on date

| S. No. | Name         | Address                                                             | DIN No.  | Date of Appointment |
|--------|--------------|---------------------------------------------------------------------|----------|---------------------|
| 1      | Sanjay Gupta | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                    | 00233188 | 28/04/2008          |
| 2      | Vinay Gupta  | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                    | 00005149 | 29/09/2009          |
| 3      | Neeru Abrol  | K-3 Lajpat Nagar –III, New Delhi-110024                             | 01279485 | 08/11/2019          |
| 4      | Romi Sehgal  | E-103, The Residency, Ardee City, Sector 5, Gurgaon, Haryana-122003 | 03320454 | 24/05/2018          |



### 7.1.3 List of promoters as on date

| S. No. | Name                 | Address                                              |
|--------|----------------------|------------------------------------------------------|
| 1      | APL Apollo Tubes Ltd | 37, Hargobind Enclave, Vikas Marg, Delhi –<br>110092 |

## 7.2 Apollo Tricoat Tubes Limited ('Apollo Tricoat' or 'Amalgamating Company 2')

7.2.1 The share capital of Amalgamating Company 2 as on December 31, 2020 is as under:

| Particulars                                         | (Amount in INR)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 3,25,00,000 Equity Shares of INR 2/- each           | 6,50,00,000        |
| <b>Total</b>                                        | <b>6,50,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |
| 3,04,00,000 Equity Shares of INR 2/- each           | 6,08,00,000        |
| <b>Total</b>                                        | <b>6,08,00,000</b> |

Subsequent to December 31, 2020 and till date of the Scheme being approved by the Board of Directors of Amalgamating Company 2, there has been no change in the issued, subscribed or paid up capital of Amalgamating Company 2.

Amalgamating Company 1 holds 55.82% in paid up share capital of Amalgamating Company 2.

### 7.2.2 List of directors as on date

| S. No. | Name        | Address                                             | DIN No.  | Date of Appointment |
|--------|-------------|-----------------------------------------------------|----------|---------------------|
| 1      | Rahul Gupta | G-8, Maharani Bagh, Phase I,<br>Delhi-110065        | 07151792 | 04/05/2018          |
| 2      | Vinay Gupta | 106, Hargobind Enclave, Vikas<br>Marg, Delhi 110092 | 00005149 | 23/10/2020          |

| S. No. | Name                 | Address                                                                   | DIN No.  | Date of Appointment |
|--------|----------------------|---------------------------------------------------------------------------|----------|---------------------|
| 3      | Bharat Bhushan Sahny | B-22, Dayanand Colony,<br>Lajpat Nagar- 4, New Delhi-<br>110024           | 00014334 | 28/02/2014          |
| 4      | Neeru Abrol          | K-3, Lajpat Nagar-3, Delhi-<br>110024                                     | 01279485 | 20/01/2020          |
| 5      | Romi Sehgal          | E-103, The Residency, Adree<br>City, Sector 52 Gurgaon,<br>Haryana 122003 | 03320454 | 01/02/2020          |
| 6      | Anilkumar Bansal     | S-34, Greater Kailash-II,<br>Delhi-110048                                 | 06752578 | 11/06/2018          |

### 7.2.3 List of promoters as on date

| S. No. | Name                             | Address                                              |
|--------|----------------------------------|------------------------------------------------------|
| 1      | Shri Lakshmi Metal Udyog Limited | 37, Hargobind Enclave, Vikas Marg, Delhi –<br>110092 |
| 2      | Rahul Gupta                      | G-8, Maharani Bagh, Phase I, Delhi-110065            |

### 7.3 APL Apollo Tubes Ltd ('APL Apollo' or 'Amalgamated Company')

7.3.1 The share capital of Amalgamated Company as on December 31, 2020 is as under

| Particulars                                          | (Amount in INR)     |
|------------------------------------------------------|---------------------|
| <b>Authorised Share Capital</b>                      |                     |
| 22,50,00,000 Equity Shares of INR 2/- each           | 45,00,00,000        |
| <b>Total</b>                                         | <b>45,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital*</b> |                     |
| 12,47,84,125 Equity Shares of INR 2/- each           | 24,95,68,250        |
| <b>Total</b>                                         | <b>24,95,68,250</b> |

Subsequent to December 31, 2020 and till the date of Scheme being approved by the Board of Directors of Amalgamated Company, there has been no change in the issued, subscribed or paid up capital of Amalgamated Company.

*\* Certain employee stock options granted to the employees of APL Apollo may get exercised before the effectiveness of the Scheme, as the case may be. The details of the unexercised employee stock options (net of cancellation) of employees of APL Apollo as on December 31, 2020 are set out below:*

| <b>Unexercised Employee Stock Options</b>                         | <b>(Amount in INR)</b> |
|-------------------------------------------------------------------|------------------------|
| 5,49,875 options entitling equivalent Equity Shares of INR 2 each | 10,99,750              |
| <b>Total</b>                                                      | <b>10,99,750</b>       |

### 7.3.2 List of directors as on date

| <b>S. No.</b> | <b>Name</b>         | <b>Address</b>                                                       | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|---------------------|----------------------------------------------------------------------|----------------|----------------------------|
| 1             | Sanjay Gupta        | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                     | 00233188       | 02/09/2003                 |
| 2             | Vinay Gupta         | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                     | 00005149       | 16/05/2008                 |
| 3             | Virendra Singh Jain | B-12, 'Saket', 2nd Floor Gyan Bharti School Lane, South Delhi-110017 | 00253196       | 28/01/2017                 |
| 4             | Neeru Abrol         | K-3 Lajpat Nagar –III, New Delhi-110024                              | 01279485       | 24/03/2015                 |
| 5             | Abhilash Lal        | H. No. C-192, DLF Ph-2, Belvedere Park Towers, Gurgaon-122002        | 03203177       | 12/02/2014                 |
| 6             | Romi Sehgal         | E-103, The Residency, Ardee City, Sector 5, Gurgaon,                 | 03320454       | 13/08/2016                 |

| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                               | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|----------------------|----------------------------------------------|----------------|----------------------------|
|               |                      | Haryana -122003                              |                |                            |
| 7             | Anilkumar Bansal     | S-34, Greater Kailash, New<br>Delhi – 110048 | 06752578       | 04/08/2014                 |
| 8             | Ashok Kumar<br>Gupta | C-380, Yojna Vihar, Delhi,<br>110092         | 01722395       | 19/10/2011                 |

### 7.3.3 List of promoters as on date

| <b>S. No.</b> | <b>Name</b>                        | <b>Address</b>                                                                     |
|---------------|------------------------------------|------------------------------------------------------------------------------------|
| 1             | Sanjay Gupta                       | 106, Hargobind Enclave, Vikas Marg, Delhi 110<br>092                               |
| 2             | Veera Gupta                        | C-380, Yojna Vihar, Delhi, 110092, Delhi                                           |
| 3             | Rahul Gupta                        | G-8, Maharani Bagh, Phase I, Delhi-110065                                          |
| 4             | Rohan Gupta                        | 106, Hargobind Enclave, Vikas Marg, Delhi 110<br>092                               |
| 5             | APL Infrastructure Private Limited | 36, Kaushambi, Near Anand Vihar Terminal<br>behind Wave Cinema Ghaziabad UP 201010 |
| 6             | Ashok Kumar Gupta                  | C-380, Yojna Vihar, Delhi, 110092                                                  |



**PART – II**  
**AMALGAMATION OF SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO**  
**TRICOAT TUBES LIMITED WITH AND INTO**  
**APL APOLLO TUBES LIMITED**

**8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES**

8.1 Upon the coming into effect of this Scheme and with effect from Appointed Date (after giving effect to the clause 8 of this Scheme), Amalgamating Companies shall, pursuant to the provisions of Sections 230 to 232 of the Act and sanction of this Scheme by Tribunal and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in Amalgamated Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of Amalgamating Companies along with all the rights, title, interest or obligations of Amalgamating Companies therein become that of Amalgamated Company.

8.2 Without prejudice to sub-clause 8.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows

(a) All the movable assets including investments, cash in hand, bank balances and deposits any, of Amalgamating Companies capable of being transferred by delivery, shall be handed over by physical delivery to Amalgamated Company along with such other documents as may be necessary towards the end and intent that the property therein passes to Amalgamated Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Amalgamated Company accordingly.

(b) All debts, loans and advances recoverable in cash or in kind or for value to be received, if any, with Government, Customs, Port, local and other authorities and bodies, customers and other persons, outstanding and receivables of Amalgamating Companies other than the movable assets specified in sub-clause (a) above, shall on and from Appointed Date stand transferred to and vested in Amalgamated Company without any notice or other intimation to the debtors (although Amalgamated Company may, if so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in Amalgamated Company), and the

debtors shall be obliged to make payments to Amalgamated Company on and after the Effective Date.

- (c) All immovable properties including land together with the buildings and structures standing thereon or under construction (whether free hold, leasehold, leave and licensed or otherwise, including tenancies in relation to warehouses, office space and guest houses and residential premises occupied by the staff and employees of Amalgamating Companies), and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties of Amalgamating Companies, if any, shall be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in Amalgamated Company and shall belong to Amalgamated Company in the same and like manner as was entitled to Amalgamating Companies. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Amalgamated Company. Any inchoate title or possessory title of Amalgamating Companies shall be deemed to be the title of Amalgamated Company.

For purposes of taking on record the name of Amalgamated Company in the records of the Governmental Authorities in respect of transfer of immovable properties to Amalgamated Company pursuant to this Scheme, the Boards of Directors of Amalgamating Companies and Amalgamated Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license (as the case may be) by Amalgamating Companies in favor of Amalgamated Company.

- (d) All the licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated, Goods and Services Tax Credit, Integrated Goods and Services Tax Credit, Central Goods and Services Tax Credit, State Goods and Services Tax Credit and Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, other tax exemptions and/or deferments, amount of tax deposited under protest, bonds with the custom authorities), concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by Amalgamating Companies and all rights and benefits that have accrued or which may accrue to Amalgamating Companies, whether before or after the Appointed Date,

shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Amalgamated Company so as to become as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives (including Goods and Services Tax, 2017, Integrated Goods and Services Tax, 2017, Central Goods and Services Tax, 2017, State Goods and Services Tax, 2017 and Cenvat credit, service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, concessions, rights, claims, leases, tenancy rights, special status and other benefits or privileges) of Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.

- (e) All assets and properties including memberships, franchises, rights, permissions, quotas, rights, entitlements, licenses, certificate of registrations, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, of Amalgamating Companies as on the Appointed Date, whether or not included in the books of Amalgamating Companies, shall be deemed to be and shall become the assets and properties of Amalgamated Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in Amalgamated Company upon the coming into effect of this Scheme.
- (f) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which Amalgamating Companies are a party or to the benefit of which Amalgamating Companies may be eligible or for the obligations of which Amalgamating Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of Amalgamated Company and may be enforced as fully and effectually as if, instead of Amalgamating Companies, Amalgamated Company had been a party or beneficiary or obligee thereto.
- (g) All debts, liabilities, contingent liabilities, duties, indemnifications given pursuant to any agreement entered into by Amalgamating Companies and obligations of every kind, nature and description of Amalgamating Companies shall also, without any further act, instrument or deed, be transferred to or be deemed to be transferred to Amalgamated Company so as to become as and from Appointed Date the debts, liabilities, contingent

liabilities, duties and obligations of Amalgamated Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties, indemnifications and obligations have arisen, in order to give effect to the provisions of this sub-clause.

- (h) The transfer and vesting of Amalgamating Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of Amalgamating Companies. Provided however that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Amalgamated Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of Amalgamating Companies vested in Amalgamated Company.

Provided further that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Amalgamating Companies which shall vest in Amalgamated Company by virtue of the amalgamation of Amalgamating Companies with Amalgamated Company and Amalgamated Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- (i) Without prejudice to the provisions of the foregoing clauses, Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional registrar of companies to give formal effect to the above provisions, if required.
- (j) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this clause.
- (k) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of



sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

- 8.3 Without prejudice to the other provisions of this Scheme, Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Amalgamating Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Amalgamated Company shall, under the provisions of Clause 8 of this Scheme, be deemed to be authorised to execute any such writings as a successor of Amalgamating Companies and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Companies to be carried out or performed.
- 8.4 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of Amalgamating Companies shall stand transferred to Amalgamated Company as if the same were originally given by, issued to or executed in favour of Amalgamated Company, and Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Amalgamated Company. Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.
- 8.5 Where any of the liabilities and obligations of Amalgamating Companies as on the Appointed Date, deemed to have been transferred to Amalgamated Company have been discharged by Amalgamating Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Amalgamated Company and all loans raised and used and all liabilities and obligations incurred by Amalgamating Companies for the operation of Amalgamating Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of Amalgamated Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, be and shall stand transferred to Amalgamated Company and shall become its liabilities and obligations from such date.

## **9. BUSINESS AND PROPERTY IN TRUST**

Upon the coming into effect of the Scheme and from the Appointed Date and up to and including the Effective Date:

- (a) Amalgamating Companies shall carry on and be deemed to have carried on the business and activities and shall stand possessed of all the assets and properties, in trust for Amalgamated Company and shall account for the same to Amalgamated Company.
- (b) Any income or profit accruing or arising to Amalgamating Companies, as the case may be, and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by Amalgamating Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of Amalgamated Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to Amalgamating Companies shall be deemed to have been exercised by Amalgamating Companies for and on behalf of and as agent for Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Amalgamating Companies that have been undertaken or discharged by Amalgamating Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for Amalgamated Company.
- (d) All the acts done by Amalgamating Companies after the Appointed Date shall be done in trust for and on behalf of Amalgamated Company.

## **10. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE**

10.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) Amalgamating Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto.
- (b) Amalgamating Companies shall not alter or substantially expand the business except with the written concurrence of Amalgamated Company.
- (c) Amalgamating Companies shall not, without the written concurrence of Amalgamated Company, transfer, alienate, charge, mortgage or encumber any of its assets or properties, except in the ordinary course of business or pursuant to any pre-existing

obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Amalgamating Companies.

- (d) Amalgamating Companies shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, save and except, in each case, in the following circumstances:
  - i. If the same is in the ordinary course of business as carried on by Amalgamating Companies as on the date of filing this Scheme with Tribunal; or
  - ii. If the written consent of Amalgamated Company, as the case may be, has been obtained.
  
- (e) Amalgamating Companies shall be entitled, pending the sanction of the Scheme by Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Amalgamated Company may require to own and carry on the business of Amalgamating Companies.

10.2 On the Effective Date but with effect from the Appointed Date, Amalgamated Company shall be authorized to carry on the businesses carried on by Amalgamating Companies

## **11. COMPLIANCE WITH TAX LAWS**

This provisions of this Scheme as they relate to the amalgamation of Amalgamating Companies into and with Amalgamated Company, have been drawn up to comply with the conditions relating to “Amalgamation” as defined under the income-tax laws, specifically section 2(1B) of IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the income-tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments as may become necessary shall vest with the Board of Amalgamated Company, which power shall be exercised reasonably in the best interests of the companies and their stakeholders, and which power can be exercised at any time, whether before or after the Effective Date.

## **12. LEGAL AND TAXATION PROCEEDINGS**

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against Amalgamating Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, Amalgamated Company.
  
- (ii) Amalgamated Company shall have all legal, taxation or other proceedings initiated by or against Amalgamating Companies referred to in Clause 12 (i) above transferred to its name as soon as is reasonably possible after the Appointed Date and to have the same continued, prosecuted and enforced by or against Amalgamated Company, as a successor of Amalgamating Companies.

## **13. CONTRACTS AND DEEDS**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which Amalgamating Companies is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of Amalgamated Company, as the case may be, and may be enforced by or against Amalgamated Company as fully and effectually as if, instead of Amalgamating Companies, Amalgamated Company had been a party thereto. Amalgamated Company may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Amalgamating Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. Amalgamated Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Amalgamating Companies and to implement or carry out all formalities required on the part of Amalgamating Companies to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between Amalgamating Companies and Amalgamated Company, as on the Effective Date shall stand cancelled and cease to operate in Amalgamated Company.



#### **14. STAFF AND EMPLOYEES**

- 14.1 On the Scheme coming into effect, all staff and employees of Amalgamating Companies in service on such date shall be deemed to have become staff and employees of Amalgamated Company without any break, discontinuance or interruption in their service and on the basis of continuity of service and the terms and conditions of their employment with Amalgamated Company shall not be less favourable than those applicable to them with reference to Amalgamating Companies on the Effective Date.
- 14.2 Upon the Scheme coming into effect, the existing balances of Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, created by Amalgamating Companies for its employees shall be transferred to Amalgamated Company. Amalgamating Companies shall take all steps necessary for the transfer of balances, where applicable, of the Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, to Amalgamated Company. All obligations of Amalgamating Companies with regard to the said fund or funds as defined in the relevant rules shall be taken over by Amalgamated Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of Amalgamating Companies in relation to such Fund or Funds shall become those of Amalgamated Company and all the rights, duties and benefits of the employees employed in Amalgamating Companies under such Funds shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of Amalgamating Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

#### **15. TREATMENT OF TAXES**

- 15.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, State Sales Tax laws, Central Sales Tax Act, 1956, Central Excise Act 1944, Service Tax laws, Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017 and Central Goods and Services Tax Act, 2017 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as “Tax Laws”) allocable or related to the business of Amalgamating Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Amalgamated Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, withholding tax, service tax and any tax credit entitlements as on the date immediately preceding the Appointed Date will also be transferred to the account of e Amalgamated Company. Any

refund under the Tax Laws due to Amalgamating Companies consequent to the assessments made on Amalgamating Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Amalgamated Company.

- 15.2 All taxes (including income tax, sales tax, Goods and Services tax, CENVAT, excise, customs duty, service tax, VAT, etc) paid or payable by Amalgamating Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of Amalgamated Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, goods and services tax, custom duty, income tax, service tax, excise, value added tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, by Amalgamating Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.
- 15.3 Amalgamated Company is expressly permitted to file/ revise its income tax, wealth tax, Goods and Services tax, VAT, sales tax, excise, CENVAT and other statutory returns, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. However, upon the Scheme becoming effective subsequently, Amalgamated Company shall have the right to revise and consolidate its financial statements and returns along with prescribed forms, filings and applications/ annexures under the IT Act, indirect taxes and other Tax Laws. Amalgamated Company is expressly permitted to amend TDS/ TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/ duties paid by Amalgamating Companies shall be deemed to be the taxes/ duties paid by Amalgamated Company and Amalgamated Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of Amalgamating Companies.
- 15.4 All tax assessment proceedings / appeals of whatsoever nature by or against Amalgamating Companies pending and/or arising at the Appointed Date and relating to Amalgamating Companies shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against Amalgamated Company in the same manner and to the

same extent as would or might have been continued and enforced by or against Amalgamating Companies.

Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of Amalgamating Companies with Amalgamated Company or anything contained in the Scheme.

Furthermore, on or after the Effective Date, all rights, entitlements and powers to revise returns and filings of Amalgamating Companies under the tax laws, and to claim refunds and/or credits for the taxes paid, etc. and for matters incidental thereto, shall be available to and vest with Amalgamated Company.

- 15.5 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by Amalgamating Companies on or after Appointed Date shall be deemed to be made by Amalgamated Company.

### PART - III

#### 16. CONSIDERATION

- 16.1 Since Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, upon the Scheme becoming effective, all the equity shares held by Amalgamated Company and its nominees in Amalgamating Company 1 shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of Amalgamated Company to the shareholders of Amalgamating Company 1 upon the Scheme being effective.
- 16.2 Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-
- “one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) of the Amalgamated Company to be issued and allotted to the Eligible Members of the Amalgamating Company 2 against one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in the Amalgamating Company 2.”*
- 16.3 Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in Amalgamated Company shall be made against those 55.82% of the total equity shares of Amalgamating Company 2.
- 16.4 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by Amalgamating Company 1 in Amalgamating Company 2 shall be deemed to be cancelled without any further act or deed for cancellation thereof by Amalgamated Company.
- 16.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of Amalgamating Company 2, the Board of Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date,



in order to remove any difficulties arising to the transferor of the shares in Amalgamating Company 2 and in relation to the shares issued by Amalgamated Company, after the effectiveness of the Scheme. The Board of Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Amalgamated Company on account of difficulties faced in the transaction period.

- 16.6 The issue and allotment of Amalgamated Company Shares by Amalgamated Company to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of The Act and any other applicable provisions of The Act were duly complied with.
- 16.7 Where Amalgamated Company Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of Amalgamating Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Amalgamated Company.
- 16.8 Promptly upon the issuance of Amalgamated Company Shares pursuant to this Clause 16, Amalgamated Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and the Stock Exchanges, for listing of such Amalgamated Company Shares. Immediately upon receipt of such approval, Amalgamated Company shall take all necessary steps to obtain trading approval for Amalgamated Company Shares. Amalgamated Company shall ensure that steps for listing of Amalgamated Company Shares are completed, and trading of Amalgamated Company Shares commences within the period prescribed the time period under the SEBI Circular. Amalgamated Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.
- 16.9 Amalgamated Company Shares to be issued and allotted by Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank pari passu in all respects and shall have the same rights attached to the then existing equity shares of Amalgamated Company.
- 16.10 Amalgamated Company Shares shall be issued in dematerialized form to all Eligible Shareholders holding Amalgamating Company 2 Shares, in accordance with the Applicable Laws.

- 16.11 Amalgamated Company Shares to be issued by Amalgamated Company in respect of Amalgamating Company 2 Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by Amalgamated Company.

## **17. ACCOUNTING TREATMENT**

### **17.1 IN THE BOOKS OF AMALGAMATED COMPANY**

Upon the Scheme becoming effective Amalgamated Company shall account for the amalgamation of Amalgamating Companies in its books of account in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with Institute of Chartered Accountants of India Ind AS Technical Facilitation Group ('ICAI ITFG') Clarification as under:

- 17.1.1 All the assets, and liabilities in the books of Amalgamating Companies shall be recorded by Amalgamated Company in its books of account at their respective carrying amounts as appearing in the books of Amalgamating Companies. No adjustment shall be made to reflect fair values, or recognise any new assets or liabilities.
- 17.1.2 The identity of reserves shall be preserved and shall appear in the financial statements of Amalgamated Company, in the same form, in which they appeared in the financial statements of Amalgamating Companies.
- 17.1.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Amalgamating Companies and the Amalgamated Company as appearing in their books of account, if any, shall stand cancelled.
- 17.1.4 The carrying amount of investments in the equity shares of Amalgamating Company 1 to the extent held by Amalgamated Company and carrying amount of investments in the equity shares of Amalgamating Company 2 to the extent held by Amalgamating Company 1, shall stand cancelled pursuant to Clause 16 of this Scheme and there shall be no further obligation in that behalf.

- 17.1.5 Amalgamated Company shall credit the aggregate face value of equity shares issued by it to the Eligible Members of Amalgamating Company 2 pursuant to Clause 16.2 of this Scheme to the equity share capital account in its books of account.
- 17.1.6 The difference, if any, between the net assets transferred to Amalgamated Company pursuant Clause 17.1.1 as reduced by reserves recorded in Amalgamating Companies pursuant to Clause 17.1.2 and after giving effect to adjustments mentioned in Clause 17.1.3 and Clause 17.1.4 and Clause 17.1.5, shall be adjusted in accordance with Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with ICAI ITFG Clarification.
- 17.1.7 In case of any differences in the accounting policies between Amalgamating Companies and Amalgamated Company, the impact of the same will be quantified and adjusted in the capital reserves of Amalgamated Company to ensure that the financial statements of Amalgamated Company reflect the true financial position on the basis of consistent accounting policies.
- 17.1.8 On the Scheme becoming effective, the financial statements of Amalgamated Company (including comparative period presented in the financial statements of Amalgamated Company, if required) shall be restated for the accounting impact of Amalgamation, as stated above, as if amalgamation had occurred from the acquisition date (date when common control was established) or beginning of the said comparative period; whichever is later.

## **17.2 IN THE BOOKS OF AMALGAMATING COMPANIES**

- 17.2.1 As Amalgamating Companies shall stand dissolved without being wound up upon the Scheme becoming effective as mentioned in clause 22 of the Scheme and all the assets and liabilities shall be transferred to Amalgamated Company, hence there is no accounting treatment prescribed under this Scheme in the books of Amalgamating Companies.

## **18. SUB-DIVISION OF FACE VALUE OF EQUITY SHARES OF AMALGAMATING COMPANY 1 AND COMBINATION OF AUTHORISED SHARE CAPITAL**

- 18.1. As an integral part of the Scheme, the face value of 1 (One) equity share of Amalgamating Company 1 amounting to INR 10/- (Indian Rupees Ten Only) shall be sub-divided into face value of INR 2/- (Indian Rupees Two only) comprising 5 equity shares of Amalgamating

Company 1; accordingly, authorised share capital of Amalgamating Company 1 shall be restructured as under:

*“The authorised share capital of Amalgamating Company 1 is INR 7,00,00,000/- (Indian Rupees Seven crore only) divided into 3,50,00,000 (Thee Crore Fifty Lacs) equity shares of INR 2 each (Indian Rupees Two only).*

- 18.2. The members of Amalgamating Company 1, on approval of Scheme, shall be deemed to have given approval u/s 61 of the Act and all other applicable provisions of the said act for sub-division of the face value of equity shares and for amendment to the authorised share capital of Amalgamating Company 1 and no separate resolutions will be required to be passed for sub-division of the face value of equity shares of Amalgamating Company 1 and for amendment of authorised share capital of Amalgamating Company 1 under section 61 of the Act and no separate notice will be required to be given to the Registrar of Companies, for intimation of sub-division under section 64 of the Act.
- 18.3. Upon the Scheme becoming effective, the authorised share capital of Amalgamated Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced by the authorised share capital of Amalgamating Companies as on the Effective Date without any further act, instrument or deed on the part of Amalgamated Company and the Memorandum of Association and Articles of Association of Amalgamated Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under section 13, section 14, section 61 and section 232 of The Act and any other applicable provisions of the Act, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorised share capital of Amalgamating Companies shall be set-off against any fees payable by Amalgamated Company on its authorised share capital subsequent to the amalgamation and no fee shall be payable by Amalgamated Company for increase in the authorised share capital to that extent.
- 18.4. The filing fees and stamp duty already paid by Amalgamating Companies on its authorised share capital shall be utilized and applied to increased share capital of Amalgamated Company, and shall be deemed to have been so paid by Amalgamated Company on such combined authorised share capital. Further, Amalgamated Company shall pay the requisite fee, if any, that arises due to the difference in maximum statutory fee as per the Act payable on such combined authorised share capital.



- 18.5. It is hereby clarified that Amalgamated Company through its Board, if required, would be entitled to make appropriate reclassification/ combination of its authorised share capital and provide suitable clarifications to the Registrar of Company with regard to the clubbing of the authorised share capital of Amalgamating Companies with Amalgamated Company.
- 18.6. Pursuant to this Scheme, Amalgamated Company shall file the requisite forms / documents with the Registrar of Companies, Delhi or any other Applicable Authority for such increase of the authorised share capital.

## **PART - IV**

### **19. APPROVAL OF THE SCHEME THROUGH E-VOTING**

The approval of shareholders of Amalgamating Company 2 and Amalgamated Company shall be obtained through e-Voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to this Scheme). The Scheme shall be acted upon only if the votes cast by public shareholders in favour of the resolution are more than the number of votes cast by public shareholders against it in accordance with the SEBI Circular.

### **20. DIVIDENDS**

20.1 Notwithstanding the above clauses of the Scheme, Amalgamating Companies and Amalgamated Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

20.2 The holders of the shares of Amalgamating Companies and Amalgamated Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

20.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards, and subject to the approval, if required, of the shareholders of Amalgamating Companies and Amalgamated Company as the case may be.

### **21. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 8 and the continuance of proceedings by or against Amalgamated Company under Clause 12 shall not affect any transaction or proceedings already concluded by Amalgamating Companies on or before the date when Amalgamating Companies adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that Amalgamated Company accepts and adopts all acts, deeds and things done and executed by Amalgamating Companies in respect thereto as done and executed on behalf of itself.

## **22. DISSOLUTION OF THE AMALGAMATING COMPANIES**

On the Scheme coming into effect, Amalgamating Companies shall, without any further act or deed, stand dissolved without winding up.

## **23. APPLICATIONS TO THE TRIBUNAL/ OTHER AUTHORITY**

23.1 Amalgamating Companies and Amalgamated Company shall, with all reasonable dispatch, make applications to Tribunal, seeking orders for dispensing with or convening, holding and conducting of the meetings of the shareholders and/ or creditors of Amalgamating Companies and Amalgamated Company as may be directed by the Tribunal.

23.2 Amalgamating Companies and Amalgamated Company shall, with all reasonable dispatch, apply to Tribunal for sanctioning the Scheme under the applicable provisions of the Act, and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect.

## **24. CONDITIONALITY OF SCHEME**

The Scheme is conditional upon and subject to:

- (a) Amalgamating Companies and Amalgamated Company filing the Scheme approved by their respective Board of Directors with the designated Stock Exchanges fixed by the Board of Directors of Amalgamating Companies and Amalgamated Company respectively, in terms of the SEBI Circular and receiving a 'no objection' and/or 'observation' letter.
- (b) the Scheme being agreed to by the requisite majority in number and value of such classes of persons including the respective shareholders and secured and unsecured creditors of each of Amalgamating Companies and Amalgamated Company except to the extent exempted by the Tribunal;
- (c) Approval of the shareholders of Amalgamating Companies and Amalgamated Company through e-voting and/or any other mode as may be required under any Applicable Law and the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of Amalgamating Company 2 and Amalgamated Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957;

- (d) The sanction of this Scheme by the NCLT under Sections 230 to 232 of The Act, and other applicable provisions, if any, of The Act in favour of Amalgamating Companies and Amalgamated Company;
- (e) such other sanctions and approvals including sanctions of any statutory or regulatory authority including Stock Exchanges and SEBI, as may be required in respect of the Scheme, being obtained;
- (f) there not being any order from any Appropriate Authority that has the effect of making Amalgamation illegal or otherwise restraining or preventing its consummation;
- (g) there not being any order from any Appropriate Authority that has the effect of making the transfer of the intellectual property being used in relation to Amalgamating Companies' business illegal or otherwise restraining or preventing its transfer; and
- (h) filing of the certified copies of the order of the Tribunal sanctioning the Scheme under the applicable provisions of the Act with the Registrar of Companies, Delhi and Haryana.

## **25. EFFECT OF NON-APPROVALS**

- 25.1 In the event the Scheme is not sanctioned by the Tribunal for any reason whatsoever or for any other reasons the Scheme cannot be implemented, the Scheme shall become null and void and shall be of no effect and in that event no rights and/or liabilities shall accrue to or be incurred *inter-se* by Amalgamating Companies and Amalgamated Company and each of Amalgamating Companies and Amalgamated Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 25.2 It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and Scheme with the remaining component(s) shall be implemented.



**26. AMENDMENT OR MODIFICATION AND OTHER MATTERS PERTAINING TO SCHEME**

The Board of Amalgamating Companies and Amalgamated Company may assent to any modification(s) or amendment(s) in this Scheme which the Tribunal and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and the Board of Amalgamating Companies and Amalgamated Company and after the dissolution of Amalgamating Companies, the Board of Directors of Amalgamated Company be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith. The Board of Amalgamating Companies and Amalgamated Company may assent to withdrawal of the scheme at any stage even after sanctioning of the Scheme.

**27. REVOCATION AND SEVERABILITY**

27.1 In the event of any of the said sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid within such period as may be mutually agreed upon by the respective Board of Amalgamating Companies and Amalgamated Company, this Scheme shall stand revoked, cancelled and be of no effect.

27.2 In the event of any of the conditions that may be imposed by the Tribunal or other authorities and which Amalgamating Companies and Amalgamated Company may find unacceptable for any reason, then Amalgamating Companies and Amalgamated Company are at liberty to withdraw the Scheme.

27.3 The Board of Amalgamating Companies and Amalgamated Company shall be entitled to withdraw, revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Amalgamating Companies and Amalgamated Company.

27.4 In the event of revocation under Clause 27.1, Clause 27.2 and Clause 27.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to Amalgamating Companies

and Amalgamated Company and their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each of Amalgamating Companies and Amalgamated Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

**28. COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Amalgamating Companies and Amalgamated Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by Amalgamated Company.

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT NO. IV, NEW DELHI  
CA (CAA)-107/(ND)/2021**

{Sections 230-232 and Other Applicable Provisions of The Companies Act, 2013 Read with Companies (Compromises, Arrangements, And Arrangements) Rules, 2016}

**IN THE MATTER OF:**

**SCHEME OF AMALGAMATION  
OF**

Shree Lakshmi Metal Udyog Limited  
(Transferor Company No.1/Applicant Company-1)

**AND**

Apollo Tricoat Tubes Limited  
(Transferor Company No.2/ Applicant Company-2)

**WITH**

APL Apollo Tubes Limited  
(Transferee Company No.3/ Applicant Company-3)

**AND**

**THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS**

*ORDER PRONOUNCED ON: 30.11.2021*

**CORAM:**

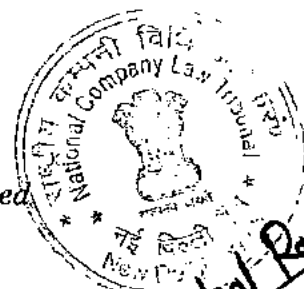
**DR. DEEPTI MUKESH  
HON'BLE MEMBER (JUDICIAL)**

**MS. SUMITA PURKAYASTHA  
HON'BLE MEMBER (TECHNICAL)**

**MEMO OF PARTIES**

*CA (CAA)-107(ND)/2021*

*Shree Laxmi Metal Udhog Limited and APL Apollo Tubes Limited*



*Vishal Rana  
07.12.2021*

**Shri Lakshmi Metal Udhyog Limited**

Having its registered office at:  
37, Hargobind Enclave, Vikas Marg,  
Delhi – 110092.

...Transferor Company No.1/ Applicant Company-1

**AND**

**Apollo Tricoat Tubes Limited**

Having registered office at:  
37, Hargobind Enclave.Vikas Marg,  
Delhi-110092

...Transferor Company No.2/ Applicant Company-2

**WITH**

**APL Apollo Tubes Limited**

Having registered office at:  
37, Hargobind Enclave,Vikas Marg,  
Delhi-110092

...Transferee Company/ Applicant Company-3

**For the Applicants** :Mr. Mahesh Agarwal, Adv.

Mr. Rajeev Kumar, Adv.

**For The OL** : Ms. Hemlata Rawat, Adv.

Mr.Aayushmaan Vatsyayana, Adv.

**ORDER**

**Per- Dr. Deepti Mukesh, Member (Judicial)**

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*





1. This is an application filed by Shri. Lakshmi Steel Metal Udyog (for brevity "Transferor Company No.1"), Apollo Tricoat Tubes Limited (for brevity "Transferor Company No.2") and APL Apollo Tubes Limited (for brevity "Transferee Company"), jointly under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed between the applicants.
2. An affidavit in support of the above application sworn by Mr. Shivam Maheshwari, Mr. Surbhi Arora and Mr. Deepak C S, being the authorized representative of the Transferor Company No.1, Transferor Company No.2 and Transferee Company respectively, who has been authorized vide board resolution dated 27.02.2021 passed at their respective board meetings. The copy of respective board resolutions dated 27.02.2021 have been annexed. It is also represented that the registered office of all the applicant companies is under the domain of Registrar of Companies, NCT of New Delhi & Haryana and within the territorial jurisdiction of this Tribunal.
3. The Transferor No.1 Company is a public limited company incorporated on 25.04.1994 under the provisions of Companies Act, 1986, bearing CIN: U85110DL1994PLC224835 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of "*Estima Investment & Financial Services Private Limited.*" Thereafter on 13.01.1995 the company was converted from private limited company to Public limited company and the name of the company was changed from "*Estima Investment & Financial Services Private Limited*" to "*Estima Investment & Financial Services Limited.*" Again on 16.09.2003, the name of the company was again changed from "*Estima Investment & Financial*

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



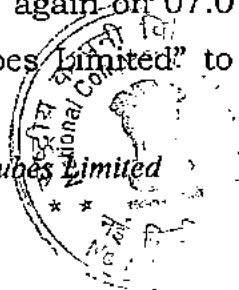
*Services Limited*” to “*Shri Lakshmi Metal Udhyog Limited.*” The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs. 7,00,00,000/- (divided into 70,00,000 Equity Shares of Rs. 10/- each) and the Issued, subscribed and Paid-Up Share Capital is Rs. 5,89,50,000/- (divided into 58,95,000 Equity shares of Rs. 10/- each). The company is engaged in the business of production of ERW steel Tubes and GP coils.

4. The Transferor No.2 Company is a public limited company incorporated on 12.01.1983 under the provisions of Companies Act, 1986, bearing CIN: L74900DL1983PLC014972 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of “*Best Steel Logistics Limited.*” On 21.08.2018 the name of the company was changed to “*Apollo Tricoat Tubes Limited*” On 28.07.2014, the company was listed on BSE limited. The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs. 6,50,00,000/- (divided into 3,25,00,000 Equity Shares of Rs. 2/- each) and the Issued, subscribed and Paid-Up Share Capital is Rs. 6,08,00,000/- (divided into 3,04,00,000 Equity shares of Rs. 2/- each). The company is engaged in the business of production of steel designer roofing, fencing, steel door frames, designer hand railing etc.

5. The Transferee Company is a public limited company, incorporated on 24.02.1986 under the provisions of Companies Act, 1956, bearing CIN: L74899DL1986PLC023443 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of “*Bihar Tubes Private Limited*”, on 19.10.1993, the company was converted from Private limited company to Public limited company and the name of the company was changed from “*Bihar Tubes Private limited*” to “*Bihar Tubes limited.*” Thereafter, again on 07.07.2010 the name of the company was changed from “*Bihar Tubes Limited*” to “*APL Apollo Tubes*

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*



Limited.” On 05.12.2011 the shares of the company were listed on BSE limited and on 14.12.2011 the shares of the company were listed on National Stock Exchange of India limited. The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs.45,00,00,000 /- (divided into 22,50,00,000 Equity shares of Rs.2/- each) and the Issued, Subscribed and Paid-Up Share Capital is Rs. 24,97,92,000/- (Divided into 12,48,96,000 Equity Share of Rs. 2/- each). The company is engaged in the business of production of EW steels tubes.

6. All the applicant companies have filed their respective Memoranda and Articles of Association inter alia delineating their object clauses, as well as their last Audited Annual Accounts for the year ended 31<sup>st</sup> March 2021 and the provisional balance sheet upto 30<sup>th</sup> June 2021.
7. The Board of Directors of all the Applicant companies vide meeting held on 27<sup>th</sup> February 2021 have unanimously approved the proposed Scheme of amalgamation as contemplated above. Copies of resolutions passed in the said board meetings of all the applicant companies have been placed on record.
8. That all the applicant companies have annexed the certificates from statutory auditors in compliance under Section 133 of the Companies Act, 2013 read with Rule 7 of companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles.
9. That the Transferor No.1 company is not a listed therefore no objection from BSE or NSE is not required. As regards the Transferor No.2 company no objection letter obtained from BSE limited dated 02, August 2021 is annexed and as regards the Transferee Company no objection letters obtained from BSE limited and National Stock Exchange of the India Limited dated 02, August 2021 are annexed.

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*



10. It is stated that the Transferor No.1 Company is having Seven Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has one Secured Creditor and 126 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (i) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

11. It is stated that the Transferor No.2 Company is having 25,957 Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has three Secured Creditor and 380 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

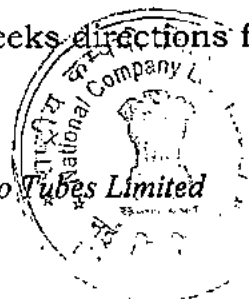
- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (iii) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

12. It is stated that the Transferee Company is having 65,695 Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has Five Secured Creditor and 1076 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited





- (i) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

13. The appointed date as specified in the Scheme is 1<sup>st</sup> April, 2021 subject to the directions of this Tribunal.

14. The Transferor No.2 and the Transferee company are public companies limited companies limited by shares and are governed by the rule and regulations of SEBI. Further the book value of assets and turnover of the Applicants do not fall within the definition of "combinations" under the Competition Act, 2002 and therefore, there is no requirement of seeking approval from Competition Commission of India.

15. There are no pending investigation or proceedings against the applicant companies under the provisions of companies act.

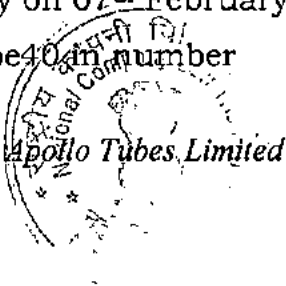
16. Taking into consideration the submissions and the documents filed therewith, we propose to issue the following directions with respect to calling, convening and holding of the meetings of the Shareholders, Secured and Unsecured Creditors of all the applicant companies as follows: -

**A) In relation to the Transferor No.1 Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 07<sup>th</sup> February 2022 at 10:00 A.M. The quorum of the meeting shall be 2 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 07<sup>th</sup> February 2022 at 11:30 A.M. The quorum of the meeting shall be 1 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 07<sup>th</sup> February 2022 at 12:30 P.M. The quorum of the meeting shall be 40 in number

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



**B) In relation to Transferor No.2 Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 07<sup>th</sup> February 2022 at 4:30 P.M. The quorum of the meeting shall be 5000 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 07<sup>th</sup> February 2022 at 2:30 A.M. The quorum of the meeting shall be 1 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 07<sup>th</sup> February 2022 at 3:30 P.M. The quorum of the meeting shall be 90 in number

**C) In relation to the Transferee Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 08<sup>th</sup> February 2022 at 02:00 P.M. The quorum of the meeting shall be 15000 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 08<sup>th</sup> February 2022 at 10:30 A.M. The quorum of the meeting shall be 2 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 08<sup>th</sup> February 2022 at 11:30 P.M. The quorum of the meeting shall be 250 in number

17. The meetings of the Equity shareholders, secured and unsecured creditors of all the applicant companies shall be convened as directed:

- (i) The chairperson appointed for the meeting is Ms. Deepa Krishnan, Former Member (Technical) NCLT having email id
- (ii) The alternate Chairperson appointed for the meetings is Ms. Swarlipi Deb Roy, Advocate, having contact no. 8510094876 and email id: rkabel\_sdr@yahoo.in

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



- (iii) The observer/Scrutinizer appointed for the meeting is Ms. Shruti Rawat, PCS having contact no. 8377836964
- (iv) The fees for all the appointees above named in addition to meeting their incidental expense shall be as follows:
- a) For the Chairperson: Rs. 2,00,000/-
  - b) For the alternate Chairperson: Rs.1,40,000/-
  - c) For the observer: Rs. 1,15,000/-
- (v) The chairperson will file report within a week from the date of holding of the above said meetings.
- (vi) The notice of the above said meetings shall be sent by both the Applicant companies through registered post or through courier or through email, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a proposed scheme of amalgamation, copy of explanatory statement as required to be sent under the companies Act, 2013, the prescribed form of proxy shall also be sent along and in addition to the above and any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- (vii) The Applicant Companies shall publish advertisement in the newspapers namely, "Business Standard" (English, Delhi edition) and "Business Standard" (Hindi, Delhi edition) not less than 30 days before the aforesaid meetings.
- (viii) Voting shall be allowed on the proposed Scheme by voting in person, the chairperson shall be responsible to report the result of the meeting within a period of 3 days of the conclusion of the hearing with details of voting on the proposal scheme.

18. Notice of this application shall also be served on the following Statutory Authorities:

- (i) Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2 Floor, Paryawaran Bhavan, CGO Complex, New Delhi-110003;

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhog Limited and APL Apollo Tubes Limited

18. Notice of this application shall also be served on the following Statutory Authorities:

- (i) Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2 Floor, Paryawaran Bhavan, CGO Complex, New Delhi-110003;
- (ii) Registrar of Companies at 4 floor, IFCI Tower, 61, Nehru Place, New Delhi-110019;
- (iii) Official liquidator, Lok Nayak Bhavan, 8 Floor, Khan Market, New Delhi-110001;
- (iv) Income Tax Department, Income Tax Office, Additional Commissioner of Income Tax, Special Range 4, Central Revenue Building, IP Estate, New Delhi-110002. The notices to Income Tax Authorities shall disclose sufficient details like PAN, ward numbers and assessing officers
- (v) and to such other Sectoral Regulatory Authorities who may govern the working of the respective companies involved in the Scheme.

The application is allowed on the aforesaid terms and stands disposed of.

**SD/-**  
**SUMITA PURKAYASTHA**  
**MEMBER (TECHNICAL)**

**SD/-**  
**DR. DEEPTI MUKESH**  
**MEMBER (JUDICIAL)**

*Vishal Rana*  
*07.12.2021*

*Daud*  
*07/12/2021*

सहायक पंजीयक  
ASSISTANT REGISTRAR  
राष्ट्रीय कम्पनी विधि अधिकरण  
NATIONAL COMPANY LAW TRIBUNAL  
C.G.O. COMPLEX, NEW DELHI-110003

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited

**STRICTLY PRIVATE & CONFIDENTIAL**

February 27, 2021

**The Board of Directors**  
**APL Apollo Tubes Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

**The Board of Directors**  
**Apollo Tricoat Tubes Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

**The Board of Directors**  
**Shri Lakshmi Metal Udyog Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

Dear Sir(s) / Madam(s),

**Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited into APL Apollo Tubes Limited**

We refer to the engagement letter dated February 05, 2021 whereby we, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Valuer' or 'We') have been appointed by the management of Apollo Tricoat Tubes Limited, Shri Lakshmi Metal Udyog Limited and APL Apollo Tubes Limited (hereinafter collectively referred to as 'the Management') to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of Apollo Tricoat Tubes Limited (hereinafter referred to as 'ATTL' or 'Transferor Company 1) and Shri Lakshmi Metal Udyog Limited (hereinafter referred to as 'SLMUL' or Transferor Company 2) with APL Apollo Tubes Limited (hereinafter referred to as 'APL Apollo' or Transferee Company').

ATTL, SLMUL and APL Apollo are hereinafter collectively referred to as the 'Companies'.

**1. SCOPE AND PURPOSE OF THIS REPORT**

1.1 We have been informed by the Management that they are considering a proposal for amalgamation of ATTL and SLMUL with APL Apollo (hereinafter referred to as the





'Proposed Amalgamation') pursuant to the scheme of amalgamation between the Companies and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'). Subject to necessary approvals, the aforesaid Proposed Amalgamation will be with effect from Appointed Date of April 01, 2021 ('Appointed Date').

- 1.2 In this regards, we have been appointed by the Management to carry out the relative valuation of equity shares of the Companies and to recommend the fair equity share exchange ratio for the Proposed Amalgamation. The report is being furnished by SSPA in the capacity of Registered Valuer under section 247 of the Companies Act, 2013 which would suffice the requirements of Securities Exchange Board of India and Companies Act, 2013.
- 1.3 For the purpose of this valuation, we have carried out relative valuations of the Companies and the valuation is based on 'going concern' premise.
- 1.4 The report sets out our recommendation of the fair equity share exchange ratio and discusses the methodologies and approach considered for arriving at relative value of the equity shares of the APL Apollo and ATTL for the purpose of recommendation of share exchange ratio.

## **2. BRIEF BACKGROUND**

### **2.1. APL APOLLO TUBES LIMITED**

APL Apollo is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The company is the largest producer of Electric Resistance Welded (ERW) Steel Pipes and Sections in India, with a capacity to produce 2.5 Million Tonnes per annum. The company caters extensively to the region and exports to over 20 countries globally. The company's vast distribution network is spread across India, with warehouses and branch offices in 29 cities. The company has four manufacturing units, one at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh and one at Murbad, Maharashtra.

The equity shares of the company are listed on The BSE Limited (BSE) and the The National Stock Exchange of India Limited (NSE).

APL Apollo holds 100% equity stake in SLMUL and in turn SLMUL holds ~55.82% in ATTL.



The issued, subscribed and fully paid up equity share capital of the Transferee Company as on March 31, 2020 is INR 24.87 crores comprising of 2,48,69,015 equity shares of INR 10 each fully paid up.

**2.2. APOLLO TRICOAT TUBES LIMITED**

ATTL (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The company has two manufacturing unit one at Malur Bangalore, and second at Ghaziabad Uttar Pradesh. The registered office of the Company is in New Delhi. The shares of the company are listed on the BSE. ATTL was acquired by APL Apollo through its subsidiary in FY 2018-19.

The issued, subscribed and fully paid up equity share capital of the Transferor Company 1 as on March 31, 2020 is INR 6.08 crores comprising of 3,04,00,000 equity shares of INR 2 each fully paid up.

**2.3. SHRI LAKSHMI METAL UDYOG LIMITED**

SLMUL is an unlisted public company incorporated on April 25, 1994 under the provisions of the Companies Act, 1956 as a private limited company with the name and style of Estima Investment & Financial Services Private Limited. Then, on January 13, 1995, the constitution of company changed from private limited company to public limited company and the name changed to 'Estima Investment & Financial Services Limited' and subsequently on September 16, 2003 the name changed to Shri Lakshmi Metal Udyog Limited. SLMUL is engaged in the business of manufacturing of steel tubes and pipes.

SLMUL is a wholly owned Subsidiary ('WoS') of APL Apollo.

The issued, subscribed and fully paid up equity share capital of the Transferor Company 2 as on March 31, 2020 is INR 5.90 crores comprising of 58,95,000 equity shares of INR 10 each fully paid up.

Since, SLMUL is a WoS of APL Apollo, on amalgamation all equity shares held by APL Apollo in SLMUL shall stand cancelled and no shares shall be issued to the shareholders of SLMUL upon its amalgamation with APL Apollo.

**3. REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS**

SSPA & Co., Chartered Accountants, is a partnership firm, located at 1st Floor, Arjun Building, Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is





engaged in providing various corporate consultancy services.

SSPA is a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). SSPA is also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

#### **4. SOURCES OF INFORMATION**

The valuation exercise is based on the following information which has been received from the Management and any information available in the public domain:

- (a) Annual Report of ATTL and APL Apollo for financial year ('FY') 2019-20.
- (b) Management certified financial statements of ATTL for 9 months period ended December 31, 2020 ('9ME Dec20').
- (c) Management certified consolidated balance sheet and profit and loss account of APL Apollo (excluding ATTL) for 9ME Dec20.
- (d) Financial projections of ATTL from FY 2020-21 to FY 2024-25.
- (e) Consolidated financial projections of APL Apollo (excluding ATTL) from FY 2020-21 to FY 2024-25.
- (f) Draft Scheme of Amalgamation.
- (g) Discussions with the Management on various issues relevant to valuation including prospects and outlook of the business, expected growth rate and other relevant information relating to future expected profitability, etc.
- (h) Such other information and explanations as we required and which have been provided by the Management including Management Representations.

#### **5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

- 5.1. This report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report on recommendation of fair equity share exchange ratio for the proposed amalgamation of ATTL and SLMUL with APL Apollo is in accordance with ICAI VS 2018 issued by The Institute of Chartered Accountants of India.



- 5.2. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 5.3. The report assumes that the Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.
- 5.4. The draft of the present report was circulated to the Management (excluding the recommended fair equity share exchange ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 5.5. Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report and is as per agreed terms of our engagement.
- 5.6. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies / auditors / consultants, is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/conclusions.
- 5.7. Our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided





to us by the Companies through broad inquiry, analysis and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

- 5.8. Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate and taking into account the current economic scenario and business disruptions caused on account of spread of COVID-19 pandemic. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 5.9. We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 5.10. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.





- 5.11. We are independent of the Companies and have no current or expected interest in the Companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 5.12. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.
- 5.13. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 5.14. The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 5.15. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.16. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. We owe responsibility to only to the Companies that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.



**6. VALUATION APPROACH AND METHODOLOGIES**

6.1. For the purpose of valuation, generally following approaches can be considered, viz,

- (a) the 'Market' approach;
- (b) the 'Income' approach; and
- (c) the 'Asset' approach

6.2. Under the Asset approach, the Net Asset Value ('NAV') method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, inter alia, value of surplus / non-operating assets.

In the present case, the business of APL Apollo and ATTL are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Asset approach is not adopted for the present valuation exercise.

6.3. Considering the above, we have thought fit to consider a combination of 'Market' approach and 'Income' approach for valuation of equity shares of APL Apollo and ATTL. The report date is the valuation date.

**6.4. MARKET APPROACH**

In the present case, the equity shares of APL Apollo and ATTL are listed and frequently traded on recognized stock exchanges. Therefore, we have thought fit to use Market Price ('MP') Method for valuation of equity shares of APL Apollo and ATTL under Market Approach.

**6.4.1. MARKET PRICE METHOD**

The market price of an equity share, as quoted on a stock exchange, is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

As mentioned above, the equity shares of APL Apollo and ATTL are listed on recognized stock exchanges. The value of equity shares of APL Apollo and ATTL under this method is determined considering the share prices of APL Apollo and ATTL on NSE and BSE respectively over an appropriate period.

**6.5. INCOME APPROACH**

6.5.1. Under the 'Income' approach, equity shares of APL Apollo and ATTL are valued using 'Discounted Cash Flow' ('DCF') Method.





- 6.5.2. Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- 6.5.3. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) interest on loans, if any, (ii) depreciation and amortizations (non-cash charge), and (iii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.
- 6.5.4. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of the company's cost of equity and debt.
- 6.5.5. To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, value of investments, cash and cash equivalents and cash inflow on account of exercise of employee stock options (ESOPs) post December 31, 2020, after considering the tax impact wherever applicable to arrive at the equity value.
- 6.5.6. The value as arrived above is divided by the diluted number of equity shares to arrive at the value per equity share of APL Apollo and ATTL.

## **7. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO**

- 7.1. The fair basis of amalgamation of APL Apollo and ATTL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different methods, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of APL Apollo and ATTL. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of APL Apollo and ATTL to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.
- 7.2. As mentioned above, we have considered MP method under 'Market' approach and DCF method under 'Income' approach for arriving at the value per share of APL Apollo



and ATTL. The values under each of the approaches is given in the table below:

| Valuation Approach                               | APL APOLLO            |             | ATTL                  |             |
|--------------------------------------------------|-----------------------|-------------|-----------------------|-------------|
|                                                  | Value per Share (INR) | Weights     | Value per Share (INR) | Weights     |
| Asset Approach *                                 | NA                    | NA          | NA                    | NA          |
| Income Approach                                  | 994.59                | 50%         | 1,014.62              | 50%         |
| Market Approach - MP Method                      | 878.53                | 50%         | 855.81                | 50%         |
| <b>Fair Value per Equity Share</b>               | <b>936.56</b>         | <b>100%</b> | <b>935.22</b>         | <b>100%</b> |
| <b>Equity share exchange ratio (Rounded off)</b> | <b>1:1</b>            |             |                       |             |

NA = Not Applied / Not Applicable

\* Since, the business of APL Apollo and ATTL are both intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Asset Approach is not adopted for the present valuation exercise.

- 7.3. The fair equity share exchange ratio has been arrived on the basis of a relative valuation of shares of APL Apollo and ATTL based on the approaches explained herein earlier and various qualitative factors relevant to the APL Apollo and ATTL and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.
- 7.4. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation*





*possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

- 7.5. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, the fair equity share exchange ratio for the Proposed Amalgamation of ATTL with APL Apollo is as under:

**1 (One) equity share of APL Apollo of INR 2 each fully paid up for every 1 (One) equity share of ATTL of INR 2 each fully paid up.**

Thanking you,  
Yours faithfully,

**For SSPA & CO.**

**Chartered Accountants**

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126



**Vikram Jain, Partner**

ICAI Membership No. 114613

UDIN: 21114613AAAAAI5783

Place: Mumbai





**STRICTLY PRIVATE & CONFIDENTIAL**

February 27, 2021

To,

**The Board of Directors**  
**APL Apollo Tubes Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**The Board of Directors**  
**Apollo Tricoat Tubes Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**The Board of Directors**  
**Shri Laxmi Metal Udyog Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**Sub: Fairness Opinion on share exchange ratio in connection with the proposed amalgamation of Apollo Tricoat Tubes Limited and Shri Laxmi Metal Udyog Limited. with APL Apollo Tubes Limited under a Scheme of Amalgamation.**

Dear Sir(s),

We refer to our engagement letter dated February 22, 2021 and discussion wherein the management of APL Apollo Tubes Limited (hereinafter referred to as “APL Apollo” or “Company”), Apollo Tricoat Tubes Limited (hereinafter referred to as “ATTL”) and Shri Laxmi Metal Udyog Limited (hereinafter referred to as “SLMUL”) (hereinafter collectively referred to as the ‘Management’) has requested Fortress Capital Management Services Private Limited (hereinafter referred to as “Fortress”), a SEBI Registered Category I Merchant Banker to give a fairness opinion on the Share Exchange Ratio recommended by SSPA & Co., Chartered Accountants (hereinafter referred to as “Valuer”) in connection with the amalgamation of ATTL and SLMUL with APL Apollo under a Scheme of Amalgamation. ATTL, SLMUL and APL are hereinafter collectively referred to as the “Companies”.

Page 1 of 7

**Fortress Capital Management Services Pvt. Ltd.** CIN - U67120MH2004PTC145815

Corporate office - 204, Lotus Park, 2nd Floor, Road No 16, Wagle Estate, Thane (W) 400 604, India. Tel : +91 (22) 6288 7900

Registered office - Daryanagar House, 2nd Floor, 69 Mahanishi Karve Road, Marine Lines, Mumbai 400 002, India. Tel : +91 (22) 2200 7973



## 1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

- 1.1 We have been informed by the Management that they are considering the proposal of amalgamation of ATTL and SLMUL with APL Apollo (hereinafter referred to as the “Amalgamation” or “Proposed Transaction”) pursuant to the scheme of amalgamation (hereinafter referred to as “Scheme”) between the Companies in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder. Subject to necessary approvals, ATTL and SLMUL would amalgamate with APL Apollo, with effect from appointed date of April 1, 2021 (hereinafter referred to as the “Appointed Date”). As a consideration for the Proposed Transaction, shareholders of ATTL would be issued equity shares of APL Apollo.
- 1.2 Pursuant to the Scheme of Amalgamation, since SLMUL is a wholly owned subsidiary of APL Apollo, no shares of APL Apollo are proposed to be allotted to shareholders of SLMUL on amalgamation of SLMUL into APL Apollo.

### 1.3 APL Apollo Tubes Limited

APL Apollo is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The company is the largest producer of Electric Resistance Welded (ERW) Steel Pipes and Sections in India, with a capacity to produce 2.5 Million Tonnes per annum. The company caters extensively to the region and exports to over 20 countries globally. The company’s vast distribution network is spread across India, with warehouses and branch offices in 29 cities. The company has four manufacturing units, one at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh and one at Murbad, Maharashtra.

The equity shares of the company are listed on The BSE Limited (BSE) and the The National Stock Exchange of India Limited (NSE).

APL Apollo holds 100% equity stake in SLMUL and in turn SLMUL holds ~55.82% in ATTL.



The issued, subscribed and fully paid up equity share capital of the APL Apollo as on March 31, 2020 is INR 24.87 crores comprising of 2,48,69,015 equity shares of INR 10 each fully paid up.

#### 1.4 **Apollo Tricoat Tubes Limited**

ATTL (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The company has two manufacturing unit one at Malur Bangalore, and second at Ghaziabad Uttar Pradesh. The registered office of the Company is in New Delhi. The shares of the company are listed on the BSE. ATTL was acquired by APL Apollo through its subsidiary in FY 2018-19.

The issued, subscribed and fully paid up equity share capital of the ATTL as on March 31, 2020 is INR 6.08 crores comprising of 3,04,00,000 equity shares of INR 2 each fully paid up.

#### 1.5 **Shri Laxmi Metal Udyog Limited**

SLMUL is an unlisted public company incorporated on April 25, 1994 under the provisions of the Companies Act, 1956 as a private limited company with the name and style of Estima Investment & Financial Services Private Limited. Then, on January 13, 1995, the constitution of company changed from private limited company to public limited company and the name changed to 'Estima Investment & Financial Services Limited' and subsequently on September 16, 2003 the name changed to Shri Lakshmi Metal Udyog Limited. SLMUL is engaged in the business of manufacturing of steel tubes and pipes.

SLMUL is a wholly owned Subsidiary ('WoS') of APL Apollo.

The issued, subscribed and fully paid up equity share capital of the SLMUL as on March 31, 2020 is INR 5.90 crores comprising of 58,95,000 equity shares of INR 10 each fully paid up.

Since, SLMUL is a WoS of APL Apollo, on amalgamation all equity shares held by APL Apollo in SLMUL shall stand cancelled and no shares shall be issued to the shareholders of SLMUL upon its amalgamation with APL Apollo.



- 1.6 In this regard Valuer was appointed to recommend the share exchange ratio in connection with the proposed amalgamation of ATTL and SLMUL with APL Apollo under a Scheme of Amalgamation.
- 1.7 Accordingly, we have been appointed in the capacity of SEBI Registered Category I Merchant Banker to give a fairness opinion on the share exchange ratio recommended by Valuer in connection with the proposed amalgamation of ATTL and SLMUL with APL Apollo under the Scheme of Amalgamation to comply with SEBI Guidelines.
- 1.8 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

## 2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- (a) Draft Scheme of Amalgamation between ATTL, SLMUL and APL Apollo under section 230 to 232 of the Companies Act, 2013.
- (b) Annual Reports of ATTL and APL Apollo for Financial year 2019 - 20
- (c) Management Certified Financial Statements of ATTL for 9 months period ended December 31, 2020
- (d) Management certified consolidated balance sheet and profit and loss account of APL Apollo (excluding ATTL) for 9 months period ended December 31, 2020
- (e) Financial projections of ATTL from FY 2020-21 to FY 2024-25.
- (f) Consolidated financial projections of APL Apollo (excluding ATTL) from FY 2020-21 to FY 2024-25.
- (g) Report dated February 27, 2021 issued by Valuer.





(h) Such other information and explanations as we required and which have been provided by the management including Management Representations of APL Apollo, ATTL, SLMUL and Valuer.

### **3. EXCLUSIONS AND LIMITATIONS**

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects.
- 3.2 We have been represented by the Management of the Companies that the Companies have clear and valid title of assets. No investigation on Companies claim to title of their assets has been made and their claim to such rights has been assumed to be valid.
- 3.3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 The fee for the engagement and this report is not contingent upon the results reported.
- 3.6 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement.
- 3.7 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.8 Any person / party intending to provide finance / divest / invest in the shares / convertible instruments / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.



- 3.9 This Fairness Opinion (“Opinion”) is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on the Opinion including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this Opinion may affect the opinion and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion.
- 3.10 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion.
- 3.11 This Fairness Opinion has been issued for the sole purpose to facilitate the Companies to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 it shall not be valid for any other purpose and should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available..
- 3.12 Fortress nor its directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the fairness opinion is provided. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the fairness opinion.

#### **4. VALUATION METHODOLOGY ADOPTED BY VALUER**

For the purposes Valuation and recommending the share exchange ratio, the Valuer has adopted “Discounted Cashflow Method” under Income Approach and “Market Price Method” under Market Approach for ATTL and APL Apollo.



## 5. CONCLUSION

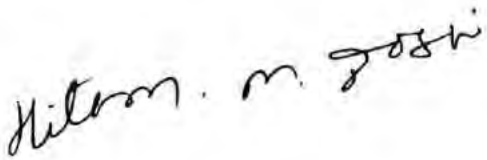
5.1 We have reviewed methodology as mentioned above used by the Valuer for arriving at the valuation of the equity shares of the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending share

5.2 **On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the share exchange ratio for the proposed amalgamation of ATTL with APL Apollo of 1 (One) Equity Share of APL Apollo of INR 2 each fully paid up for every 1 (One) Equity share of ATTL of INR 2 each fully paid up recommended by Valuer is fair and reasonable**

Thanking you,

Yours faithfully,

**For Fortress Capital Management Services Pvt. Ltd.**



**Authorized Signatory**

Place: Mumbai

SEBI Registration No.: INM000011146



**Apollo TriCoat**

THREE STEPS AHEAD

REF: 128798

07.07.2021

The General Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai - 400 001

**BSE Scrip Code: 538566**

Dear Sir/Madam,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. 128798 ("Application") placed on the website of the BSE Limited on 15 June 2021 with respect to the Scheme of amalgamation and arrangement between APL Apollo Tubes Limited and Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited and their respective shareholders and creditors ("Scheme").

In this regard, we are enclosing 'Report of Complaints' in the prescribed format indicating 'Nil' complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 16.06.2021 to 07.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For Apollo Tricoat Tubes Limited

Surbhi Arora



(Company Secretary & Compliance Officer)

Apollo TriCoat Tubes Limited

CIN: L74900DL1983PLC014972

Corp. Office: 36, Kaushambi, Near Anand Vihar Terminal, Delhi - NCR 201010, India Tel: +91-120-4041400 Fax: +91-120-4041444

Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-22373437 Fax: +91-11-22373537

Unit-I: Plot No. 53, Part-I, 4th Phase, Industrial Area, Sy. No. 28-33, Kurandahalli Village, Kasaba Hobli, Malur, Taluk, Distt. Kolar - 563101 Karnataka, India

Unit-II: Village Bisnoli, Khasra No. 527 To 530 & 569, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh - 203207, India

E-mail: info@apollotriccoat.com | Website: www.apollotriccoat.com





## Complaints Report:

### Part A

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NA     |
| 5.      | Number of complaints pending                            | NIL    |

### Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NA                |                           |



Surbhi Arora  
(Company Secretary & Compliance Officer)

Date: 07.07.2021



Sudesh Group



07.07.2021

REF: 128426

The General Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

**BSE Scrip Code: 533758**

Dear Sir/Madam,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. 128426 (“Application”) placed on the website of the BSE Limited on 15 June 2021 with respect to the Scheme of amalgamation and arrangement between APL Apollo Tubes Limited And Shri Lakshmi Metal Udyog Limited And Apollo Tricoat Tubes Limited and their respective shareholders and creditors (“Scheme”).

In this regard, we are enclosing ‘Report of Complaints’ in the prescribed format indicating ‘Nil’ complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 16.06.2021 to 07.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For APL Apollo Tubes Limited

Deepak C S

(Company Secretary & Compliance Officer)

**APL Apollo Tubes Limited** (CIN:L74899 DL 1986PLC023443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1: A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com

**Complaints Report:**

**Part A**

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NA     |
| 5.      | Number of complaints pending                            | NIL    |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NA                |                           |



Deepak C S  
(Company Secretary & Compliance Officer)

Date: 07.07.2021

**APL Apollo Tubes Limited** (CIN-L74899 DL 1986PLC023443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perendapolli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com



Sudesh Group



22.07.2021

REF: NSE/LIST/26639

The Manager,  
National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
5<sup>th</sup> Floor, Plot No. C/1, G Block,  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

NSE Scrip Code: APLAPOLLO

Dear Sir,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. NSE/LIST/26639 (“Application”) placed on the website of the National Stock Exchange of India Limited on 24 June 2021 with respect to Scheme of amalgamation and arrangement between APL Apollo Tubes Limited And Shri Lakshmi Metal Udyog Limited And Apollo Tricoat Tubes Limited and their respective shareholders and creditors (“Scheme”).

In this regard, we are enclosing Report of Complaints in the prescribed format indicating Nil complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 25.06.2021 to 15.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For APL Apollo Tubes Limited

Deepak C S

(Company Secretary & Compliance Officer)

**APL Apollo Tubes Limited** [CIN-L74899 DL 1986PLC023443]

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapolli, Hosur, Tamilnadu -635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane -421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com



**Complaints Report:**

**Part A**

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NIL    |
| 5.      | Number of complaints pending                            | NIL    |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NIL               |                           |
| 2.      |                     | NIL               |                           |
| 3.      |                     | NIL               |                           |



(Company Secretary & Compliance Officer)

Date: 22.07.2021

**APL Apollo Tubes Limited** (CIN-L74899 DL 1986PLC023443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urlo Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com

**DCS/AMAL/PB/R37/2020/2021-22**

**“E-Letter”**

**August 02, 2021**

The Company Secretary,  
**Apollo Tricoat Tubes Ltd.**  
37, Hargobind Enclave, Vikas Marg,  
New Delhi, Delhi - 110092  
Sir,

**Sub: Observation letter regarding Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective Shareholders and Creditors.**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of Apollo Tricoat Tubes Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 09, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **Company shall ensure that SEBI had vide orders dated June 23, 2020 restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of 2 years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of fraudulent and unfair Trade Practices relating to Securities Market) Regulations, 2003.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon'ble NCLT.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

**Sabah Vaze**  
**Manager**

DCS/AMAL/PB/R37/2019/2021-22

“E-Letter”

August 02, 2021

The Company Secretary,  
**APL APOLLO TUBES LTD.**  
37, Hargobind Enclave, Vikas Marg,  
New Delhi, Delhi – 110092

Sir,

**Sub: Observation letter regarding Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective Shareholders and Creditors.**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of APL Apollo Tubes Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 09, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **Company shall ensure that SEBI had vide orders dated June 23, 2020 restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of 2 years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of fraudulent and unfair Trade Practices relating to Securities Market) Regulations, 2003.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon'ble NCLT.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.



Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

**Sabah Vaze**  
**Manager**

**National Stock Exchange Of India Limited**

Ref: NSE/LIST/26639\_II

August 02, 2021

The Company Secretary  
APL Apollo Tubes Limited  
37, Hargobind Enclave,  
Vikas Marg, Delhi - 110092

**Kind Attn.: Mr. Deepak C S**

Dear Sir,

**Sub: Observation Letter for Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective shareholders and creditors**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited (Amalgamating Company 1) and Apollo Tricoat Tubes Limited (Amalgamating Company 2) with APL Apollo Tubes Limited (Amalgamated Company) and their respective shareholders and creditors vide application dated April 03, 2021.

Based on our letter reference no Ref: NSE/LIST/26639 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure that following information pertaining to the promoters of APL Apollo Tubes Limited is brought to the notice of shareholders and Hon'ble NCLT:*
  - i. *SEBI had vide orders dated June 23, 2020, restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of two years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.*
- b. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company shall ensure that the financials of the companies involved in the scheme are not more than 6 months old, before filing the same with the Hon'ble National Company Law Tribunal (NCLT).*

- e. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*
- f. *It is to be noted that the petitions are being filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from August 02, 2021 within which the scheme shall be submitted to NCLT.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path:  
NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Harshad Dharod  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>



**REPORT ADOPTED BY BOARD OF DIRECTORS OF SHRI LAKSHMI METAL UDYOG LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI- 201010**

**1. Background**

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as 'Amalgamating Companies' and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as 'Companies'.*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

**2. Rationale of the Scheme**

The proposed amalgamation of Amalgamating Companies with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;



**Shri Lakshmi Metal Udyog Limited** (CIN-U85110DL1994PLC224835)

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi - NCR 201010, India Tel:+91-120-4041400 Fax:+91-120-4041444

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi 110092, India Tel:+91-11-22373437 Fax:+91-11-22373537

Works : 9 to 11, KIADB Industrial Area, balagaranahalli, Ankal Taluk Attibele, Bangalore - 542 107, India Tel: +91-80-27820018/68, 27870912

Telefax : +91-80-27820058 (Off.) +91-80-41145168 E-mail : slmul@apltubes.com/lakshmitubes@yahoo.com Website : www.laksh mipipes.com



- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

Since, the Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Amalgamated Company either by itself or through its subsidiaries / nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon coming into effect of the Scheme. The investments in the shares of the Amalgamating Companies, appearing in the books of account of Amalgamated Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for Amalgamating Company 1.

### 4. Effect of the Scheme on the stakeholders of Shri Lakshmi Metal Udyog Limited

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                   |
|------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | Under the Scheme, with effect from the Effective Date, the Amalgamating Company 1 would stand dissolved without winding up. In the circumstances, the key managerial personnel of the Amalgamating Company 1 will cease to be the key managerial personnel of the Amalgamating Company 1 |
| 2.   | Shareholders                         | Not applicable.                                                                                                                                                                                                                                                                          |
| 3.   | Promoter Shareholders                | No effect. Amalgamating Company 1 is a wholly owned subsidiary of the Amalgamated Company. Accordingly, upon the Scheme becoming effective, the entire share capital of the Amalgamating Company 1 shall stand cancelled                                                                 |



| S.No | Particulars         | Effect                                                                                                                                                                                              |
|------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.   | Employees           | No effect. The present employees shall continue to act as the employees of the Amalgamated Company post the Scheme becomes effective.                                                               |
| 5.   | Secured Creditors   | No effect. As per Clause 3 of the Scheme, liability of secured creditors of Amalgamating Company 1 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.   |
| 6.   | Unsecured Creditors | No effect. As per Clause 3 of the Scheme, liability of unsecured creditors of Amalgamating Company 1 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business. |

**5. Adoption of the report by board of directors of Shri Lakshmi Metal Udyog Limited**

The board of directors of Shri Lakshmi Metal Udyog Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**

For and on behalf of Shri Lakshmi Metal Udyog Limited

Sanjay Gupta  
Director  
DIN: 00233188



Date: 27 February 2021





REPORT ADOPTED BY BOARD OF DIRECTORS OF APOLLO TRICOAT TUBES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI-NCR – 201010

## 1. Background

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as "Amalgamating Companies" and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as "Companies".*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ("Board") vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

## 2. Rationale of the Scheme

The proposed amalgamation of Amalgamating Company 1 and Amalgamating Company 2 (collectively called as "Amalgamating Companies") with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;





- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

- 3.1. Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.
- 3.2. In terms of the Scheme and based on Valuation Report issued by issued by Mr. Vikram Jain (Partner SSPA & Co, Chartered Accountants) dated 27 February 2021 Registered Valuer with Registration No. IBBI/RV E/06/2020/126 and Fairness Opinion provided by Fortress Capital Management Services Pvt Ltd, Category-I SEBI Registered Merchant Banker (Reg No. INM000011146), following would be the share entitlement ratio for Eligible Members (as defined in the Scheme) of Amalgamating Company 2:

*"I fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."*

3.3. No special valuation difficulties were reported by the valuers.

3.4. In terms of the Scheme:





- i. Clause 5.3 of the Scheme defines "Amalgamating Company 2 Shares" means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- ii. Clause 5.5 of the Scheme defines "Amalgamated Company Shares" means fully paid up equity shares of the Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share; and
- iii. Clause 5.12 of the Scheme defines 'Eligible Member' shall mean *each person (other than Shri Lakshmi Metal Udyog Limited) whose name appears in the register of members of the Amalgamating Company 2 and/or whose name appears as the beneficial owner of the Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time*

**4. Effect of the Scheme on the stakeholders of Apollo Tricoat Tubes Limited**

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | Under the Scheme, with effect from the Effective Date, the Amalgamating Company 2 would stand dissolved without winding up. In the circumstances, the key managerial personnel of the Amalgamating Company 2 will cease to be the key managerial personnel of the Amalgamating Company 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2.   | Shareholders                         | <p>The stake held by Amalgamating Company 1 in Amalgamating Company 2 shall stand cancelled Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-</p> <p><i>"1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."</i></p> <p>The Amalgamated Company Shares to be issued and allotted by Amalgamated Company to Eligible Members of Amalgamating Company 2 in terms of the Scheme shall rank pari passu in all aspects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company.</p> |



| S.No | Particulars         | Effect                                                                                                                                                                                                                         |
|------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.   | Promoters           | Upon the Scheme being effective, Amalgamating Company 1 being the promoter of Amalgamating Company 2 is being amalgamated and shall stand dissolved without winding up. Accordingly, the promoter stake shall stand cancelled. |
| 4.   | Employees           | No effect. As per Clause 14, the present employees shall continue to act as the employees of the Amalgamated Company post the Scheme becomes effective.                                                                        |
| 5.   | Secured Creditors   | No effect. As per Clause 3 of the Scheme, liability of secured creditors of Amalgamating Company 2 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.                              |
| 6.   | Unsecured Creditors | No effect. As per Clause 3 of the Scheme, liability of unsecured creditors of Amalgamating Company 2 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.                            |

**5. Adoption of the report by board of directors of Apollo Tricoat Tubes Limited**

The board of directors of Apollo Tricoat Tubes Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**

For and on behalf of Apollo Tricoat Tubes Limited

  
Rahul Gupta  
Managing Director  
DIN: 07151792



Date: 27 February 2021



**REPORT ADOPTED BY BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI-NCR – 201010**

## 1. Background

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as 'Amalgamating Companies' and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as 'Companies'.*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

## 2. Rationale of the Scheme

The proposed amalgamation of Amalgamating Companies with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;



APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)

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Corp. Office : 36, Kaushambhi, Near Anand Vihar Terminal, Delhi (NCR) - 201010, India Tel:+91-120 4041 400/401/402 | Fax: +91-120 4041 444

Corp. Office : Tapasya Corporate Heights, 4th Floor, Tower A, Sector 126, Noida, Uttar Pradesh 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205 India Unit - 2 : 332-338, Alur Village, Perandapali, Hosur, Tamilnadu-635109 India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-428011, India Unit - 4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh -493661, India

E-mail : info@aplapollo.com Web: www.aplapollo.com



- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

- 3.1. Since, the Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Amalgamated Company either by itself or through its subsidiaries / nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon coming into effect of the Scheme. The investments in the shares of the Amalgamating Companies, appearing in the books of account of Amalgamated Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for the Scheme in respect of Amalgamating Company 1
- 3.2. Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.
- 3.3. In terms of the Scheme and based on Valuation Report issued by issued by Mr. Vikram Jain (Partner SSPA & Co, Chartered Accountants) dated 27 February 2021 Registered Valuer with Registration No. IBBI/RV-E/06/2020/126 and Fairness Opinion provided by Fortress Capital Management Services Pvt Ltd, Category-I SEBI Registered Merchant Banker (Reg No INM000011146), following would be the share entitlement ratio for Eligible Members (as defined in the Scheme) of Amalgamating Company 2:





*"1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."*

3.4. No special valuation difficulties were reported by the valuers.

3.5. In terms of the Scheme:

- i. Clause 5.3 of the Scheme defines "Amalgamating Company 2 Shares" means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- ii. Clause 5.5 of the Scheme defines "Amalgamated Company Shares" means fully paid up equity shares of the Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share; and
- iii. Clause 5.12 of the Scheme defines 'Eligible Member' shall mean *each person (other than Shri Lakshmi Metal Udyog Limited) whose name appears in the register of members of the Amalgamating Company 2 and/or whose name appears as the beneficial owner of the Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time*

#### 4. Effect of the Scheme on the stakeholders of APL Apollo Tubes Limited

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                                                                          |
|------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | <p><b>On amalgamation of Amalgamating Company 1</b><br/>No effect. There will be no change in the Directors / KMP of the Amalgamated Company pursuant to the Scheme</p> <p><b>On amalgamation of Amalgamating Company 2</b><br/>No effect. There will be no change in the Directors / KMP of the Amalgamated Company pursuant to the Scheme</p> |



| S.No | Particulars  | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.   | Shareholders | <p><b>On amalgamation of Amalgamating Company 1</b><br/>No effect. Amalgamating Company 1 is a wholly owned subsidiary of the Amalgamated Company. Accordingly, upon the Scheme becoming effective, the entire share capital of the Amalgamating Company 1 shall stand cancelled.</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <ul style="list-style-type: none"> <li>- The stake held by Amalgamating Company 1 in Amalgamating Company 2 shall stand cancelled Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-</li> </ul> <p><i>"1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."</i></p> <ul style="list-style-type: none"> <li>- The Amalgamated Company Shares to be issued and allotted by Amalgamated Company to Eligible Members of Amalgamating Company 2 in terms of the Scheme shall rank pari passu in all aspects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company</li> <li>- Promoters stake is expected to be diluted by 3.6% on issuance of 1,34,30,000 equity shares to public shareholders of Amalgamating Company 2 which in turn will increase the public float by 3.6% resulting in higher trading stock of the Amalgamated Company</li> </ul> |
| 3.   | Promoters    | <p>Please refer to Point No 1 above for details regarding the effect to shareholders.</p> <p>The Promoters of the Amalgamated Company shall continue to be Promoters, post the effectiveness of the Scheme.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



| S.No | Particulars         | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.   | Employees           | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>Under the Scheme, no rights of the staff and employees of Amalgamated Company are being affected</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>Under the Scheme, no rights of the staff and employees of Amalgamated Company are being affected</p>                                                                                                                                                                                                                               |
| 5.   | Secured Creditors   | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p>   |
| 6.   | Unsecured Creditors | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>No effect, the Scheme will not have any adverse effect on the unsecured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> |

#### 5. Adoption of the report by board of directors of APL Apollo Tubes Limited

The board of directors of APL Apollo Tubes Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**  
For and on behalf of APL Apollo Tubes Limited

Sanjay Gupta  
Chairman  
DIN: 0233188



Date: 27 February 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH, 2021**



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHRI LAKSHMI METAL UDYOG LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of **SHRI LAKSHMI METAL UDYOG LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 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, 2021, 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 financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 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 financial statements.

#### 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 Board's report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'



**Management's Responsibility for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

#### **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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 financial statements (Refer Note no. 33 (a) of the financial statements).




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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no. 33 (b) (2) of the financial statements).
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note no. 33 (c) of the financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021



**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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SHRI LAKSHMI METAL UDYOG LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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



*Rashim Tandon*  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets (Property, Plant and Equipment)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed asset to cover all items once in 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, fixed assets were physically verified by the Management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings whose title deeds/conveyance deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations received by the Company from lenders/custodians.
- (ii) As explained to us, the inventories (other than inventories in transit and inventories lying with third party) were physically verified during the year by the Management at reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans. In case of inventories lying with the third party, confirmation have been received by the Management for the stock held at year end and no material discrepancies was noted in respect of such confirmation.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Custom Duty and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable. The operations of the Company didn't give rise to Excise duty Also refer to the note 33 (a) (2) to the financial statements regarding management assessment on certain matters relating to the provident fund.
- (b) Details of dues of Income-tax, which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (net of payment ) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------|----------------|--------------------------------|------------------------------------|--------------------------------------------|---------------------------------------------|
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2016-17                            | 1.21                                       | 0.30                                        |
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2018-19                            | 0.77                                       | -                                           |

We have been informed that there are no dues of Value added tax, Excise duty, Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2021 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.





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- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**

| Particulars                                                     | Notes | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------|-------------------------|-------------------------|
|                                                                 |       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>I. ASSETS</b>                                                |       |                         |                         |
| <b>(1) Non-current assets</b>                                   |       |                         |                         |
| (a) Property, plant and equipment                               | 2(a)  | 42.53                   | 44.50                   |
| (b) Capital work-in-progress                                    | 2(b)  | 0.35                    | 0.78                    |
| (c) Investment in subsidiary                                    | 3     | 252.38                  | 206.18                  |
| (d) Financial assets                                            |       |                         |                         |
| (i) Other financial assets                                      | 4     | 0.72                    | 0.72                    |
| (e) Non-current tax assets (net)                                | 5     | 0.12                    | 0.12                    |
| (f) Other non current assets                                    | 6     | 0.31                    | 1.12                    |
| <b>Total non-current assets</b>                                 |       | <b>296.41</b>           | <b>253.42</b>           |
| <b>(2) Current assets</b>                                       |       |                         |                         |
| (a) Inventories                                                 | 7     | 39.35                   | 35.03                   |
| (b) Financial assets                                            |       |                         |                         |
| (i) Trade receivables                                           | 8     | 24.97                   | 92.29                   |
| (ii) Cash and cash equivalents                                  | 9     | 1.28                    | 0.23                    |
| (iii) Loans                                                     | 10    | 0.03                    | 0.02                    |
| (iv) Other financial assets                                     | 11    | 0.49                    | 4.99                    |
| (c) Other current assets                                        | 12    | 3.31                    | 1.09                    |
| <b>Total current assets</b>                                     |       | <b>69.43</b>            | <b>133.65</b>           |
| <b>Total Assets</b>                                             |       | <b>365.84</b>           | <b>387.07</b>           |
| <b>II. EQUITY AND LIABILITIES</b>                               |       |                         |                         |
| <b>(1) Equity</b>                                               |       |                         |                         |
| (a) Equity share capital                                        | 13(a) | 5.90                    | 5.90                    |
| (b) Other equity                                                | 13(b) | 209.96                  | 163.67                  |
| <b>Total equity</b>                                             |       | <b>215.86</b>           | <b>169.57</b>           |
| <b>(2) Non-current liabilities</b>                              |       |                         |                         |
| (a) Financial liabilities                                       |       |                         |                         |
| (i) Borrowings                                                  | 14    | 100.00                  | 115.00                  |
| (b) Provisions                                                  | 15    | 1.07                    | 1.00                    |
| (c) Deferred tax liabilities (net)                              | 16    | 4.48                    | 4.68                    |
| <b>Total non-current liabilities</b>                            |       | <b>105.55</b>           | <b>120.68</b>           |
| <b>(3) Current liabilities</b>                                  |       |                         |                         |
| (a) Financial liabilities:                                      |       |                         |                         |
| (i) Borrowings                                                  | 17    | -                       | 17.28                   |
| (ii) Trade payables                                             | 18    |                         |                         |
| - total outstanding dues of micro and small enterprises         |       | 0.32                    | 0.11                    |
| - total outstanding dues other than micro and small enterprises |       | 36.02                   | 59.95                   |
| (iii) Other financial liabilities                               | 19    | 2.46                    | 12.04                   |
| (b) Other current liabilities                                   | 20    | 4.21                    | 3.65                    |
| (c) Provisions                                                  | 21    | 0.02                    | 0.32                    |
| (d) Current tax liabilities (net)                               | 22    | 1.40                    | 3.47                    |
| <b>Total current liabilities</b>                                |       | <b>44.43</b>            | <b>96.82</b>            |
| <b>Total equity and liabilities</b>                             |       | <b>365.84</b>           | <b>387.07</b>           |

See accompanying notes to the financial statements 1-41

In terms of our report attached.

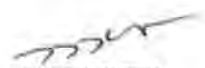
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

  
**RASHIM TANDON**  
Partner  
Membership No. 95540



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467



Place: New Delhi  
Date: June 2, 2021


Place: Ghaziabad  
Date: June 2, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                         | Notes | (Rupees in crore)            |                              |
|-------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                     |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>I</b> Revenue from operations                                                    | 23    | 730.36                       | 679.70                       |
| <b>II</b> Other income                                                              | 24    | 0.11                         | 1.36                         |
| <b>III Total income (I +II)</b>                                                     |       | <b>730.47</b>                | <b>681.06</b>                |
| <b>IV Expenses</b>                                                                  |       |                              |                              |
| (a) Cost of materials consumed                                                      | 25    | 555.23                       | 502.23                       |
| (b) Purchase of stock-in-trade                                                      |       | 57.20                        | 72.87                        |
| (c) Changes in inventories of finished goods, work-in-progress, rejection and scrap | 26    | (6.25)                       | (17.64)                      |
| (d) Employee benefits expense                                                       | 27    | 6.91                         | 7.42                         |
| (e) Finance costs                                                                   | 28    | 12.29                        | 16.15                        |
| (f) Depreciation expense                                                            | 2     | 3.51                         | 3.69                         |
| (g) Other expenses                                                                  | 29    | 39.41                        | 38.86                        |
| <b>Total expenses</b>                                                               |       | <b>668.30</b>                | <b>623.58</b>                |
| <b>V Profit before tax (III - IV)</b>                                               |       | <b>62.17</b>                 | <b>57.48</b>                 |
| <b>VI Tax expense:</b>                                                              |       |                              |                              |
| (a) Current tax                                                                     |       | 16.40                        | 14.62                        |
| (b) Deferred tax (credit) (net)                                                     | 16    | (0.28)                       | (2.45)                       |
| (c) Income tax expense of earlier year                                              | 36    | -                            | 0.09                         |
| <b>Total tax expense</b>                                                            | 36    | <b>16.12</b>                 | <b>12.26</b>                 |
| <b>VII Profit for the year (V-VI)</b>                                               |       | <b>46.05</b>                 | <b>45.23</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                           |       | -                            | 2.20                         |
| (b) Remeasurement of post employment benefit obligation                             |       | 0.32                         | (0.33)                       |
| (c) Income tax relating to (b) above                                                |       | (0.08)                       | 0.08                         |
| <b>Other comprehensive income for the year</b>                                      |       | <b>0.24</b>                  | <b>1.95</b>                  |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                        |       | <b>46.29</b>                 | <b>47.18</b>                 |
| <b>X Earnings per equity share of Rupees 10 each</b>                                |       |                              |                              |
| (a) Basic (in rupees)                                                               | 32    | 78.12                        | 76.72                        |
| (b) Diluted (in rupees)                                                             | 32    | 78.12                        | 76.72                        |
| See accompanying notes to the financial statements                                  | 1-41  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner  
Membership No. 95540



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467



Place: New Delhi  
Date: June 2, 2021

Place: Ghaziabad  
Date: June 2, 2021



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

**a) Equity share capital**

| Particulars                               | (Rupees in crore) |  |
|-------------------------------------------|-------------------|--|
|                                           | Amount            |  |
| Balance as at April 1, 2019               | 5.90              |  |
| Changes during the year ended March, 2020 | -                 |  |
| <b>Balance as at March 31, 2020</b>       | <b>5.90</b>       |  |
| Changes during the year ended March, 2021 | -                 |  |
| <b>Balance as at March 31, 2021</b>       | <b>5.90</b>       |  |

**b) Other equity**

| Particulars                                         | Reserves and surplus |                 |                   | Items of other comprehensive income                   | Total         |
|-----------------------------------------------------|----------------------|-----------------|-------------------|-------------------------------------------------------|---------------|
|                                                     | Securities premium   | General Reserve | Retained earnings | Equity Instruments through other comprehensive income |               |
| Balance as at April 1, 2019                         | 7.40                 | 2.85            | 97.41             | 8.90                                                  | 116.56        |
| Profit for the year ended March 31, 2020            | -                    | -               | 45.23             | -                                                     | 45.23         |
| Other comprehensive income for the year, net of tax | -                    | -               | (0.25)            | 2.20                                                  | 1.95          |
| <b>Total comprehensive income for the year</b>      | <b>-</b>             | <b>-</b>        | <b>44.98</b>      | <b>2.20</b>                                           | <b>47.18</b>  |
| <b>Allocations/Appropriations:</b>                  |                      |                 |                   |                                                       |               |
| Dividend distribution tax                           | -                    | -               | (0.07)            | -                                                     | (0.07)        |
| Transferred (to)/from General Reserve               | -                    | 11.10           | -                 | (11.10)                                               | -             |
|                                                     | -                    | 11.10           | (0.07)            | (11.10)                                               | (0.07)        |
| <b>Balance as at March 31, 2020</b>                 | <b>7.40</b>          | <b>13.95</b>    | <b>142.32</b>     | <b>-</b>                                              | <b>163.67</b> |
| Profit for the year ended March 31, 2021            | -                    | -               | 46.05             | -                                                     | 46.05         |
| Other comprehensive income for the year, net of tax | -                    | -               | 0.24              | -                                                     | 0.24          |
| <b>Total comprehensive income for the year</b>      | <b>-</b>             | <b>-</b>        | <b>46.29</b>      | <b>-</b>                                              | <b>46.29</b>  |
| <b>Balance as at March 31, 2021</b>                 | <b>7.40</b>          | <b>13.95</b>    | <b>188.61</b>     | <b>-</b>                                              | <b>209.96</b> |

See accompanying notes to the financial statements

1-41

In terms of our report attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

*Rashim Tandon*  
**RASHIM TANDON**  
 Partner  
 Membership No. 95540



**For and on behalf of the Board of Directors of SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gurta*  
**VINAY GURTA**  
 Director  
 DIN : 00005149

*Sanjay Gupta*  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

*Shivam Maheshwari*  
**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

Place: Ghazalabad  
 Date: June 2, 2021



Place: New Delhi  
 Date: June 2, 2021



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                      | (Rupees in crore)            |                              |
|----------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>A. Cash flow from operating activities</b>                                    |                              |                              |
| Profit before tax                                                                | 62.17                        | 57.48                        |
| <u>Adjustments for:</u>                                                          |                              |                              |
| Depreciation and amortisation expense                                            | 3.51                         | 3.69                         |
| Loss /(Profit) on sale of property, plant and equipment (net)                    | 0.15                         | (0.04)                       |
| Finance costs                                                                    | 12.29                        | 16.15                        |
| Share based expenses                                                             | 0.02                         | 0.07                         |
| Interest income on fixed deposits                                                | (0.05)                       | -                            |
| Provision for slow moving inventory of spares & consumables                      | 0.02                         | 0.02                         |
| <b>Operating profit before working capital changes</b>                           | <b>78.11</b>                 | <b>77.37</b>                 |
| <u>Changes in working capital:</u>                                               |                              |                              |
| Adjustments for (increase) / decrease in operating assets:                       |                              |                              |
| Inventories                                                                      | (4.34)                       | 6.23                         |
| Trade receivables                                                                | 67.32                        | (24.08)                      |
| Current financial assets                                                         | 4.48                         | (3.78)                       |
| Other non current assets                                                         | -                            | (0.21)                       |
| Other current assets                                                             | (2.22)                       | 0.71                         |
| Adjustments for Increase / (decrease) in operating liabilities:                  |                              |                              |
| Trade payables                                                                   | (23.75)                      | (0.71)                       |
| Other current liabilities                                                        | 0.56                         | (38.14)                      |
| Provision (current & non-current)                                                | 0.09                         | 0.19                         |
| <b>Cash generated from operations</b>                                            | <b>120.25</b>                | <b>17.58</b>                 |
| Net income tax paid                                                              | (18.48)                      | (11.46)                      |
| <b>Net cash flow from operating activities (A)</b>                               | <b>101.77</b>                | <b>6.12</b>                  |
| <b>B. Cash flow from investing activities</b>                                    |                              |                              |
| Capital expenditure on property, plant and equipment, including capital advances | (0.65)                       | (1.96)                       |
| Proceeds from sale of property, plant and equipment                              | 0.04                         | 0.14                         |
| Purchase of equity shares of Apollo Tricoat Tubes Limited                        | (46.20)                      | (137.77)                     |
| Interest received                                                                |                              |                              |
| - Others                                                                         | 0.05                         | -                            |
| <b>Net cash flow (used in) investing activities (B)</b>                          | <b>(46.76)</b>               | <b>(139.59)</b>              |
| <b>C. Cash flow from financing activities</b>                                    |                              |                              |
| Repayment of non-current borrowings                                              | (70.00)                      | (75.00)                      |
| Proceeds of non-current borrowings                                               | 45.00                        | 200.00                       |
| Proceeds from current borrowings (net)                                           | -                            | 0.95                         |
| Repayment of current borrowings (net)                                            | (17.28)                      | -                            |
| Finance costs paid                                                               | (11.68)                      | (14.92)                      |
| Payment of dividend distribution tax                                             | -                            | (0.07)                       |
| <b>Net cash flow from / (used in) financing activities (C)</b>                   | <b>(53.96)</b>               | <b>110.96</b>                |
| <b>Net (decrease) / increase in Cash and cash equivalents (A+B+C)</b>            | <b>1.05</b>                  | <b>(22.51)</b>               |
| Cash and cash equivalents at the beginning of the year                           | 0.23                         | 22.74                        |
| <b>Cash and cash equivalents at the end of the year</b>                          | <b>1.28</b>                  | <b>0.23</b>                  |

See accompanying notes to the financial statements

1-41

In terms of our report attached.

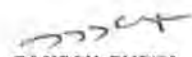
**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018


  
**RASHIM TANDON**  
Partner  
Membership No. 95540



**For and on behalf of the Board of Directors of  
SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467

Place: Ghaziabad  
Date: June 2, 2021



Place: New Delhi  
Date: June 2, 2021



**1(i) Company background**

Shri Lakshmi Metal Udyog Limited, the Company was incorporated on 25 April 1994. The registered office the Company is situated at 37, Hargobind Enclave, Vikas Marg, Delhi-110092, India. The Company is a wholly owned subsidiary of APL Apollo Tubes Limited (the Holding Company) and is engaged in the business of production of ERW steel tubes and GP Coils. The Company has one manufacturing unit at Bengaluru, Karnataka.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 2, 2021.

The Company holds 55.82% (March 31, 2020 : 50.86%) equity shares of Apollo Tricoat Tubes Limited ('ATTL'), a Company engaged in the business of manufacturing of steel pipes. (See note 3)

**1(ii) Impact of the Initial application of new and amended Ind ASs that are effective for the current year**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2020.

**Amendments to Ind AS-1 and Ind AS-8 - Definition of 'material'.**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on disclosures or on the amounts reported in these financial statements.

**1(iii) 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 financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

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.

**Going Concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**(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.

**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 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 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.

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

Post the outbreak of COVID-19, the Company has made an assessment of the likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non current assets including property, plant and equipment and other financial exposure. The Company has also evaluated its liability to meet the financial commitments towards its lenders etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

**(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**

The revenue is recognised once the entity satisfied that performance obligation & control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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.

**(g) 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid where applicable in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(h) 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.

**As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) 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 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 the principal item of the relevant assets.

**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, 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 50 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.

**(m) 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.

**(n) 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.

**(o) 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 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.

**(p) 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 services 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, 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.

**(g) 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.

**(r) 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.

**(s) 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")
- 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.

**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 investment in one entity which is not held for trading. The Company has elected the FVTOCI irrevocable option for this investment (see note 3). Fair value is determined in the manner described in note 36.

**(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 37 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.

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.

**(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.



**(t) 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.

**(u) 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.

**(v) 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 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 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(iv) Recent Accounting Developments**

**Balance Sheet:**

- (a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Specified format for disclosure of shareholding of promoters.
- (d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.
- (b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.





**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**2(a) Property, Plant and Equipment**

|                                   | (Rupees in crore)    |                 |                            |                          |                      |                               |                  |              |              |
|-----------------------------------|----------------------|-----------------|----------------------------|--------------------------|----------------------|-------------------------------|------------------|--------------|--------------|
|                                   | As at March 31, 2021 |                 |                            |                          | As at March 31, 2020 |                               |                  |              |              |
| <b>Carryings amounts of :</b>     |                      |                 |                            |                          |                      |                               |                  |              |              |
| Freehold land                     |                      |                 |                            |                          |                      |                               |                  | 7.90         | 7.90         |
| Building                          |                      |                 |                            |                          |                      |                               |                  | 8.33         | 8.48         |
| Plant and machinery               |                      |                 |                            |                          |                      |                               |                  | 25.73        | 27.44        |
| Office equipments                 |                      |                 |                            |                          |                      |                               |                  | 0.02         | 0.02         |
| Vehicles                          |                      |                 |                            |                          |                      |                               |                  | 0.43         | 0.52         |
| Furniture and fixtures            |                      |                 |                            |                          |                      |                               |                  | 0.11         | 0.13         |
| Computers                         |                      |                 |                            |                          |                      |                               |                  | 0.01         | 0.01         |
|                                   |                      |                 |                            |                          |                      |                               |                  | <b>42.53</b> | <b>44.50</b> |
|                                   | <b>Freehold land</b> | <b>Building</b> | <b>Plant and machinery</b> | <b>Office equipments</b> | <b>Vehicles</b>      | <b>Furniture and fixtures</b> | <b>Computers</b> | <b>Total</b> |              |
| <b>Deemed cost</b>                |                      |                 |                            |                          |                      |                               |                  |              |              |
| As at April 1, 2019               | 7.90                 | 8.89            | 36.25                      | 0.04                     | 0.88                 | 0.17                          | 0.02             | 54.15        |              |
| Additions                         | -                    | 0.22            | 0.43                       | -                        | -                    | -                             | 0.01             | 0.66         |              |
| Sales during the year             | -                    | (0.07)          | (0.37)                     | -                        | -                    | -                             | -                | (0.44)       |              |
| <b>Balance at March 31, 2020</b>  | <b>7.90</b>          | <b>9.04</b>     | <b>36.31</b>               | <b>0.04</b>              | <b>0.88</b>          | <b>0.17</b>                   | <b>0.03</b>      | <b>54.37</b> |              |
| Additions                         | -                    | 0.30            | 1.45                       | -                        | -                    | -                             | 0.01             | 1.76         |              |
| Sales during the year             | -                    | -               | (0.37)                     | -                        | -                    | -                             | -                | (0.37)       |              |
| <b>Balance at March 31, 2021</b>  | <b>7.90</b>          | <b>9.34</b>     | <b>37.39</b>               | <b>0.04</b>              | <b>0.88</b>          | <b>0.17</b>                   | <b>0.04</b>      | <b>55.76</b> |              |
| <b>Accumulated depreciation</b>   |                      |                 |                            |                          |                      |                               |                  |              |              |
| As at April 1, 2019               | -                    | 0.13            | 5.97                       | 0.02                     | 0.27                 | 0.02                          | 0.01             | 6.42         |              |
| Elimination on disposal of assets | -                    | -               | (0.24)                     | -                        | -                    | -                             | -                | (0.24)       |              |
| Depreciation expense              | -                    | 0.43            | 3.14                       | -                        | 0.09                 | 0.02                          | 0.01             | 3.69         |              |
| <b>Balance at March 31, 2020</b>  | <b>-</b>             | <b>0.56</b>     | <b>8.87</b>                | <b>0.02</b>              | <b>0.36</b>          | <b>0.04</b>                   | <b>0.02</b>      | <b>9.87</b>  |              |
| Elimination on disposal of assets | -                    | -               | (0.15)                     | -                        | -                    | -                             | -                | (0.15)       |              |
| Depreciation expense              | -                    | 0.45            | 2.94                       | -                        | 0.09                 | 0.02                          | 0.01             | 3.51         |              |
| <b>Balance at March 31, 2021</b>  | <b>-</b>             | <b>1.01</b>     | <b>11.66</b>               | <b>0.02</b>              | <b>0.45</b>          | <b>0.06</b>                   | <b>0.03</b>      | <b>13.23</b> |              |
| <b>Net carrying value</b>         |                      |                 |                            |                          |                      |                               |                  |              |              |
| Balance at March 31, 2020         | 7.90                 | 8.48            | 27.44                      | 0.02                     | 0.52                 | 0.13                          | 0.01             | 44.50        |              |
| Balance at March 31, 2021         | 7.90                 | 8.33            | 25.73                      | 0.02                     | 0.43                 | 0.11                          | 0.01             | 42.53        |              |

**Note :**

(1) Property, plant and equipment as detailed in note 2 have been pledged as security for term loans taken as at March 31, 2021. See note 14 and 17 for loans taken against which these assets are pledged.



**2(b) Capital work in progress**

| Particulars                                                      | (Rupees in crore) |             |
|------------------------------------------------------------------|-------------------|-------------|
|                                                                  | Plant & machinery | Total       |
| As at April 1, 2019                                              | 0.16              | 0.16        |
| Add : Additions during the year                                  | 1.05              | 1.05        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (0.43)            | (0.43)      |
| <b>Closing balance as at March 31, 2020</b>                      | <b>0.78</b>       | <b>0.78</b> |
| Add : Additions during the year                                  | 1.02              | 1.02        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (1.45)            | (1.45)      |
| <b>Closing balance as at March 31, 2021</b>                      | <b>0.35</b>       | <b>0.35</b> |

**3 Investment (Non-current)**

| Particulars                                                                                                                                                 | (Rupees in crore)       |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Investment in subsidiary - (quoted, fully paid) :</b>                                                                                                    |                         |                         |
| (i) 16,970,000 equity shares of Rupees 10 each fully paid up in Apollo Tricoat Tubes Limited (March 31, 2020 : 15,460,000 equity shares) - (see note below) | 252.38                  | 206.18                  |
| <b>Total</b>                                                                                                                                                | <b>252.38</b>           | <b>206.18</b>           |
| <b>Market value of quoted Investment</b>                                                                                                                    | <b>2,036.40</b>         | <b>420.98</b>           |

**Note :**

The Company holds 55.82% (March 31, 2020 : 50.86%) equity shares of Apollo Tricoat Tubes Limited ('ATTL'), a Company engaged in the business of manufacturing of steel pipes.

In previous year, the Board of Directors of Apl Apollo Tubes Limited (the Holding Company) in their meeting held on October 18, 2018 considered and approved the acquisition / investment by Shri Lakshmi Metal Udyog Limited ('SLMUL'), by way of entering into a Share Purchase Agreement ('Agreement') for the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited ('Target Entity', unrelated party). Investment by SLMUL in Target Entity was approved by Shareholders via Special resolution dated October 18, 2018.

Pursuant to the said Agreement, SLMUL made an open offer, which got completed on February 1, 2019 and SLMUL became promoter of Target Entity in compliance with the provisions of Regulation 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. During the offer period, SLMUL acquired 1,325,000 Equity Shares from open market and 1,536,209 Equity Shares were tendered under open offer, aggregating to 2,861,209 Equity Shares, representing 10.33 % of the paid up share capital of Apollo Tricoat Tubes Limited as on March 31, 2019.

During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 15,191,239 equity shares representing 50.56% of paid up share capital of the target entity. Accordingly, Target Entity became a subsidiary of SLMUL with effect from June 17, 2019.

Subsequently, SLMUL further acquired 268,761 equity shares and held 15,460,000 equity shares representing 50.86% of paid up share capital of Apollo Tricoat Tubes Limited as at March 31, 2020.

In current year, SLMUL further acquired 1,510,000 equity shares and as at year end March 31, 2021, SLMUL holds 16,970,000 equity shares representing 55.82% of paid up share capital of Apollo Tricoat Tubes Limited.

**4 Other financial assets (Non-current)**  
(Unsecured, considered good)

| Particulars          | (Rupees in crore)       |                         |
|----------------------|-------------------------|-------------------------|
|                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Security deposit | 0.72                    | 0.72                    |
| <b>Total</b>         | <b>0.72</b>             | <b>0.72</b>             |

**5 Non-current tax assets (net)**

| Particulars                                                                                                  | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Advance income tax (net of Provision of tax for Rupees 14.98 crore, March 31, 2020 : Rupees 14.98 crore) | 0.12                    | 0.12                    |
| <b>Total</b>                                                                                                 | <b>0.12</b>             | <b>0.12</b>             |

**6 Other non current assets**  
(Unsecured, considered good)

| Particulars                                | (Rupees in crore)       |                         |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Capital advances                       | 0.01                    | 0.82                    |
| (b) Payment under protest (see note below) |                         |                         |
| (i) Income tax                             | 0.30                    | 0.30                    |
| <b>Total</b>                               | <b>0.31</b>             | <b>1.12</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 financial statements. The Company does not expect the outcome of these proceedings to have a materially effect on its financial statements.

**7 Inventories**

| Particulars                                                | (Rupees in crore)       |                         |
|------------------------------------------------------------|-------------------------|-------------------------|
|                                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Raw materials (including stock lying with third party) | 5.05                    | 6.86                    |
| (b) Work in progress (including stock-in-transit)          | 21.28                   | 15.81                   |
| (c) Finished goods (including stock-in-transit)            | 10.01                   | 10.26                   |
| (d) Stores and spares                                      | 1.06                    | 1.18                    |
| (e) Rejection and scrap                                    | 1.95                    | 0.92                    |
| <b>Total</b>                                               | <b>39.35</b>            | <b>35.03</b>            |



**Notes :**

- (i) Cost of inventory (including stores & spares) recognised as expense during the year amounted to Rupees 611.96 crore (March 31, 2020 : Rupees 564.59 crore).

|                                                 | (Rupees in crore)       |                         |
|-------------------------------------------------|-------------------------|-------------------------|
|                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Details of stock-in-transit</b>              |                         |                         |
| Raw material                                    | 0.23                    | -                       |
| Finished goods                                  | 5.44                    | 0.20                    |
| Work in progress                                | 1.90                    | -                       |
| (iii) Raw material stock lying with third party | 0.45                    | 5.04                    |

- (iv) The Company has created a provision for slow moving inventory of stores & spares of Rupees 0.02 crores (March 31, 2020 : Rupees 0.02 crores).

- (v) The mode of valuation of inventories has been stated in note 1(ii)(k) of significant accounting policies.

- (vi) Inventories have been pledged as security towards Company's borrowings from banks.

**B Trade receivables (Current)**  
(Unsecured)

| Particulars                     | (Rupees in crore)       |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Considered good             |                         |                         |
| (i) Related parties             | 18.50                   | 25.89                   |
| (ii) Other than related parties | 6.47                    | 66.40                   |
| <b>Total</b>                    | <b>24.97</b>            | <b>92.29</b>            |

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. There are no customers who represent more than 10% of the total balance of trade receivables except as follows :-

| Particulars                  | (Rupees in crore)       |              |
|------------------------------|-------------------------|--------------|
|                              | As at<br>March 31, 2021 |              |
| Customer C                   |                         | 18.24        |
| Customer A                   |                         | 3.27         |
|                              |                         | <b>21.51</b> |
| % of total trade receivables |                         | 86.14%       |

| Particulars                  | (Rupees in crore)       |              |
|------------------------------|-------------------------|--------------|
|                              | As at<br>March 31, 2020 |              |
| Customer A                   |                         | 28.97        |
| Customer B                   |                         | 16.82        |
| Customer C                   |                         | 9.07         |
|                              |                         | <b>54.86</b> |
| % of total trade receivables |                         | 59.44%       |

- (1) Ageing of trade receivables and credit risk arising there from is as below :

| Particulars                | (Rupees in crore)    |                             |                 |
|----------------------------|----------------------|-----------------------------|-----------------|
|                            | As at March 31, 2021 |                             |                 |
|                            | Gross credit risk    | Allowance for credit losses | Net credit risk |
| Amounts not yet due        | 24.97                | -                           | 24.97           |
| 0-90 days overdue          | -                    | -                           | -               |
| 91-180 days overdue        | -                    | -                           | -               |
| 181-270 days overdue       | -                    | -                           | -               |
| 271-365 days overdue       | -                    | -                           | -               |
| More than 365 days overdue | -                    | -                           | -               |
|                            | <b>24.97</b>         | <b>-</b>                    | <b>24.97</b>    |

| Particulars                | (Rupees in crore)    |                             |                 |
|----------------------------|----------------------|-----------------------------|-----------------|
|                            | As at March 31, 2020 |                             |                 |
|                            | Gross credit risk    | Allowance for credit losses | Net credit risk |
| Amounts not yet due        | 74.13                | -                           | 74.13           |
| 0-90 days overdue          | 18.15                | -                           | 18.15           |
| 91-180 days overdue        | -                    | -                           | -               |
| 181-270 days overdue       | 0.01                 | -                           | 0.01            |
| 271-365 days overdue       | -                    | -                           | -               |
| More than 365 days overdue | -                    | -                           | -               |
|                            | <b>92.29</b>         | <b>-</b>                    | <b>92.29</b>    |

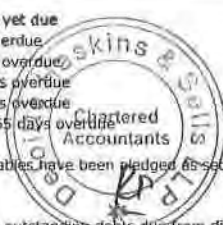
- (2) Ageing wise % of expected credit loss

| Particulars                | (Rupees in crore)       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at March 31,<br>2021 | As at March 31,<br>2020 |
| Amounts not yet due        | 100%                    | 100%                    |
| 0-90 days overdue          | -                       | -                       |
| 91-180 days overdue        | -                       | -                       |
| 181-270 days overdue       | -                       | -                       |
| 271-365 days overdue       | -                       | -                       |
| More than 365 days overdue | -                       | -                       |

- (3) 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.





**9 Cash and cash equivalents**

|             |                                                              | (Rupees in crore)       |                         |
|-------------|--------------------------------------------------------------|-------------------------|-------------------------|
| Particulars |                                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a)         | Cash on hand                                                 | 0.02                    | 0.02                    |
| (b)         | Balances with banks                                          |                         |                         |
|             | - in current accounts                                        | 0.03                    | 0.21                    |
|             | - in cash credit accounts (see note 17 for security details) | 1.23                    | -                       |
|             | <b>Total</b>                                                 | <b>1.28</b>             | <b>0.23</b>             |

**10 Loans (Current)**  
(Unsecured, considered good)

|             |                    | (Rupees in crore)       |                         |
|-------------|--------------------|-------------------------|-------------------------|
| Particulars |                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a)         | Loans to employees | 0.03                    | 0.02                    |
|             | <b>Total</b>       | <b>0.03</b>             | <b>0.02</b>             |

**11 Other financial assets (Current)**  
(Unsecured, considered good)

|             |                        | (Rupees in crore)       |                         |
|-------------|------------------------|-------------------------|-------------------------|
| Particulars |                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a)         | Other claim receivable | 0.49                    | 4.99                    |
|             | <b>Total</b>           | <b>0.49</b>             | <b>4.99</b>             |

**12 Other current assets**  
(Unsecured, considered good)

|             |                      | (Rupees in crore)       |                         |
|-------------|----------------------|-------------------------|-------------------------|
| Particulars |                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a)         | Advance to suppliers | 3.28                    | 0.98                    |
| (b)         | Prepaid expenses     | 0.03                    | 0.11                    |
|             | <b>Total</b>         | <b>3.31</b>             | <b>1.09</b>             |





**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

| Particulars                                                                                             | (Rupees in crore, except otherwise stated) |             |                      |             |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------|----------------------|-------------|
|                                                                                                         | As at March 31, 2021                       |             | As at March 31, 2020 |             |
|                                                                                                         | Number of Shares                           | Amount      | Number of Shares     | Amount      |
| <b>13 Equity</b>                                                                                        |                                            |             |                      |             |
| <b>13(a) Equity share capital</b>                                                                       |                                            |             |                      |             |
| (i) <b>Authorised capital</b><br>Equity shares of Rupees 10 each with voting rights                     | 70,00,000                                  | 7.00        | 70,00,000            | 7.00        |
|                                                                                                         | <b>70,00,000</b>                           | <b>7.00</b> | <b>70,00,000</b>     | <b>7.00</b> |
| (ii) <b>Issued capital</b><br>Equity shares of Rupees 10 each with voting rights                        | 58,95,000                                  | 5.90        | 58,95,000            | 5.90        |
|                                                                                                         | <b>58,95,000</b>                           | <b>5.90</b> | <b>58,95,000</b>     | <b>5.90</b> |
| (iii) <b>Subscribed and fully paid up capital</b><br>Equity shares of Rupees 10 each with voting rights | 58,95,000                                  | 5.90        | 58,95,000            | 5.90        |
|                                                                                                         | <b>58,95,000</b>                           | <b>5.90</b> | <b>58,95,000</b>     | <b>5.90</b> |

**(1) Reconciliation of the number of shares and amount outstanding as at March 31, 2021 and March 31, 2020**

| Particulars                                     | Number of shares            |                         | Amount                                       |                                              |
|-------------------------------------------------|-----------------------------|-------------------------|----------------------------------------------|----------------------------------------------|
|                                                 | As at<br>March 31, 2021     | As at<br>March 31, 2020 | As at<br>March 31, 2021<br>(Rupees in crore) | As at<br>March 31, 2020<br>(Rupees in crore) |
|                                                 | <b>Equity share capital</b> |                         |                                              |                                              |
| <b>Outstanding at the beginning of the year</b> | 58,95,000                   | 58,95,000               | 5.90                                         | 5.90                                         |
| Add: Issued during the year                     | -                           | -                       | -                                            | -                                            |
| <b>Outstanding at the end of the year</b>       | <b>58,95,000</b>            | <b>58,95,000</b>        | <b>5.90</b>                                  | <b>5.90</b>                                  |

**(2) Rights, Preferences and restrictions attached to equity shares**

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

**(3) Details of shares held by the holding Company :**

| Particulars               | Number of shares        |                         |
|---------------------------|-------------------------|-------------------------|
|                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| APL Apollo Tubes Limited* | 58,95,000               | 58,95,000               |

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

| Name of shareholder                     | As at<br>March 31, 2021  |           | As at<br>March 31, 2020  |           |
|-----------------------------------------|--------------------------|-----------|--------------------------|-----------|
|                                         | Number of shares<br>held | % holding | Number of shares<br>held | % holding |
| <b>Equity shares with voting rights</b> |                          |           |                          |           |
| APL Apollo Tubes Limited*               | 58,95,000                | 100%      | 58,95,000                | 100%      |

\* Out of total 5,895,000 equity shares, 5,894,994 equity shares are held by APL Apollo Tubes Limited (the holding Company) and remaining 6 shares are held by Mr. Sanjay Gupta, Mr. Vinay Gupta, Mr. Sameer Gupta, Mrs. Neera Gupta, Mrs. Vandana Gupta & Mrs. Meenakshi Gupta (each holding 1 share) as nominee/representatives.



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**13(b) Other equity**

| Particulars                                                             | (Rupees in crore)                            |                                              |
|-------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                                         | As at<br>March 31, 2021                      | As at<br>March 31, 2020                      |
| Securities premium                                                      | 7.40                                         | 7.40                                         |
| General reserve                                                         | 13.95                                        | 13.95                                        |
| Retained earnings                                                       | 188.61                                       | 142.32                                       |
| <b>Total</b>                                                            | <b>209.96</b>                                | <b>163.67</b>                                |
|                                                                         | As at<br>March 31, 2021<br>(Rupees in crore) | As at<br>March 31, 2020<br>(Rupees in crore) |
| <b>(1) Security premium</b>                                             |                                              |                                              |
| Balance at the beginning of the year                                    | 7.40                                         | 7.40                                         |
| Add: Additions                                                          | -                                            | -                                            |
| Balance at the end of the year                                          | <b>7.40</b>                                  | <b>7.40</b>                                  |
| <b>(2) General reserve</b>                                              |                                              |                                              |
| Balance at the beginning of the year                                    | 13.95                                        | 2.85                                         |
| Add: Transferred from items of other comprehensive income               | -                                            | 11.10                                        |
| Balance at the end of the year                                          | <b>13.95</b>                                 | <b>13.95</b>                                 |
| <b>(3) Retained earnings</b>                                            |                                              |                                              |
| Balance at the beginning of the year                                    | 142.32                                       | 97.41                                        |
| Add: Total comprehensive income for the year                            | 46.29                                        | 44.98                                        |
| Less: Tax on dividend paid                                              | -                                            | (0.07)                                       |
| Balance at the end of the year                                          | <b>188.61</b>                                | <b>142.32</b>                                |
| <b>(4) Items of other comprehensive income</b>                          |                                              |                                              |
| Balance at the beginning of the year                                    | -                                            | 8.90                                         |
| Add: Equity Instruments through other comprehensive income (see note 3) | -                                            | 2.20                                         |
| Less: Transfer to general reserve                                       | -                                            | (11.10)                                      |
| Balance at the end of the year                                          | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total</b>                                                            | <b>209.96</b>                                | <b>163.67</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) 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.

**(iv) Items of other comprehensive income :** This represents gain on fair valuation of investments in Apollo Tricoat Tubes Limited ('ATTL') which are carried at fair value through the other comprehensive income. During the previous year, the Company had acquired 50.86% stake in ATTL and on completion of acquisition, the balance was transferred to general reserve.



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**Notes to the financial statements for the year ended March 31, 2021**

**14 Borrowings (Non-current)**

| Particulars                                                                          | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Term Loan:</b>                                                                |                         |                         |
| - From others                                                                        |                         |                         |
| (i) Secured (see note (i) below)                                                     | -                       | 40.00                   |
| <b>(b) Borrowings from APL Apollo Tubes Limited (Unsecured, see note (ii) below)</b> | 100.00                  | 75.00                   |
| <b>Total</b>                                                                         | <b>100.00</b>           | <b>115.00</b>           |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | As at March 31, 2021   |                                              | As at March 31, 2020   |                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------|------------------------|----------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Non-current borrowings | Current Maturities of non-current borrowings | Non-current borrowings | Current Maturities of non-current borrowings |
| <b>(i) Term loan from others are as follows:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        |                                              |                        |                                              |
| Term Loan facility is secured by first pari passu charge on entire present and future movable and immovable fixed assets of the Company situated at KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and 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 and corporate guarantee of APL Apollo Tubes Limited. The loan outstanding was repayable in 20 quarterly instalments commencing from May 2020 and ending in February 2025. Applicable rate of interest was 9.50% . During the current financial year, loan has been fully repaid. | -                      | -                                            | 40.00                  | 10.00                                        |
| <b>(ii) Borrowings from APL Apollo Tubes Limited is as follows :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                        |                                              |                        |                                              |
| During the year, the Company has taken Rupees 40.00 crores additional unsecured loan from APL Apollo Tubes Limited, the holding Company, repayable in 5 years as and when funds are available with Company. The loan is taken for the purpose of meeting its operational requirements. During the year, loan amount to Rupees 20.00 crore was repaid. Applicable rate of interest is 8.50% (March 31, 2020 : 10.00 %.)                                                                                                                                                                                                                                                                                                          | 100.00                 | -                                            | 75.00                  | -                                            |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>100.00</b>          | <b>-</b>                                     | <b>115.00</b>          | <b>10.00</b>                                 |

**15 Provisions (Non-current)**

| Particulars                                     | (Rupees in crore)       |                         |
|-------------------------------------------------|-------------------------|-------------------------|
|                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Provision for compensated absences</b>   | 0.29                    | 0.26                    |
| <b>(b) Provision for gratuity (see note 34)</b> | 0.78                    | 0.74                    |
| <b>Total</b>                                    | <b>1.07</b>             | <b>1.00</b>             |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**16 Deferred Tax Liabilities (net)**

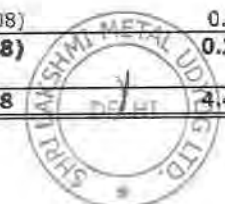
**(a) Component of deferred tax assets and liabilities are :-**

(Rupees in crore)

| Particulars                                              | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------|----------------------|----------------------|
| (i) <b>Deferred Tax Liabilities on account of :</b>      |                      |                      |
| Property, plant and equipments                           | 4.75                 | 5.10                 |
| <b>Total deferred tax liabilities (A)</b>                | <b>4.75</b>          | <b>5.10</b>          |
| (ii) <b>Deferred Tax Assets on account of :</b>          |                      |                      |
| Provision for employee benefit expenses                  | 0.27                 | 0.42                 |
| <b>Total deferred tax assets (B)</b>                     | <b>0.27</b>          | <b>0.42</b>          |
| <b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b> | <b>4.48</b>          | <b>4.68</b>          |

| (b) Movement in deferred tax liabilities / asset | As at April 1, 2019 | (Profit) / Loss Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2020 |
|--------------------------------------------------|---------------------|----------------------------------------------|------------------------------------------|----------------------|
| <b>Deferred Tax Liabilities (A)</b>              |                     |                                              |                                          |                      |
| Property, plant and equipments                   | 7.53                | (2.43)                                       | -                                        | 5.10                 |
| <b>Total</b>                                     | <b>7.53</b>         | <b>(2.43)</b>                                | <b>-</b>                                 | <b>5.10</b>          |
| <b>Deferred Tax Assets (B)</b>                   |                     |                                              |                                          |                      |
| Provision for employee benefit expenses          | 0.29                | 0.05                                         | 0.08                                     | 0.42                 |
| Financial Assets (Transaction cost on loans)     | 0.03                | (0.03)                                       | -                                        | -                    |
| <b>Total</b>                                     | <b>0.32</b>         | <b>0.02</b>                                  | <b>0.08</b>                              | <b>0.42</b>          |
| <b>Deferred tax liabilities (Net - A-B)</b>      | <b>7.21</b>         | <b>(2.45)</b>                                | <b>(0.08)</b>                            | <b>4.68</b>          |

| Movement in deferred tax liabilities / asset | As at April 1, 2020 | (Profit) / Loss Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2021 |
|----------------------------------------------|---------------------|----------------------------------------------|------------------------------------------|----------------------|
| <b>Deferred Tax Liabilities (A)</b>          |                     |                                              |                                          |                      |
| Property, plant and equipments               | 5.10                | (0.35)                                       | -                                        | 4.75                 |
| <b>Total</b>                                 | <b>5.10</b>         | <b>(0.35)</b>                                | <b>-</b>                                 | <b>4.75</b>          |
| <b>Deferred Tax Assets (B)</b>               |                     |                                              |                                          |                      |
| Provision for employee benefit expenses      | 0.42                | (0.07)                                       | (0.08)                                   | 0.27                 |
| <b>Total</b>                                 | <b>0.42</b>         | <b>(0.07)</b>                                | <b>(0.08)</b>                            | <b>0.27</b>          |
| <b>Deferred tax liabilities (Net - A-B)</b>  | <b>4.68</b>         | <b>(0.28)</b>                                | <b>0.08</b>                              | <b>4.48</b>          |





**17 Borrowings (Current)**

| Particulars                                         | (Rupees in crore)       |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Loan repayable on demand                        |                         |                         |
| - From banks (secured)                              |                         |                         |
| (i) Working capital facilities (see note (i) below) | -                       | 17.28                   |
| <b>Total</b>                                        | <b>-</b>                | <b>17.28</b>            |

**Nature of security:**

(i) 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 KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited.

**18 Trade payables (Current)**

| Particulars                                                       | (Rupees in crore)       |                         |
|-------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Total outstanding dues of micro and small enterprises         | 0.32                    | 0.11                    |
| (b) Total outstanding dues other than micro and small enterprises | 36.02                   | 59.95                   |
| <b>Total</b>                                                      | <b>36.34</b>            | <b>60.06</b>            |

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                                                                                                                                                                                                        | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                    | 0.32                    | 0.11                    |
| (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 by 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                                                                                | -                       | -                       |

**19 Other financial liabilities (Current)**

| Particulars                                                    | (Rupees in crore)       |                         |
|----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Current maturities of non-current borrowings (see note 14) | -                       | 10.00                   |
| (b) Payable on purchase of property, plant and equipment       | -                       | 0.19                    |
| (c) Interest accrued and due on borrowings                     | 2.46                    | 1.85                    |
| <b>Total</b>                                                   | <b>2.46</b>             | <b>12.04</b>            |

**20 Other current liabilities**

| Particulars                | (Rupees in crore)       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Statutory remittances  | 3.64                    | 3.51                    |
| (b) Advance from customers | 0.57                    | 0.14                    |
| <b>Total</b>               | <b>4.21</b>             | <b>3.65</b>             |

**21 Provisions (Current)**

| Particulars                              | (Rupees in crore)       |                         |
|------------------------------------------|-------------------------|-------------------------|
|                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for compensated absences   | 0.01                    | 0.10                    |
| (b) Provision for gratuity (see note 34) | 0.01                    | 0.22                    |
| <b>Total</b>                             | <b>0.02</b>             | <b>0.32</b>             |

**22 Current tax liabilities (net)**

| Particulars                                                                                        | (Rupees in crore)       |                         |
|----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for tax (net of advance tax Rupees 68.72 crores, March 31, 2020 Rupees 50.13 crores) | 1.40                    | 3.47                    |
|                                                                                                    | <b>1.40</b>             | <b>3.47</b>             |



| <b>23 Revenue from operations</b>                 |                              | (Rupees in crore)            |  |
|---------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Sale of products (see note (i) below)         | 718.39                       | 666.49                       |  |
| (b) Other operating revenue (see note (ii) below) | 11.97                        | 13.21                        |  |
| <b>Total</b>                                      | <b>730.36</b>                | <b>679.70</b>                |  |

Notes :

| <b>(i) Reconciliation of revenue recognised with contract price :</b> |                              | (Rupees in crore)            |  |
|-----------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                           | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Contract price                                                        | 735.83                       | 684.04                       |  |
| Adjustments for:                                                      |                              |                              |  |
| Discount & Incentives                                                 | (17.44)                      | (17.55)                      |  |
| <b>Revenue from operations</b>                                        | <b>718.39</b>                | <b>666.49</b>                |  |
| <b>(ii) Other operating revenue comprises</b>                         |                              |                              |  |
| Sale of scrap                                                         | 11.97                        | 13.21                        |  |
| <b>Total</b>                                                          | <b>11.97</b>                 | <b>13.21</b>                 |  |

| <b>24 Other Income</b>                                    |                              | (Rupees in crore)            |  |
|-----------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Interest income on fixed deposit                      | 0.05                         | -                            |  |
| (b) Gain on foreign currency transactions (net)           | 0.06                         | -                            |  |
| (c) Interest Income on others (see note 35)               | -                            | 0.95                         |  |
| (d) Profit on sale of property, plant and equipment (net) | -                            | 0.04                         |  |
| (e) Miscellaneous Income                                  | -                            | 0.37                         |  |
| <b>Total</b>                                              | <b>0.11</b>                  | <b>1.36</b>                  |  |

| <b>25 Cost of material consumed</b>                         |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Inventories of raw material at the beginning of the year    | 6.86                         | 30.89                        |  |
| Add: Purchases during the year                              | 553.42                       | 478.20                       |  |
| Less: Inventories of raw material as at the end of the year | 5.05                         | 6.86                         |  |
| <b>Total</b>                                                | <b>555.23</b>                | <b>502.23</b>                |  |

| <b>26 Change in Inventories</b>                  |                              | (Rupees in crore)            |  |
|--------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| <b>Inventories at the end of the year:</b>       |                              |                              |  |
| (a) Finished goods                               | 10.01                        | 10.26                        |  |
| (b) Work in progress                             | 21.28                        | 15.81                        |  |
| (c) Rejection and scrap                          | 1.95                         | 0.92                         |  |
|                                                  | <b>33.24</b>                 | <b>26.99</b>                 |  |
| <b>Inventories at the beginning of the year:</b> |                              |                              |  |
| (a) Finished goods                               | 10.26                        | 5.21                         |  |
| (b) Work in progress                             | 15.81                        | 3.35                         |  |
| (c) Rejection and scrap                          | 0.92                         | 0.79                         |  |
|                                                  | <b>26.99</b>                 | <b>9.35</b>                  |  |
| <b>Total</b>                                     | <b>(6.25)</b>                | <b>(17.64)</b>               |  |

| <b>27 Employee benefits expense</b>                      |                              | (Rupees in crore)            |  |
|----------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                              | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Salaries and wages                                   | 6.23                         | 7.33                         |  |
| (b) Contribution to provident fund (see note 34)         | 0.32                         | 0.31                         |  |
| (c) Gratuity expense (see note 34)                       | 0.18                         | 0.17                         |  |
| (d) Share-based payments to employees (see note (31)(b)) | 0.02                         | 0.07                         |  |
| (e) Staff welfare expenses                               | 0.16                         | 0.17                         |  |
| <b>Total</b>                                             | <b>6.91</b>                  | <b>7.42</b>                  |  |

During the year, the Company recognised an amount of Rupees Nil (Year ended March 31, 2020 Rupees 1.72 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :

|                                                                    |             |      |
|--------------------------------------------------------------------|-------------|------|
| (i) Short term employee benefits                                   | -           | 1.42 |
| (ii) Post employment benefits (Gratuity expense)                   | -           | 0.20 |
| (iii) Other long term employee benefits (Leave encashment expense) | -           | 0.10 |
|                                                                    | <b>1.72</b> |      |





**28 Finance costs**

| Particulars                         | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Interest expense on:            |                              |                              |
| (i) working capital facilities      | 0.91                         | 4.03                         |
| (ii) borrowings from related party  | 10.96                        | 11.66                        |
| (iii) delayed payment of Income tax | 0.13                         | 0.16                         |
| (b) Other borrowing cost            | 0.29                         | 0.30                         |
| <b>Total</b>                        | <b>12.29</b>                 | <b>16.15</b>                 |

**29 Other expenses**

| Particulars                                                  | (Rupees in crore)            |                              |
|--------------------------------------------------------------|------------------------------|------------------------------|
|                                                              | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Consumption of stores and spare parts                    | 5.78                         | 7.12                         |
| (b) Power and fuel                                           | 11.25                        | 12.53                        |
| (c) Security charges                                         | 0.11                         | 0.12                         |
| (d) Repair and maintenance:                                  |                              |                              |
| (i) Building                                                 | 0.07                         | 0.01                         |
| (ii) Plant and machinery                                     | 0.26                         | 0.33                         |
| (iii) Others                                                 | 0.01                         | -                            |
| (e) Rates and taxes                                          | 0.07                         | 0.22                         |
| (f) Travelling and conveyance                                | 0.04                         | 0.12                         |
| (g) Legal and professional charges (see note (l) below)      | 0.37                         | 0.38                         |
| (h) Loss on sale of property, plant and equipment (net)      | 0.15                         | -                            |
| (i) Freight outward                                          | 15.63                        | 11.55                        |
| (j) Provision for slow moving inventory of stores and spares | 0.02                         | 0.02                         |
| (k) Advertisement and sales promotion                        | -                            | 1.90                         |
| (l) Corporate Social Responsibility                          | 1.05                         | -                            |
| (m) Insurance                                                | 0.04                         | 0.03                         |
| (n) Management Support Services (see note 31(a))             | 4.11                         | 5.90                         |
| (o) Miscellaneous expenses                                   | 0.45                         | 0.38                         |
|                                                              | <b>39.41</b>                 | <b>40.61</b>                 |
| Less : Allocation of common expenses (see note 31(a))        | -                            | (1.75)                       |
| <b>Total</b>                                                 | <b>39.41</b>                 | <b>38.86</b>                 |

**Note :-**

(i) Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows :

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| (a) To statutory auditors           |             |             |
| For audit                           | 0.15        | 0.18        |
| For other services                  | -           | 0.02        |
| <b>Total</b>                        | <b>0.15</b> | <b>0.20</b> |
| (b) To cost auditors for cost audit | 0.01        | 0.01        |
| <b>Total</b>                        | <b>0.01</b> | <b>0.01</b> |

**30 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                                                              | (Rupees in crore)            |                               |              |
|--------------------------------------------------------------------------|------------------------------|-------------------------------|--------------|
|                                                                          | Year ended<br>March 31, 2021 |                               |              |
| a) Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                               | 1.05         |
| <b>Particulars</b>                                                       | <b>In Cash</b>               | <b>Yet to be paid in cash</b> | <b>Total</b> |
| b) Amount spent during the year out of the above :                       |                              |                               |              |
| 1) Construction / acquisition of any asset                               | -                            | -                             | -            |
| 2) On purposes other than(1) above                                       | 0.55                         | 0.50                          | 1.05         |
|                                                                          | <b>0.55</b>                  | <b>0.50</b>                   | <b>1.05</b>  |

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the Company has subsequent to balance sheet date has deposited amount of Rupees 0.50 crore to a separate bank account.

| Particulars                                        | Year ended<br>March 31, 2020                                             |                               |              |
|----------------------------------------------------|--------------------------------------------------------------------------|-------------------------------|--------------|
|                                                    | a) Amount required to be spent as per section 135 of Companies Act, 2013 |                               |              |
| <b>Particulars</b>                                 | <b>In Cash</b>                                                           | <b>Yet to be paid in cash</b> | <b>Total</b> |
| b) Amount spent during the year out of the above : |                                                                          |                               |              |
| 1) Construction / acquisition of any asset         | -                                                                        | -                             | -            |
| 2) On purposes other than(1) above                 | -                                                                        | -                             | -            |



**31 Allocation of common expenses**

- (a) During the year, the parent Company / Company has charged back the common expenses incurred by it on behalf of group companies on cost i.e. cost to cost basis. The allocation of common expenses has been carried out on the basis of turnover of respective companies, as per latest financial statements / results.
- (b) The employees of the Company covered under APL Apollo Tubes Limited (Holding Company) "Employee Stock Option Scheme 2015" (ESOS 2015) are granted an option to purchase shares of holding Company in accordance with the terms and conditions of the scheme as approved by shareholders from time to time. Each Option entitles the holder thereof to apply for and be allotted One Ordinary Shares of holding Company of Rupees 2.00 each after giving effect of share split upon payment of the exercise price during the exercise period.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as equity settled share based payment scheme in accordance with Ind AS 102 - Share Based Payment. The fair value of options granted is recognized as employee benefits expense, net of reimbursements, if any. The total cost recognized during the year ended March 31, 2021 amounted to Rupees 0.02 crore (March 31, 2020 : Rupees 0.07 crore). The Company consider these amounts as not material and accordingly has not provided for the disclosures. (See note 27(d))





**32 Earnings per Equity share**

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

| Particulars                                                                                                            | (Rupees in crore, unless otherwise stated) |                           |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------|
|                                                                                                                        | Year ended March 31, 2021                  | Year ended March 31, 2020 |
| Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share | 46.05                                      | 45.23                     |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share   | 58,95,000                                  | 58,95,000                 |
| (a) Basic earnings per share in Rupees                                                                                 | 78.12                                      | 76.72                     |
| (b) Diluted earnings per share in Rupees                                                                               | 78.12                                      | 76.72                     |

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

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (Rupees in crore)    |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | As at March 31, 2021 | As at March 31, 2020 |
| <b>(a) Contingent liabilities (for pending litigations)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |                      |
| (1) Disputed claims/levies in respect of Income tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2.28                 | 1.51                 |
| (2) Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -                    | -                    |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>2.28</b>          | <b>1.51</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 financial statements. The Company does not expect the outcome of these proceedings to have a material effect on its financial statements.                                                                                                                                                                                                                                                                            |                      |                      |
| <b>(b) Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                      |
| (1) Estimated amount of contracts remaining to be executed on capital account and not provided for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                      |
| - Property, plant and equipment (net of capital advance)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0.03                 | 2.80                 |
| (2) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.                                                                                                                                                                                                                                                              |                      |                      |
| (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                      |

**34 Employee benefits obligations**

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2021 |             | Total       |
|                                           | Current              | Non-current |             |
| <b>Gratuity</b>                           |                      |             |             |
| Present value of obligation               | 0.01                 | 0.78        | 0.79        |
| <b>Total employee benefit obligations</b> | <b>0.01</b>          | <b>0.78</b> | <b>0.79</b> |

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2020 |             | Total       |
|                                           | Current              | Non-current |             |
| <b>Gratuity</b>                           |                      |             |             |
| Present value of obligation               | 0.22                 | 0.74        | 0.96        |
| <b>Total employee benefit obligations</b> | <b>0.22</b>          | <b>0.74</b> | <b>0.96</b> |

**(a) Defined benefit plans**

**a) Gratuity**

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of Rupees 0.20 crores. Vesting occurs upon completion of 5 years of service.

**(b) Defined contribution plans**

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rupees 0.32 crores (Year ended March 31, 2020 Rupees 0.31 crores) 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.



**(c) 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 :

|                                                              | <i>(Rupees in crore)</i> |
|--------------------------------------------------------------|--------------------------|
| <b>Particulars</b>                                           | <b>Gratuity</b>          |
| Opening balance as at April 1, 2019                          | 0.51                     |
| Current service cost                                         | 0.13                     |
| Interest expense/(Income)                                    | 0.04                     |
| <b>Total amount recognised in profit or loss</b>             | <b>0.17</b>              |
| <i>Remeasurements</i>                                        |                          |
| effect of change in financial assumptions                    | 0.21                     |
| effect of experience adjustments                             | 0.12                     |
| <b>Total amount recognised in other comprehensive income</b> | <b>0.33</b>              |
| Employer contributions : Benefit payments                    | (0.05)                   |
| <b>Balance as at March 31, 2020</b>                          | <b>0.96</b>              |
| Balance as at March 31, 2020                                 | 0.96                     |
| Current service cost                                         | 0.11                     |
| Interest expense/(Income)                                    | 0.07                     |
| <b>Total amount recognised in profit or loss</b>             | <b>0.18</b>              |
| <i>Remeasurements</i>                                        |                          |
| Loss due to experience                                       | (0.26)                   |
| Loss due to change in financial assumptions                  | (0.04)                   |
| <b>Total amount recognised in other comprehensive income</b> | <b>(0.32)</b>            |
| Employer contributions : Benefit payments                    | (0.03)                   |
| <b>Balance as at March 31, 2021</b>                          | <b>0.79</b>              |

**(d) Post-Employment benefits**

The significant actuarial assumptions were as follows:

| Particulars        | Year ended<br>March 31, 2021                 | Year ended<br>March 31, 2020                 |
|--------------------|----------------------------------------------|----------------------------------------------|
| Discount rate      | 7.09%                                        | 6.77%                                        |
| Salary growth rate | 8.00%                                        | 8.00%                                        |
| Retirement age     | 60 Years                                     | 60 Years                                     |
| Mortality          | Indian Assured<br>Lives Mortality<br>2012-14 | Indian Assured<br>Lives Mortality<br>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.

**(e) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                         | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Increase by 1%               |                              |
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (increase by 1%)      | (0.11)                       | (0.11)                       |
| Salary growth rate (increase by 1%) | 0.13                         | 0.14                         |
|                                     |                              |                              |
| Particulars                         | Decrease by 1%               |                              |
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|                                     |                              |                              |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (decrease by 1%)      | 0.14                         | 0.14                         |
| Salary growth rate (decrease by 1%) | (0.11)                       | (0.11)                       |

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.

**(f) 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.

**(g) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 16.95 years (Year ended March 31, 2020 17.20 years). The expected maturity analysis of undiscounted gratuity is as follows:

|                     | (Rupees in crore)            |                              |
|---------------------|------------------------------|------------------------------|
| <b>Particulars</b>  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 0.02                         | 0.22                         |
| Between 1 - 1 years | 0.02                         | 0.01                         |
| Between 2 - 3 years | 0.08                         | 0.02                         |
| Between 3 - 4 years | 0.03                         | 0.09                         |
| Between 4 - 5 years | 0.03                         | 0.04                         |
| Beyond 5 years      | 0.40                         | 0.41                         |
| <b>Total</b>        | <b>0.58</b>                  | <b>0.79</b>                  |





35 Related party transactions

(a) Details of related parties:

| Name of related parties                                                                                                       | Name of related parties                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Holding Company                                                                                                           | APL Apollo Tubes Limited                                                                                                                                                                                                                                              |
| (ii) Fellow Subsidiaries                                                                                                      | Apollo Metalex Private Limited<br>Blue Ocean Projects Private Limited<br>APL Apollo Building Products Private Limited<br>APL Apollo Tubes FZE                                                                                                                         |
| (iii) Subsidiary                                                                                                              | Apollo Tricoat Tubes Limited w.e.f June 17, 2019                                                                                                                                                                                                                      |
| (iv) Key Management Personnel (KMP) (with whom transactions have taken place during the year)                                 | Mr. Sanjay Gupta (Director)<br>Mr. Vinay Gupta (Director)<br>Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)<br>Mr. Romil Sehgal (Whole Time Director) (w.e.f July 1, 2018 and till February 1, 2020)<br>Mr. Romil Sehgal (Non Executive Director) (w.e.f February 1, 2020) |
| (v) Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year) | Apollo Tricoat Tubes Limited (till June 16, 2019)<br>APL Infrastructure Private Limited<br>Apollo Pipes Limited                                                                                                                                                       |

(b) Details of related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021:

| Particulars                                                             | (Rupees in crore) |                     |              |                                                                 |                                              | Total    |
|-------------------------------------------------------------------------|-------------------|---------------------|--------------|-----------------------------------------------------------------|----------------------------------------------|----------|
|                                                                         | Holding Company   | Fellow Subsidiaries | Subsidiaries | Enterprises significantly influenced by KMP and their relatives | Key Managerial Personnel and their Relatives |          |
| <b>Purchase of raw material &amp; stock in trade (net of discounts)</b> |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 48.91             | -                   | -            | -                                                               | -                                            | 48.91    |
|                                                                         | (34.58)           | (-)                 | (-)          | (-)                                                             | (-)                                          | (34.58)  |
| Apollo Metalex Private Limited                                          | -                 | 0.15                | -            | -                                                               | -                                            | 0.15     |
|                                                                         | (-)               | (1.22)              | (-)          | (-)                                                             | (-)                                          | (1.22)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 55.34        | -                                                               | -                                            | 55.34    |
|                                                                         | (-)               | (-)                 | (16.33)      | (3.27)                                                          | (-)                                          | (19.60)  |
|                                                                         | 48.91             | 0.15                | 55.34        | -                                                               | -                                            | 104.40   |
|                                                                         | (34.58)           | (1.22)              | (16.33)      | (3.27)                                                          | (-)                                          | (55.40)  |
| <b>Job work expense</b>                                                 |                   |                     |              |                                                                 |                                              |          |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 20.11        | -                                                               | -                                            | 20.11    |
|                                                                         | (-)               | (-)                 | (3.66)       | (-)                                                             | (-)                                          | (3.66)   |
|                                                                         | (-)               | (-)                 | 20.11        | (-)                                                             | (-)                                          | 20.11    |
|                                                                         | (-)               | (-)                 | (3.66)       | (-)                                                             | (-)                                          | (3.66)   |
| <b>Sale of goods (net of discounts)</b>                                 |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 143.68            | -                   | -            | -                                                               | -                                            | 143.68   |
|                                                                         | (50.93)           | (-)                 | (-)          | (-)                                                             | (-)                                          | (50.93)  |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 7.99         | -                                                               | -                                            | 7.99     |
|                                                                         | (-)               | (-)                 | (54.97)      | (21.39)                                                         | (-)                                          | (76.36)  |
|                                                                         | 143.68            | -                   | 7.99         | -                                                               | -                                            | 151.67   |
|                                                                         | (50.93)           | (-)                 | (54.97)      | (21.39)                                                         | (-)                                          | (127.29) |
| <b>Sale of property, plant and equipment</b>                            |                   |                     |              |                                                                 |                                              |          |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.11)       | (-)                                                             | (-)                                          | (0.11)   |
|                                                                         | (-)               | (-)                 | (0.11)       | (-)                                                             | (-)                                          | (0.11)   |
| <b>Sale of scrap (other operating income)</b>                           |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 1.92              | -                   | -            | -                                                               | -                                            | 1.92     |
|                                                                         | (3.16)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (3.16)   |
|                                                                         | 1.92              | -                   | -            | -                                                               | -                                            | 1.92     |
|                                                                         | (3.16)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (3.16)   |
| <b>Purchase of store and spares</b>                                     |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 0.02              | -                   | -            | -                                                               | -                                            | 0.02     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 0.03         | -                                                               | -                                            | 0.03     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
|                                                                         | 0.02              | -                   | 0.03         | -                                                               | -                                            | 0.05     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
| <b>Allocation of common expense</b>                                     |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 4.07              | -                   | -            | -                                                               | -                                            | 4.07     |
|                                                                         | (5.90)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (5.90)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 0.04         | -                                                               | -                                            | 0.04     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
|                                                                         | 4.07              | -                   | 0.04         | -                                                               | -                                            | 4.11     |
|                                                                         | (5.90)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (5.90)   |
| <b>Expenses incurred by Company on behalf of:</b>                       |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (1.35)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (1.35)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.13)       | (-)                                                             | (-)                                          | (0.13)   |
| Apollo Metalex Private Limited                                          | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (0.27)              | (-)          | (-)                                                             | (-)                                          | (0.27)   |
|                                                                         | (1.35)            | (0.27)              | (0.13)       | (-)                                                             | (-)                                          | (1.75)   |
| <b>Employee benefit expense incurred by Company on behalf of:</b>       |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (0.48)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (0.48)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.05)       | (-)                                                             | (-)                                          | (0.05)   |
| Apollo Metalex Private Limited                                          | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (0.10)              | (-)          | (-)                                                             | (-)                                          | (0.10)   |
|                                                                         | (0.48)            | (0.10)              | (0.05)       | (-)                                                             | (-)                                          | (0.63)   |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

| (Rupees in crore)                        |                                                      |                     |                              |                                                                 |                                              |                                                      |
|------------------------------------------|------------------------------------------------------|---------------------|------------------------------|-----------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
| Particulars                              | Holding Company                                      | Fellow Subsidiaries | Subsidiaries                 | Enterprises significantly Influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total                                                |
| <b>Allocation of share based expense</b> |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 0.02<br>(0.07)<br><b>0.02</b><br><b>(0.07)</b>       | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 0.02<br>(0.07)<br><b>0.02</b><br><b>(0.07)</b>       |
| <b>Salary paid</b>                       |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Mr. Romil Sehgal                         | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>(1.72)<br><b>(1.72)</b>                 | -<br>-<br><b>(1.72)</b>                              |
| <b>Interest Income</b>                   |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Apollo Tricoat Tubes Limited             | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>(0.77)<br><b>(0.77)</b> | -<br>(0.18)<br><b>(0.18)</b>                                    | -<br>-<br>-                                  | -<br>(0.95)<br><b>(0.95)</b>                         |
| <b>Interest expense</b>                  |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 10.23<br>(8.42)<br><b>10.23</b><br><b>(8.42)</b>     | -<br>-<br>-<br>-    | -<br>-<br>-<br>(0.10)        | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 10.23<br>(8.42)<br><b>10.23</b><br><b>(8.52)</b>     |
| Apollo Tricoat Tubes Limited             | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>-<br>-                                  | -<br>-<br><b>(-)</b>                                 |
| <b>Loans received</b>                    |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 45.00<br>(150.00)<br><b>45.00</b><br><b>(150.00)</b> | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 45.00<br>(150.00)<br><b>45.00</b><br><b>(150.00)</b> |
| <b>Loans repaid</b>                      |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 20.00<br>(75.00)<br><b>20.00</b><br><b>(75.00)</b>   | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 20.00<br>(75.00)<br><b>20.00</b><br><b>(75.00)</b>   |
| <b>Loan given received back</b>          |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Mr. Romil Sehgal*                        | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>-<br>(9.27)<br><b>(0.27)</b>            | -<br>-<br><b>(0.27)</b>                              |

\*During the previous year loan of Rs 0.27 crore has been transferred to Apollo Tricoat Tubes Limited.

| (Rupees in crore)                                  |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
|----------------------------------------------------|------------------------------------------------------|------------------------------|--------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
| Particulars                                        | Holding Company                                      | Fellow Subsidiaries          | Subsidiaries                                     | Enterprises significantly Influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total                                                |
| <b>Balances outstanding at the end of the year</b> |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| <b>Trade receivables</b>                           |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 18.24<br>(9.07)<br><b>18.24</b><br><b>(9.07)</b>     | -<br>-<br>-<br>-             | -<br>-<br>-<br>(16.82)                           | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 18.24<br>(9.07)<br><b>18.50</b><br><b>(25.89)</b>    |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-                  | 0.26<br>(16.82)<br><b>0.26</b><br><b>(16.82)</b> | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.26<br>(16.82)<br><b>0.26</b><br><b>(16.82)</b>     |
| <b>Loans received from related party</b>           |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 100.00<br>(75.00)<br><b>100.00</b><br><b>(75.00)</b> | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 100.00<br>(75.00)<br><b>100.00</b><br><b>(75.00)</b> |
| <b>Claim receivables</b>                           |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 0.48<br>(3.37)<br><b>0.48</b><br><b>(3.37)</b>       | -<br>-<br>-<br>-             | -<br>-<br>-<br>(1.15)                            | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 0.48<br>(3.37)<br><b>0.49</b><br><b>(4.91)</b>       |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-                  | 0.01<br>(1.15)<br><b>0.01</b><br><b>(1.15)</b>   | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.01<br>(1.15)<br><b>0.01</b><br><b>(1.15)</b>       |
| Apollo Metalex Private Limited                     | -<br>-<br><b>(-)</b>                                 | -<br>(0.39)<br><b>(0.39)</b> | -<br>-<br>-                                      | -<br>-<br>-                                                     | -<br>-<br>-                                  | -<br>(0.39)<br><b>(0.39)</b>                         |
| <b>Expenses payable</b>                            |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 1.41<br>(1.06)<br><b>1.41</b><br><b>(1.06)</b>       | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 1.41<br>(1.06)<br><b>1.79</b><br><b>(1.06)</b>       |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-                  | 0.38<br>(-)<br><b>0.38</b><br><b>(-)</b>         | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.38<br>(-)<br><b>0.38</b><br><b>(-)</b>             |
| <b>Interest payable</b>                            |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 2.44<br>(1.65)<br><b>2.44</b><br><b>(1.65)</b>       | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 2.44<br>(1.65)<br><b>2.44</b><br><b>(1.65)</b>       |

**Notes:**

- (i) APL Apollo Tubes Limited is the Holding Company has also given corporate guarantee for term loan and other credit facilities taken by the Company from banks. (see note 14 and 17 for credit facilities from bank outstanding as at March 31, 2021 Rupees Nil (March 31, 2020 Rupees 67.28 crore).
- (ii) 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 (see note 14 and 17).
- (iii) Amount of expense of gratuity and compensated absences is taken on actuarial basis.
- (iv) Figures in bracket relates to previous year ended March 31, 2020.



**36 Income tax expense**

The reconciliation of estimated income tax to income tax expense is as below :-

| Particulars                                                                                             | (Rupees in crore)            |                              |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                         | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Profit before tax as per statement of profit and loss                                                   | 62.17                        | 57.48                        |
| Income tax expenses calculated as per tax rates of Income tax act of 25.166% (March 31, 2020 : 25.168%) | 15.65                        | 14.47                        |
| (i) Items not deductible                                                                                | 0.47                         | (0.27)                       |
| (ii) Reversal of deferred tax liabilities as at March 31, 2019 (see note below)                         | -                            | (2.02)                       |
| (iii) Tax related to previous years                                                                     | -                            | 0.09                         |
| <b>Tax expense as reported</b>                                                                          | <b>16.12</b>                 | <b>12.26</b>                 |

**Note:**

During the previous year, the Company elected to be assessed at lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 2.02 crores on account of remeasurement of deferred tax liability as at March 31, 2019.

**37 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, 2021 and March 31, 2020.

| Particulars                                | (Rupees in crore)    |        |                |                      |        |                |
|--------------------------------------------|----------------------|--------|----------------|----------------------|--------|----------------|
|                                            | As at March 31, 2021 |        |                | As at March 31, 2020 |        |                |
|                                            | FVTPL                | FVTOCI | Amortised cost | FVTPL                | FVTOCI | Amortised cost |
| <b>Financial assets - Non Current</b>      |                      |        |                |                      |        |                |
| Security deposit                           | -                    | -      | 0.72           | -                    | -      | 0.72           |
| <b>Financial assets - Current</b>          |                      |        |                |                      |        |                |
| Loans to employees                         | -                    | -      | 0.03           | -                    | -      | 0.02           |
| Trade receivables                          | -                    | -      | 24.97          | -                    | -      | 92.29          |
| Cash and cash equivalents                  | -                    | -      | 0.02           | -                    | -      | 0.02           |
| Balances with banks                        | -                    | -      | 1.26           | -                    | -      | 0.21           |
| Claim receivable (net of provision)        | -                    | -      | 0.49           | -                    | -      | 4.99           |
| <b>Total financial assets</b>              | -                    | -      | <b>27.49</b>   | -                    | -      | <b>98.25</b>   |
| <b>Financial liabilities - Non Current</b> |                      |        |                |                      |        |                |
| Borrowings                                 | -                    | -      | 100.00         | -                    | -      | 115.00         |
| <b>Financial liabilities - Current</b>     |                      |        |                |                      |        |                |
| Borrowings                                 | -                    | -      | -              | -                    | -      | 27.28          |
| Trade payable                              | -                    | -      | 36.34          | -                    | -      | 60.25          |
| Interest accrued but not due on borrowings | -                    | -      | 2.46           | -                    | -      | 1.85           |
| <b>Total financial liabilities</b>         | -                    | -      | <b>138.80</b>  | -                    | -      | <b>204.38</b>  |

**(a) 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.

**(b) 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.

**38 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. Company 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.

**(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 in Indian Rupees (INR). The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's the costs of imports, primarily in relation to raw material. 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'a 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. In respect of imports and other payables, the Company hedges its payable as when the exposure arises.



**Details on derivative instruments and unhedged foreign currency exposures**

- (1) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                             | As at March 31,<br>2021 | As at March 31,<br>2020 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Advance paid to vendors:</b>      |                         |                         |
| EURO                                 | -                       | 86,000                  |
| Equivalent amount in Rupees in crore | -                       | 0.71                    |

- (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 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.

| Particulars              | (Rupees in Crore)       |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at March 31,<br>2021 | As at March 31,<br>2020 |
| Variable rate borrowings | -                       | 67.28                   |
| Fixed rate borrowings    | 100.00                  | 75.00                   |
| <b>Total borrowings</b>  | <b>100.00</b>           | <b>142.28</b>           |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                              | Balance | % of total loans |
|------------------------------------------|---------|------------------|
| <b>As at March 31, 2021</b>              |         |                  |
| Bank overdrafts, bank loans, Cash Credit | -       | 0%               |
| <b>As at March 31, 2020</b>              |         |                  |
| Bank overdrafts, bank loans, Cash Credit | 67.28   | 47%              |

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                           | (Rupees in crore)            |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | Year ended March<br>31, 2021 | Year ended<br>March 31, 2020 |
|                                                       |                              | Impact on profit after tax   |
| Interest rates – increase by 50 basis points (50 bps) | -                            | (0.25)                       |
| Interest rates – decrease by 50 basis points (50 bps) | -                            | 0.25                         |

- (b) **Credit risk**

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

The Company's trade receivables are generally categorized into following categories

1. Institutional customers
2. Dealers

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, the 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.

In current year ended March 31, 2021, revenues arising from direct sales of goods as disclosed in note 23(a) includes revenue of approximately Rupees 251.07 crore from customer who contributed more than 10% to the Company's revenue.

In previous year ended March 31, 2020, revenues arising from direct sales of goods as disclosed in note 23(a) includes revenue of approximately Rupees 221.00 crore from customer who contributed more than 10% to the Company's revenue.

- (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                     | (Rupees in crore)       |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at March 31,<br>2021 | As at March 31,<br>2020 |
| <b>Floating rate borrowings</b> | 90.00                   | 72.72                   |
| <b>Nature of facility</b>       | Working Capital         | Working Capital         |
|                                 | <b>90.00</b>            | <b>72.72</b>            |

- (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:**

| (Rupees in crore)                                    |                       |                       |                    |               |
|------------------------------------------------------|-----------------------|-----------------------|--------------------|---------------|
| Particulars                                          | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total         |
| <b>As at March 31, 2021</b>                          |                       |                       |                    |               |
| Borrowings (Interest bearing)                        | -                     | 100.00                | -                  | 100.00        |
| Trade payable                                        | 36.34                 | -                     | -                  | 36.34         |
| Interest accrued but due on borrowings               | 2.46                  | -                     | -                  | 2.46          |
| <b>Total non-derivative liabilities</b>              | <b>38.80</b>          | <b>100.00</b>         | <b>-</b>           | <b>138.80</b> |
| <b>As at March 31, 2020</b>                          |                       |                       |                    |               |
| Borrowings (Interest bearing)                        | 27.28                 | 115.00                | -                  | 142.28        |
| Payable on purchase of property, plant and equipment | 0.19                  | -                     | -                  | 0.19          |
| Trade payable                                        | 60.06                 | -                     | -                  | 60.06         |
| Interest accrued but due on borrowings               | 1.85                  | -                     | -                  | 1.85          |
| <b>Total non-derivative liabilities</b>              | <b>89.38</b>          | <b>115.00</b>         | <b>-</b>           | <b>204.38</b> |

**39 Reconciliation of liabilities arising from financing activities**

| (Rupees in crore)                                  |                                     |                |                                            |                      |
|----------------------------------------------------|-------------------------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | Opening balance as at April 1, 2019 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2020 |
| Non-current borrowings                             | -                                   | 115.00         | -                                          | 115.00               |
| Current borrowings                                 | 16.33                               | 0.95           | -                                          | 17.28                |
| Current maturities of non-current borrowings       | -                                   | 10.00          | -                                          | 10.00                |
| <b>Total liabilities from financing activities</b> | <b>16.33</b>                        | <b>125.95</b>  | <b>-</b>                                   | <b>142.28</b>        |

| (Rupees in crore)                                  |                      |                |                                            |                      |
|----------------------------------------------------|----------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | As at March 31, 2020 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2021 |
| Non-current borrowings                             | 115.00               | (15.00)        | -                                          | 100.00               |
| Current borrowings                                 | 17.28                | (17.28)        | -                                          | -                    |
| Current maturities of non-current borrowings       | 10.00                | (10.00)        | -                                          | -                    |
| <b>Total liabilities from financing activities</b> | <b>142.28</b>        | <b>(42.28)</b> | <b>-</b>                                   | <b>100.00</b>        |

**40 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.

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.

| (Rupees in crore)                    |                      |                      |  |
|--------------------------------------|----------------------|----------------------|--|
| Particulars                          | As at March 31, 2021 | As at March 31, 2020 |  |
| Non current borrowings               | 100.00               | 115.00               |  |
| Current maturities of long term debt | -                    | 10.00                |  |
| Current borrowings                   | -                    | 17.28                |  |
| Less: Cash and cash equivalents      | (1.28)               | (0.23)               |  |
| <b>Total debts (net)</b>             | <b>98.72</b>         | <b>142.05</b>        |  |
| <b>Total equity</b>                  | <b>215.86</b>        | <b>169.57</b>        |  |
| <b>Gearing Ratio</b>                 | <b>0.46</b>          | <b>0.84</b>          |  |

Equity includes all capital and reserves of the Company that are managed as capital.

- 41** The Board of Directors of Shri Lakshmi Metal Udyog Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation of the Company and Apollo Tricoat Tubes Limited ("Apollo Tricoat") with APL Apollo Tubes Limited ("APL Apollo"), its ultimate holding Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gupta*  
VINAY GUPTA  
Director  
DIN : 00005149

*Sanjay Gupta*  
SANJAY GUPTA  
Director  
DIN : 00233188

*Shivam Mameshwari*  
SHIVAM MAMESHWARI  
Company Secretary  
ICSI Membership No. : A38467

Place: New Delhi  
Date: June 2, 2021



# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurugram - 122 002  
India

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## Independent Auditor's Report

To the Members of Apollo Tricoat Tubes Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Apollo Tricoat Tubes Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Revenue Recognition</b></p> <p>Revenue for the Company consists primarily of sale of steel tubes and GP coils recognized in accordance with the accounting policy described in Note (i) to the accompanying financial statements. Refer Note 26 for details of revenue recognized during the year.</p> <p>Revenue recognition involves certain key judgments relating to identification of contracts with customers, identification of distinct performance obligations, determination of transaction price for the contract factoring in the consideration payable to customers (such as discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>Revenue is recognised when (or as) a performance obligation is satisfied i.e., when 'control' of the goods underlying the particular performance obligation is transferred to the customer.</p> <p>The Company and its external stakeholders focus on revenue as a key performance measure, which could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Further, there were considerable auditor efforts involved in testing of revenue transactions recorded during the year due to the large volume involved.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p> | <p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards.</li> <li>• Tested the design, implementation and operating effectiveness of key internal controls relating to revenue recognition.</li> <li>• Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents of the sale.</li> <li>• Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized.</li> <li>• Performed substantive analytical procedure which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors.</li> <li>• Assessed the Company's processes and tested the appropriateness of accruals for discounts as at the year-end as per the related policies.</li> <li>• Circularized balance confirmations (including transactions during the year) to a sample of customers and reviewed the reconciling items, if any.</li> <li>• Assessed that the disclosures made by the management are in accordance with applicable Indian accounting standards.</li> </ul> |

### Information other than the Financial Statements and Auditor's Report thereon

6. 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, Report on Corporate Governance and Director's Report, but does not include the financial statements and our auditor's report thereon. The Management Discussion





## **Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)**

and Analysis, Report on Corporate Governance and Director's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

7. The accompanying financial statements have been approved by the Company's Board of Directors. 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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;





## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

- Obtain an understanding of internal 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter

15. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, VAPS & Company, who have expressed an unmodified opinion on those financial statements vide their audit report dated 30 April 2020.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.



## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying financial statements;
  - 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 03 May 2021 as per Annexure B expressed unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Neeraj Sharma  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



## **Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021**

### **Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (including right-of-use assets).
- (b) The Company has a regular program of physical verification of its property, plant and equipment (including right-of-use assets) under which property, plant and equipment (including right-of-use assets) are verified in a phased manner over a period of 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment (including right-of-use assets) were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute.



# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 0010/6N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



## Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

### Annexure B

#### Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Apollo Tricoat Tubes Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. These 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 financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 financial statements.



## Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 'ICAI'.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



**APOLLO TRICOAT TUBES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**


Amount in ₹ lakhs

| Particulars                                                                             | Notes | As at            |                  |
|-----------------------------------------------------------------------------------------|-------|------------------|------------------|
|                                                                                         |       | March 31, 2021   | March 31, 2020   |
| <b>I. ASSETS</b>                                                                        |       |                  |                  |
| <b>(1) Non-current assets</b>                                                           |       |                  |                  |
| (a) Property, plant and equipment                                                       | 2     | 32,293.48        | 28,811.16        |
| (b) Capital work-in-progress                                                            |       | 1,238.54         | 136.17           |
| (c) Intangible assets                                                                   | 3     | 21.17            | 33.94            |
| (d) Right of use assets                                                                 | 37    | 1,346.66         | 1,363.85         |
| (e) Financial assets                                                                    |       |                  |                  |
| (i) Other financial assets                                                              | 4     | 175.33           | 175.54           |
| (f) Other non-current assets                                                            | 5     | 339.85           | 1,072.20         |
| <b>Total non-current assets</b>                                                         |       | <b>35,415.03</b> | <b>31,592.86</b> |
| <b>(2) Current assets</b>                                                               |       |                  |                  |
| (a) Inventories                                                                         | 6     | 6,438.75         | 7,678.77         |
| (b) Financial assets                                                                    |       |                  |                  |
| (i) Trade receivables                                                                   | 7     | 1,162.51         | 3,794.21         |
| (ii) Cash and cash equivalents                                                          | 8     | 979.83           | 476.14           |
| (iii) Loans                                                                             | 9     | 4.88             | 12.89            |
| (iv) Other financial assets                                                             | 10    | 39.62            | 1.00             |
| (c) Other current assets                                                                | 11    | 1,601.79         | 1,951.67         |
| <b>Total current assets</b>                                                             |       | <b>10,227.38</b> | <b>13,914.68</b> |
| <b>Total assets</b>                                                                     |       | <b>45,642.41</b> | <b>45,507.54</b> |
| <b>II. EQUITY AND LIABILITIES</b>                                                       |       |                  |                  |
| <b>(1) Equity</b>                                                                       |       |                  |                  |
| (a) Equity share capital                                                                | 12    | 608.00           | 608.00           |
| (b) Other equity                                                                        | 13    | 29,817.59        | 19,346.76        |
| <b>Total equity</b>                                                                     |       | <b>30,425.59</b> | <b>19,954.76</b> |
| <b>Liabilities</b>                                                                      |       |                  |                  |
| <b>(2) Non-current liabilities</b>                                                      |       |                  |                  |
| (a) Financial liabilities                                                               |       |                  |                  |
| (i) Borrowings                                                                          | 14    | 4,898.91         | 9,820.00         |
| (ii) Lease liabilities                                                                  | 15    | -                | 3.60             |
| (b) Provisions                                                                          | 16    | 87.63            | 28.37            |
| (c) Deferred tax liabilities (net)                                                      | 17    | 1,212.48         | 767.11           |
| (d) Other non-current liabilities                                                       | 18    | 2,073.01         | 1,086.93         |
| <b>Total non-current liabilities</b>                                                    |       | <b>8,272.03</b>  | <b>12,306.01</b> |
| <b>(3) Current liabilities</b>                                                          |       |                  |                  |
| (a) Financial liabilities                                                               |       |                  |                  |
| (i) Borrowings                                                                          | 19    | -                | 456.48           |
| (ii) Trade payable                                                                      | 20    |                  |                  |
| -Total outstanding dues of micro and small enterprises                                  |       | 80.40            | -                |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 3,309.11         | 11,243.12        |
| (iii) Lease liabilities                                                                 | 21    | 5.71             | 5.40             |
| (iv) Other financial liabilities                                                        | 22    | 1,510.31         | 1,160.06         |
| (b) Other current liabilities                                                           | 23    | 1,842.28         | 219.84           |
| (c) Provisions                                                                          | 24    | 26.10            | 9.98             |
| (d) Current tax liabilities (net)                                                       | 25    | 170.08           | 151.89           |
| <b>Total current liabilities</b>                                                        |       | <b>6,943.99</b>  | <b>13,246.77</b> |
| <b>Total equity and liabilities</b>                                                     |       | <b>45,642.41</b> | <b>45,507.54</b> |

See accompanying notes to the financial statements  
As per our report of even date attached.


1-47

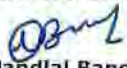
**For Walker Chandok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/N500013

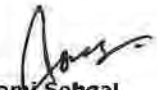
  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of**  
**Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

  
**Ronit Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Place : New Delhi  
Date : May 03, 2021

Place : Ghaziabad  
Date : May 03, 2021

Membership No.  
A33370

**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

Amount in ₹ lakhs

| Particulars                                                                          | Notes | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>I</b> Revenue from operations                                                     | 26    | 1,47,281.05                  | 66,325.06                    |
| <b>II</b> Other income                                                               | 27    | 179.64                       | 113.97                       |
| <b>III Total income (I +II)</b>                                                      |       | <b>1,47,460.69</b>           | <b>66,439.03</b>             |
| <b>IV Expenses</b>                                                                   |       |                              |                              |
| (a) Cost of materials consumed                                                       | 28    | 1,08,721.47                  | 51,058.78                    |
| (b) Purchase of stock-in-trade                                                       |       | 12,286.07                    | 4,910.89                     |
| (c) Changes in inventories of finished goods, stock-in-trade and rejection and scrap | 29    | (773.04)                     | (2,235.70)                   |
| (d) Employee benefits expense                                                        | 30    | 1,904.62                     | 1,211.73                     |
| (e) Finance costs                                                                    | 31    | 970.28                       | 601.10                       |
| (f) Depreciation and amortisation expense                                            | 32    | 1,652.74                     | 1,012.91                     |
| (g) Other expenses                                                                   | 33    | 8,773.45                     | 3,955.51                     |
| <b>Total expenses</b>                                                                |       | <b>1,33,535.59</b>           | <b>60,515.22</b>             |
| <b>V Profit before tax (III - IV)</b>                                                |       | <b>13,925.10</b>             | <b>5,923.81</b>              |
| <b>VI Tax expense:</b>                                                               |       |                              |                              |
| (a) Current tax                                                                      |       | 3,024.91                     | 977.85                       |
| (b) Deferred tax                                                                     | 17    | 455.65                       | 719.64                       |
| (c) Adjustment of tax relating to earlier periods                                    |       | (56.56)                      | -                            |
| <b>Total tax expense</b>                                                             | 35    | <b>3,424.00</b>              | <b>1,697.49</b>              |
| <b>VII Profit for the year (V-VI)</b>                                                |       | <b>10,501.10</b>             | <b>4,226.32</b>              |
| <b>VIII Other comprehensive income</b>                                               |       |                              |                              |
| Items that will not be reclassified to profit and loss                               |       |                              |                              |
| (a) Remeasurements of post employment benefit obligation                             |       | (40.45)                      | (2.09)                       |
| (b) Income tax relating to above item                                                |       | 10.18                        | 0.53                         |
| <b>Other comprehensive income for the year</b>                                       |       | <b>(30.27)</b>               | <b>(1.56)</b>                |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                         |       | <b>10,470.83</b>             | <b>4,224.76</b>              |
| <b>X Earnings per equity share of face value of ₹ 2 each</b>                         |       |                              |                              |
| (a) Basic (in ₹)                                                                     | 36    | 34.54                        | 14.01                        |
| (b) Diluted (in ₹)                                                                   | 36    | 34.54                        | 14.01                        |

See accompanying notes to the financial statements  
As per our report of even date attached.

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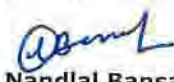
**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103

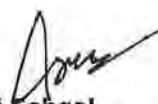


**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghazlabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Membership No.  
A33370

Place : New Delhi  
Date : May 03, 2021



**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

| <b>(a) Equity share capital</b>              |  | <i>Amount in ₹ lakhs</i> |
|----------------------------------------------|--|--------------------------|
| Particulars                                  |  | Amount                   |
| Balance as at March 31, 2019                 |  | 554.00                   |
| Changes during the year ended March 31, 2020 |  | 54.00                    |
| <b>Balance as at March 31, 2020</b>          |  | <b>608.00</b>            |
| Changes during the year ended March 31, 2021 |  | -                        |
| <b>Balance as at March 31, 2021</b>          |  | <b>608.00</b>            |

**(b) Other equity**

| Particulars                                          | <i>Amount in ₹ lakhs</i> |                                                                    |                    |                      | Total            |
|------------------------------------------------------|--------------------------|--------------------------------------------------------------------|--------------------|----------------------|------------------|
|                                                      | Securities<br>premium    | Reserves and surplus<br>Money received<br>against share<br>warrant | Capital<br>reserve | Retained<br>earnings |                  |
| <b>Balance as at April 01, 2019</b>                  | <b>10,856.00</b>         | <b>840.00</b>                                                      | -                  | <b>1,050.00</b>      | <b>12,746.00</b> |
| Profit for the year ended March 31, 2020             | -                        | -                                                                  | -                  | 4,226.32             | 4,226.32         |
| Other comprehensive income for the year (net of tax) | -                        | -                                                                  | -                  | (1.56)               | (1.56)           |
| Share issued during the year                         | 3,186.00                 | (810.00)                                                           | -                  | -                    | 2,376.00         |
| Share warrants forfeited during the year             | -                        | (30.00)                                                            | 30.00              | -                    | -                |
| <b>Opening balance as at April 01, 2020</b>          | <b>14,042.00</b>         | -                                                                  | <b>30.00</b>       | <b>5,274.76</b>      | <b>19,346.76</b> |
| Profit for the year ended March 31, 2021             | -                        | -                                                                  | -                  | 10,501.10            | 10,501.10        |
| Other comprehensive income for the year (net of tax) | -                        | -                                                                  | -                  | (30.27)              | (30.27)          |
| <b>Balance as at March 31, 2021</b>                  | <b>14,042.00</b>         | -                                                                  | <b>30.00</b>       | <b>15,745.59</b>     | <b>29,817.59</b> |

The accompanying notes form an integral part of these financial statements.  
As per our report of even date attached.

**For Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/W500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Membership No. A33370

Place : New Delhi  
Date : May 03, 2021

**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021**

Amount in ₹ lakhs

| Particulars                                                             | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                           |                              |                              |
| Net profit before tax                                                   | 13,925.10                    | 5,923.81                     |
| <b>Adjustments for</b>                                                  |                              |                              |
| Depreciation and amortisation expense                                   | 1,652.74                     | 1,012.91                     |
| Profit on sale of property, plant and equipment                         | (0.06)                       | -                            |
| Bad debts written off                                                   | 1.16                         | -                            |
| Unrealized (gain)/loss on foreign exchange fluctuations                 | (2.95)                       | 0.90                         |
| Finance cost                                                            | 970.28                       | 601.10                       |
| Interest income                                                         | -                            | (17.73)                      |
| Unwinding of deferred income                                            | (102.47)                     | (79.19)                      |
| <b>Operating profit before working capital changes</b>                  | <b>16,443.80</b>             | <b>7,441.80</b>              |
| <b>Changes in working capital:</b>                                      |                              |                              |
| <b>Adjustment for (increase)/decrease in operating assets:</b>          |                              |                              |
| Inventories                                                             | 1,240.02                     | (6,890.03)                   |
| Trade receivables                                                       | 2,630.53                     | (3,641.05)                   |
| Current loans and other financial assets                                | (30.62)                      | 483.89                       |
| Non-current other financial assets                                      | 0.21                         | (90.22)                      |
| Other current assets                                                    | 349.89                       | (907.17)                     |
| Other non-current assets                                                | 7.98                         | 1,318.95                     |
| <b>Adjustment for increase/(decrease) in operating liabilities:</b>     |                              |                              |
| Trade payables                                                          | (7,850.66)                   | 11,121.94                    |
| Other current liabilities                                               | 1,602.85                     | (1,597.54)                   |
| Other current financial liabilities                                     | -                            | (100.00)                     |
| Provisions                                                              | 34.92                        | 30.97                        |
| <b>Cash generated from operations</b>                                   | <b>14,428.92</b>             | <b>7,171.54</b>              |
| Net income tax paid                                                     | (2,950.25)                   | (850.50)                     |
| <b>Net cash flow from operating activities (A)</b>                      | <b>11,478.67</b>             | <b>6,321.04</b>              |
| <b>B. Cash flow from investing activities</b>                           |                              |                              |
| Purchase of property, plant and equipment and intangible assets*        | (5,024.87)                   | (13,427.59)                  |
| Proceeds from sale of property, plant and equipment                     | 59.11                        | -                            |
| Interest received                                                       | -                            | 17.73                        |
| <b>Net cash flow used in investing activities (B)</b>                   | <b>(4,965.76)</b>            | <b>(13,409.86)</b>           |
| <b>C. Cash flow from financing activities</b>                           |                              |                              |
| Proceeds from/ (repayment) of current borrowings (net)                  | (456.48)                     | (2,090.88)                   |
| Proceeds from issue of equity share capital                             | -                            | 2,430.00                     |
| Finance charges paid                                                    | (952.22)                     | (563.89)                     |
| Payment of lease liabilities                                            | (3.84)                       | (5.40)                       |
| Repayment of long-term borrowings                                       | (11,201.68)                  | (209.35)                     |
| Receipts from long-term borrowings                                      | 6,605.00                     | 8,000.00                     |
| <b>Net cash flow (used in)/ generated from financing activities (C)</b> | <b>(6,009.22)</b>            | <b>7,500.48</b>              |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                | <b>503.69</b>                | <b>471.66</b>                |
| Cash and cash equivalents at the beginning of the year                  | 176.14                       | 1.40                         |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>979.83</b>                | <b>476.14</b>                |
| <b>Cash and cash equivalents comprises</b>                              |                              |                              |
| Cash in hand                                                            | 0.17                         | 1.38                         |
| <b>Balance with scheduled banks</b>                                     |                              |                              |
| -In current accounts                                                    | 979.66                       | 474.76                       |
| <b>Total cash and cash equivalents</b>                                  | <b>979.83</b>                | <b>476.14</b>                |

\*Including adjustments on account of capital work in progress, capital advances and capital creditors


Refer note 44 for reconciliation of liabilities arising from financing activities.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7, "Statement of Cash flows".

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached.

**For Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/M500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792  
  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454  
  
**Surbhi Arora**  
Company Secretary

Membership No. A33370

Place : New Delhi  
Date : May 03, 2021



**1.(i) Company background**

Apollo Tricoat Tubes Limited incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The Company has two manufacturing unit one at Bengaluru, Karnataka and second at Ghaziabad, Uttar Pradesh. The Company is a public company listed on Bombay Stock Exchange (BSE). The registered office of the Company is in New Delhi.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 03, 2021.

**(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").

**(b) Basis of preparation**

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 financial statements.

**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.





**Income Taxes**

Deferred tax assets and liabilities 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 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.

**Fair value measurement of 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**

The revenue is recognised once the entity satisfied that the performance obligation and control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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 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.

**(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) Services rendered**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.





**(g) 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(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 profit or loss on a systematic basis over the expected useful life of the related assets.

**(i) 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.

**As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(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. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

**(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 and 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. 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.





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

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 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 the principal item of the relevant assets.

The Company has a policy of capitalizing insurance spares having value more than or equal to ₹ 1 lakh.

**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**

Depreciable amount for assets is the cost of an asset less its estimated 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- 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 and server- 3 to 6 years

**(n) Intangible assets**

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

Computer software - 3 to 6 years

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

**(o) Earnings per share**

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

**(p) 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.

**(q) 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 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 and commitments are reviewed at each Balance Sheet date.





**(r) 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, 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.

**(s) 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.

**(t) 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.

**(u) 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')
- 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.

**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.

**(ii) 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 42 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.

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.

**(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.

**(t) 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.

**(u) Segment information**

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'.

**(v) Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of schedule III of the Act unless otherwise stated.

**(w) Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work in progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

-Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 : Property, plant and equipment**

Amount in ₹ lakhs

|                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| <b>Carrying amounts of :</b> |                         |                         |
| Freehold land                | 1,429.46                | 1,429.46                |
| Building                     | 5,599.02                | 5,494.03                |
| Furniture and fixtures       | 93.10                   | 69.86                   |
| Plant and machinery          | 24,906.84               | 21,666.26               |
| Office equipment             | 91.41                   | 109.27                  |
| Vehicles                     | 173.65                  | 42.28                   |
|                              | <b>32,293.48</b>        | <b>28,811.16</b>        |

Amount in ₹ lakhs

| Particulars                                           | Freehold land   | Buildings       | Furniture<br>and fixtures | Plant and<br>machinery | Office<br>equipment | Vehicles      | Total            |
|-------------------------------------------------------|-----------------|-----------------|---------------------------|------------------------|---------------------|---------------|------------------|
| <b>Year ended March 31, 2020</b>                      |                 |                 |                           |                        |                     |               |                  |
| <b>Gross carrying amount</b>                          |                 |                 |                           |                        |                     |               |                  |
| Opening gross carrying amount                         | 2,025.14        | 806.40          | 32.21                     | 6,595.68               | 33.50               | 27.11         | 9,520.04         |
| Additions for the year                                | -               | 4,232.03        | 47.95                     | 15,952.78              | 95.30               | 31.30         | 20,359.36        |
| Transfer (regrouping of assets)                       | (595.68)        | -               | -                         | -                      | -                   | -             | (595.68)         |
| Addition (regrouping of assets)                       | -               | 595.68          | -                         | -                      | -                   | -             | 595.68           |
| Reclassification on account of adoption of Ind AS 116 | -               | -               | -                         | -                      | -                   | (11.58)       | (11.58)          |
| <b>Closing gross carrying amount</b>                  | <b>1,429.46</b> | <b>5,634.11</b> | <b>80.16</b>              | <b>22,548.46</b>       | <b>128.80</b>       | <b>46.83</b>  | <b>29,867.82</b> |
| <b>Accumulated depreciation</b>                       |                 |                 |                           |                        |                     |               |                  |
| Opening accumulated depreciation                      | -               | 27.35           | 5.13                      | 37.16                  | 2.42                | 1.19          | 73.25            |
| Depreciation charge for the year                      | -               | 112.73          | 5.18                      | 845.04                 | 17.10               | 3.80          | 983.85           |
| Reclassification on account of adoption of Ind AS 116 | -               | -               | -                         | -                      | -                   | (0.44)        | (0.44)           |
| <b>Closing accumulated depreciation</b>               | <b>-</b>        | <b>140.08</b>   | <b>10.31</b>              | <b>882.20</b>          | <b>19.52</b>        | <b>4.55</b>   | <b>1,056.66</b>  |
| <b>Net carrying amount as on March 31, 2020</b>       | <b>1,429.46</b> | <b>5,494.03</b> | <b>69.85</b>              | <b>21,666.26</b>       | <b>109.28</b>       | <b>42.28</b>  | <b>28,811.16</b> |
| <b>Year ended March 31, 2021</b>                      |                 |                 |                           |                        |                     |               |                  |
| <b>Gross carrying amount</b>                          |                 |                 |                           |                        |                     |               |                  |
| Opening gross carrying amount                         | 1,429.46        | 5,634.11        | 80.16                     | 22,548.46              | 128.80              | 46.83         | 29,867.82        |
| Additions for the year                                | -               | 304.11          | 32.49                     | 4,669.06               | 13.96               | 141.10        | 5,160.72         |
| Disposals for the year                                | -               | -               | -                         | (62.24)                | -                   | -             | (62.24)          |
| <b>Closing gross carrying amount</b>                  | <b>1,429.46</b> | <b>5,938.22</b> | <b>112.65</b>             | <b>27,155.28</b>       | <b>142.76</b>       | <b>187.93</b> | <b>34,966.30</b> |
| <b>Accumulated depreciation</b>                       |                 |                 |                           |                        |                     |               |                  |
| Opening accumulated depreciation                      | -               | 140.08          | 10.31                     | 882.20                 | 19.52               | 4.55          | 1,056.66         |
| Reversal on disposals for the year                    | -               | -               | -                         | (3.19)                 | -                   | -             | (3.19)           |
| Depreciation charge for the year                      | -               | 199.12          | 9.24                      | 1,369.43               | 31.83               | 9.73          | 1,619.35         |
| <b>Closing accumulated depreciation</b>               | <b>-</b>        | <b>339.20</b>   | <b>19.55</b>              | <b>2,248.44</b>        | <b>51.35</b>        | <b>14.28</b>  | <b>2,672.82</b>  |
| <b>Net carrying amount as on March 31, 2021</b>       | <b>1,429.46</b> | <b>5,599.02</b> | <b>93.10</b>              | <b>24,906.84</b>       | <b>91.41</b>        | <b>173.65</b> | <b>32,293.48</b> |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| <b>Note 3 : Intangible assets</b>               | <i>Amount in ₹ lakhs</i> |              |
|-------------------------------------------------|--------------------------|--------------|
| <b>Particulars</b>                              | <b>Computer software</b> |              |
| <b>Year ended March 31, 2020</b>                |                          |              |
| <b>Gross carrying amount</b>                    |                          |              |
| Opening gross carrying amount                   |                          | 28.08        |
| Additions for the year                          |                          | 19.50        |
| <b>Closing gross carrying amount</b>            |                          | <b>47.58</b> |
| <b>Accumulated amortisation</b>                 |                          |              |
| Opening accumulated amortisation                |                          | 1.85         |
| Amortisation for the year                       |                          | 11.79        |
| <b>Closing accumulated amortisation</b>         |                          | <b>13.64</b> |
| <b>Net carrying amount as on March 31, 2020</b> |                          | <b>33.94</b> |
| <b>Year ended March 31, 2021</b>                |                          |              |
| <b>Gross carrying amount</b>                    |                          |              |
| Opening gross carrying amount                   |                          | 47.58        |
| Additions for the year                          |                          | 3.43         |
| <b>Closing gross carrying amount</b>            |                          | <b>51.01</b> |
| <b>Accumulated amortisation</b>                 |                          |              |
| Opening accumulated amortisation                |                          | 13.64        |
| Amortisation for the year                       |                          | 16.20        |
| <b>Closing accumulated amortisation</b>         |                          | <b>29.84</b> |
| <b>Net carrying amount as on March 31, 2021</b> |                          | <b>21.17</b> |

| <b>Note 4 : Other financial assets (non- current)</b>       | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| Security deposit                                            | 175.33                   | 175.54                |
| <b>Total</b>                                                | <b>175.33</b>            | <b>175.54</b>         |

| <b>Note 5 : Other non-current assets</b>                    | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| (a) Capital advances                                        | 377.91                   | 1,052.28              |
| (b) Prepaid expenses                                        | 11.94                    | 19.92                 |
| <b>Total</b>                                                | <b>339.85</b>            | <b>1,072.20</b>       |

| <b>Note 6 : Inventories (refer note 1 (l))</b>   | <i>Amount in ₹ lakhs</i> |                       |
|--------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                               | <b>As at</b>             | <b>As at</b>          |
|                                                  | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| Raw material (including stock-in-transit)        | 2,678.96                 | 4,526.32              |
| Finished goods (including stock-in-transit)      | 3,065.14                 | 2,217.43              |
| Stores and spares                                | 619.40                   | 785.10                |
| Rejection and scrap (including stock-in-transit) | 75.25                    | 149.92                |
| <b>Total</b>                                     | <b>6,438.75</b>          | <b>7,678.77</b>       |

**Notes :**

(i) Cost of inventory recognised as expense during the year amounted to ₹ 1,22,723.90 lakhs (March 31, 2020 : ₹54,310.04 lakhs).

(ii) **Details of stock-in-transit**

|                     |          |       |
|---------------------|----------|-------|
| Raw material        | 84.18    | -     |
| Finished goods      | 1,217.53 | 98.54 |
| Rejection and scrap | 6.72     | -     |

| <b>Note 7 : Trade receivables</b>                           | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| (i) Related parties (Refer note 38)                         | 142.13                   | 227.34                |
| (ii) Other than related parties                             | 1,020.38                 | 3,566.87              |
| <b>Total</b>                                                | <b>1,162.51</b>          | <b>3,794.21</b>       |

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. There are no customers who represent more than 10% of the total balance of trade receivables except as follows :-



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| Particulars                  | Amount in ₹ lakhs |               |
|------------------------------|-------------------|---------------|
|                              | As at             |               |
|                              | March 31, 2021    |               |
| Customer A                   |                   | 177.92        |
| Customer B                   |                   | 170.39        |
| Customer C                   |                   | 132.74        |
| Customer D                   |                   | 130.06        |
|                              |                   | <b>611.11</b> |
| % of total trade receivables |                   | 52.57%        |

| Particulars                  | Amount in ₹ lakhs |                 |
|------------------------------|-------------------|-----------------|
|                              | As at             |                 |
|                              | March 31, 2020    |                 |
| Customer A                   |                   | 1,356.55        |
| Customer B                   |                   | 832.10          |
|                              |                   | <b>2,188.65</b> |
| % of total trade receivables |                   | 57.68%          |

(1) Ageing of trade receivables and credit risk arising there from is as below :

| Particulars         | Amount in ₹ lakhs |                                                    |                 |
|---------------------|-------------------|----------------------------------------------------|-----------------|
|                     | Gross credit risk | Allowance for credit losses<br>(refer note 42 (b)) | Net credit risk |
|                     | As at             |                                                    |                 |
|                     | March 31, 2021    |                                                    |                 |
| Amounts not yet due | 1,020.43          | -                                                  | 1,020.43        |
| 0-90 days overdue   | 142.08            | -                                                  | 142.08          |
|                     | <b>1,162.51</b>   |                                                    | <b>1,162.51</b> |

| Particulars          | Amount in ₹ lakhs |                                                    |                 |
|----------------------|-------------------|----------------------------------------------------|-----------------|
|                      | Gross credit risk | Allowance for credit losses<br>(refer note 42 (b)) | Net credit risk |
|                      | As at             |                                                    |                 |
|                      | March 31, 2020    |                                                    |                 |
| Amounts not yet due  | 3,639.62          | -                                                  | 3,639.62        |
| 0-90 days overdue    | 152.62            | -                                                  | 152.62          |
| 91-180 days overdue  | 0.81              | -                                                  | 0.81            |
| 181-270 days overdue | -                 | -                                                  | -               |
| 271-365 days overdue | 1.16              | -                                                  | 1.16            |
|                      | <b>3,794.21</b>   |                                                    | <b>3,794.21</b> |

**Note 8 : Cash and cash equivalents**

| Particulars                           | Amount in ₹ lakhs |                |
|---------------------------------------|-------------------|----------------|
|                                       | As at             | As at          |
|                                       | March 31, 2021    | March 31, 2020 |
| Cash on hand                          | 0.17              | 1.38           |
| Balances with banks -current accounts | 979.66            | 474.76         |
| <b>Total</b>                          | <b>979.83</b>     | <b>476.14</b>  |

**Note 9 :Loans (current)**

| Particulars                                                 | Amount in ₹ lakhs |                |
|-------------------------------------------------------------|-------------------|----------------|
|                                                             | As at             | As at          |
|                                                             | March 31, 2021    | March 31, 2020 |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                   |                |
| Loans to employees                                          | 4.88              | 12.89          |
| <b>Total</b>                                                | <b>4.88</b>       | <b>12.89</b>   |

**Note 10 : Other financial assets (current)**

| Particulars                                                 | Amount in ₹ lakhs |                |
|-------------------------------------------------------------|-------------------|----------------|
|                                                             | As at             | As at          |
|                                                             | March 31, 2021    | March 31, 2020 |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                   |                |
| Security deposit                                            | 1.00              | 1.00           |
| Claim receivables                                           | 38.62             | -              |
| <b>Total</b>                                                | <b>39.62</b>      | <b>1.00</b>    |

**Note 11 : Other current assets**

| Particulars                                                 | Amount in ₹ lakhs |                 |
|-------------------------------------------------------------|-------------------|-----------------|
|                                                             | As at             | As at           |
|                                                             | March 31, 2021    | March 31, 2020  |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                   |                 |
| Prepaid expenses                                            | 5.81              | 22.37           |
| Balances with government authorities                        | -                 | 1,701.28        |
| Sales tax appeal                                            |                   | 13.12           |
| Considered doubtful                                         | 13.12             | -               |
| Less : Provision made during the year                       | (13.12)           | -               |
| Advances to suppliers                                       | 1,595.97          | 212.24          |
| Advances to employees                                       | 0.01              | 2.66            |
| <b>Total</b>                                                | <b>1,601.79</b>   | <b>1,951.67</b> |





Note 12 : Equity share capital

| Particulars                                       | As at March 31, 2021 |               | As at March 31, 2020 |               |
|---------------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                                   | Number of shares     | Amount        | Number of shares     | Amount        |
| (a) Share capital                                 |                      |               |                      |               |
| (i) <b>Authorised capital</b>                     |                      |               |                      |               |
| Equity shares of ₹ 2 each                         | 3,25,00,000          | 650.00        | 3,25,00,000          | 650.00        |
|                                                   | <b>3,25,00,000</b>   | <b>650.00</b> | <b>3,25,00,000</b>   | <b>650.00</b> |
| (ii) <b>Issued capital</b>                        |                      |               |                      |               |
| Equity shares of ₹ 2 each                         | 3,04,00,000          | 608.00        | 3,04,00,000          | 608.00        |
|                                                   | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |
| (iii) <b>Subscribed and fully paid up capital</b> |                      |               |                      |               |
| Equity shares of ₹ 2 each with voting rights      | 3,04,00,000          | 608.00        | 3,04,00,000          | 608.00        |
|                                                   | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |

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

| Particulars                              | As at March 31, 2021 |               | As at March 31, 2020 |               |
|------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                          | Number of shares     | Amount        | Number of shares     | Amount        |
| Equity shares with voting rights         |                      |               |                      |               |
| Outstanding at the beginning of the year | 2,04,00,000          | 608.00        | 2,77,00,000          | 554.00        |
| Add: Issued during the year              | -                    | -             | 27,00,000            | 54.00         |
| Outstanding at the end of the year       | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |

(c) Detail of shareholder holding more than 5% shares of the Company: \*

| Name of shareholder                                | As at March 31, 2021  |              | As at March 31, 2020  |              |
|----------------------------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                                    | Number of shares held | % of holding | Number of shares held | % of holding |
| Saket Agarwal                                      | -                     | -            | 35,48,321             | 11.67        |
| Shri Lakshmi Metal Udyog Limited (Holding Company) | 1,69,70,000           | 55.82        | 1,54,60,000           | 50.86        |

\* As per the records of the Company including its register of member.

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.

(e) During the quarter ended December 31, 2018, Shri Lakshmi Metal Udyog Limited ("SLMUL"), a wholly owned subsidiary of the APL Apollo Tubes Limited entered into a share purchase agreement for the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of Apollo Tricoat Tubes Limited ("the Company"). Pursuant to the said agreement, SLMUL made an open offer, which got completed on February 01, 2019. During the offer period, SLMUL acquired 13,25,000 equity shares from open market and 15,36,209 equity shares were tendered under open offer, aggregating to 28,61,209 equity shares, representing 10.33 % of the paid up share capital of the Company as on March 31, 2019. During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of the Company. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 1,51,91,239 equity shares representing 50.56% of paid up share capital of the Company. Accordingly, the Company became a subsidiary of SLMUL with effect from June 17, 2019.

Subsequent to June 17, 2019, SLMUL further acquired 17,78,761 equity shares of the Company. As at March 31, 2021, SLMUL holds 1,69,70,000 equity shares representing 55.82% of paid up share capital of the Company.

Note 13 : Other equity

| Particulars                        | Amount in ₹ lakhs    |                      |
|------------------------------------|----------------------|----------------------|
|                                    | As at March 31, 2021 | As at March 31, 2020 |
| Securities premium                 | 14,042.00            | 14,042.00            |
| Retained earnings                  | 15,745.59            | 5,274.76             |
| Capital reserve                    | 30.00                | 30.00                |
| Share warrants outstanding account | -                    | -                    |
| <b>Total</b>                       | <b>29,817.59</b>     | <b>19,346.76</b>     |

| Particulars                                   | Amount in ₹ lakhs    |                      |
|-----------------------------------------------|----------------------|----------------------|
|                                               | As at March 31, 2021 | As at March 31, 2020 |
| (1) <b>Securities premium</b>                 |                      |                      |
| Balance at the beginning of the year          | 14,042.00            | 10,856.00            |
| Add: addition during the year                 | -                    | 3,186.00             |
| Balance at the end of the year                | <b>14,042.00</b>     | <b>14,042.00</b>     |
| (2) <b>Retained earnings</b>                  |                      |                      |
| Balance at the beginning of the year          | 5,274.76             | 1,050.00             |
| Add: addition during the year                 | 10,470.83            | 4,224.76             |
| Balance at the end of the year                | <b>15,745.59</b>     | <b>5,274.76</b>      |
| (3) <b>Capital reserve</b>                    |                      |                      |
| Balance at the beginning of the year          | 30.00                | -                    |
| Add: addition during the year                 | -                    | 30.00                |
| Balance at the end of the year                | <b>30.00</b>         | <b>30.00</b>         |
| (4) <b>Share warrants outstanding account</b> |                      |                      |
| Balance at the beginning of the year          | -                    | 840.00               |
| Less: share issued during the year            | -                    | (840.00)             |
| Balance at the end of the year                | <b>-</b>             | <b>-</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) **Retained earnings:** It represents unallocated / undistributed profits of the Company. The same is available for distribution.

(iii) **Capital reserve:** Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

(iv) **Items of other comprehensive income :** It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.

(v) **Share warrants outstanding account:** Share warrant issued in earlier years were converted into equity shares.



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 14 : Borrowings (non- current)**

| Particulars                | Amount in ₹ lakhs       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Term loan:             |                         |                         |
| - From bank                |                         |                         |
| Secured (refer note below) | 4,898.91                | 9,820.00                |
| <b>Total</b>               | <b>4,898.91</b>         | <b>9,820.00</b>         |

| Particulars | As at<br>March 31, 2021  |                                                       | As at<br>March 31, 2020  |                                                       |
|-------------|--------------------------|-------------------------------------------------------|--------------------------|-------------------------------------------------------|
|             | Non-current<br>borrowing | Current<br>maturities of<br>non-current<br>borrowings | Non-current<br>borrowing | Current<br>maturities of<br>non-current<br>borrowings |

**Term loan from bank are secured as follows:**

**Term loan -1**

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 19 quarterly installments commencing from June 2021 and ending in December 2025. Applicable Rate of Interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

|          |          |          |        |
|----------|----------|----------|--------|
| 3,750.00 | 1,000.00 | 5,070.00 | 730.00 |
|----------|----------|----------|--------|

**Term loan -2**

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 9 unequal half yearly installments commencing from May 2021 and ending in May 2025. Applicable rate of interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

|          |        |          |        |
|----------|--------|----------|--------|
| 1,145.72 | 302.86 | 4,750.00 | 250.00 |
|----------|--------|----------|--------|

**Vehicle loan from bank are secured as follows:**

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, 2021 there were 34 installments outstanding. Applicable rate of interest is 7.75% p.a.

|      |      |   |   |
|------|------|---|---|
| 3.19 | 1.56 | - | - |
|------|------|---|---|

**Note 15 : Lease liabilities (non- current)**

| Particulars   | Amount in ₹ lakhs       |                         |
|---------------|-------------------------|-------------------------|
|               | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| On account of |                         |                         |
| - Building    | -                       | 0.85                    |
| -Vehicle      | -                       | 2.75                    |
| <b>Total</b>  | <b>-</b>                | <b>3.60</b>             |

**Note 16 : Provisions (non- current)**

| Particulars                            | Amount in ₹ lakhs       |                         |
|----------------------------------------|-------------------------|-------------------------|
|                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Provision for compensated absences     | 40.42                   | 14.72                   |
| Provision for gratuity (refer note 40) | 47.21                   | 13.65                   |
| <b>Total</b>                           | <b>87.63</b>            | <b>28.37</b>            |





APOLLO TRICOAT TUBES LIMITED  
NOTES TO FINANCIAL STATEMENTS

Note 17 : Deferred tax liabilities / assets (net)

(a) Component of deferred tax assets and liabilities are :-

| Particulars                                           | Amount in ₹ lakhs       |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
|                                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(i) Deferred tax liabilities on account of :</b>   |                         |                         |
| - Property, plant and equipment and Intangible assets | 1,244.50                | 776.77                  |
| <b>Total deferred tax liabilities (A)</b>             | <b>1,244.50</b>         | <b>776.77</b>           |
| <b>(ii) Deferred tax assets on account of :</b>       |                         |                         |
| - Provision for employee benefit expenses             | 28.72                   | 9.66                    |
| - Provision for sales tax                             | 3.30                    | -                       |
| <b>Total deferred tax assets (B)</b>                  | <b>32.02</b>            | <b>9.66</b>             |
| <b>Deferred tax liabilities (net)[A-B]</b>            | <b>1,212.48</b>         | <b>767.11</b>           |

(b) Movement in deferred tax liabilities / asset

| Particulars                                         | Amount in ₹ lakhs       |                                  |                                                |                         |
|-----------------------------------------------------|-------------------------|----------------------------------|------------------------------------------------|-------------------------|
|                                                     | As at<br>March 31, 2019 | Recognised in<br>profit and loss | Recognised in other<br>comprehensive<br>income | As at<br>March 31, 2020 |
| <b>Deferred tax liabilities (A)</b>                 |                         |                                  |                                                |                         |
| Property, plant and equipment and Intangible assets | 122.25                  | 654.52                           | -                                              | 776.77                  |
| <b>Total</b>                                        | <b>122.25</b>           | <b>654.52</b>                    | <b>-</b>                                       | <b>776.77</b>           |
| <b>Deferred tax assets (B)</b>                      |                         |                                  |                                                |                         |
| Provision for employee benefit expenses             | 1.47                    | 7.66                             | 0.53                                           | 9.66                    |
| Minimum alternate Tax                               | 72.78                   | (72.78)                          | -                                              | -                       |
| <b>Total</b>                                        | <b>74.25</b>            | <b>(65.12)</b>                   | <b>0.53</b>                                    | <b>9.66</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>         | <b>48.00</b>            | <b>719.64</b>                    | <b>(0.53)</b>                                  | <b>767.11</b>           |

Movement in deferred tax liabilities / asset

| Particulars                                         | Amount in ₹ lakhs       |                                  |                                                |                         |
|-----------------------------------------------------|-------------------------|----------------------------------|------------------------------------------------|-------------------------|
|                                                     | As at<br>March 31, 2020 | Recognised in<br>profit and loss | Recognised in other<br>comprehensive<br>income | As at<br>March 31, 2021 |
| <b>Deferred tax liabilities (A)</b>                 |                         |                                  |                                                |                         |
| Property, plant and equipment and intangible assets | 776.77                  | 467.73                           | -                                              | 1,244.50                |
| <b>Total</b>                                        | <b>776.77</b>           | <b>467.73</b>                    | <b>-</b>                                       | <b>1,244.50</b>         |
| <b>Deferred tax assets (B)</b>                      |                         |                                  |                                                |                         |
| Provision for employee benefit expenses             | 9.66                    | 8.78                             | 10.18                                          | 28.72                   |
| Provision for sales Tax                             | -                       | 3.30                             | -                                              | 3.30                    |
| <b>Total</b>                                        | <b>9.66</b>             | <b>12.08</b>                     | <b>10.18</b>                                   | <b>32.02</b>            |
| <b>Deferred tax liabilities (net - A-B)</b>         | <b>767.11</b>           | <b>455.65</b>                    | <b>(10.18)</b>                                 | <b>1,212.48</b>         |

Note (i) : Refer note 35 for effective tax reconciliation

Note (ii) : In previous year, the Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totaling to 25.17%). Accordingly, the Company has recognised provision for income-tax for the year ended March 31, 2020 and March 31, 2021 basis the revised rates. The Company has also remeasured its deferred tax liability on the basis of the reduced rate.



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 18 : Other non-current liabilities**

| Particulars      | Amount in ₹ lakhs |                 |
|------------------|-------------------|-----------------|
|                  | As at             | As at           |
|                  | March 31, 2021    | March 31, 2020  |
| Deferred income* | 2,073.81          | 1,686.93        |
| <b>Total</b>     | <b>2,073.81</b>   | <b>1,686.93</b> |

\*Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. (refer note 39)

**Note 19 : Borrowings (current)**

| Particulars              | Amount in ₹ lakhs |                |
|--------------------------|-------------------|----------------|
|                          | As at             | As at          |
|                          | March 31, 2021    | March 31, 2020 |
| Loan repayable on demand |                   |                |
| - From bank (Secured)    |                   |                |
| Cash credit              | -                 | 456.48         |
| <b>Total</b>             | <b>-</b>          | <b>456.48</b>  |

Cash credit and working capital facilities of Apollo Tricoat Tubes Limited from banks are secured by first pari passu charge on entire present and future current assets and second charge on entire present and future property, plant and equipment of the manufacturing unit situated at 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. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited) and corporate guarantee of APL Apollo Tubes Limited, the ultimate holding Company. Applicable rate of interest is 8.55% - 9.35% p.a (March 31, 2020: 9.35% - 10.00% p.a.).

**Note 20 : Trade payables**

| Particulars                                                                      | Amount in ₹ lakhs |                  |
|----------------------------------------------------------------------------------|-------------------|------------------|
|                                                                                  | As at             | As at            |
|                                                                                  | March 31, 2021    | March 31, 2020   |
| Outstanding dues to micro and small enterprises (refer note a)                   | 80.40             | -                |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 3,309.11          | 11,243.12        |
| <b>Total</b>                                                                     | <b>3,389.51</b>   | <b>11,243.12</b> |

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:

**Note a**

| Particulars                                                                                                                                                                                                                                                                              | Amount in ₹ lakhs |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|
|                                                                                                                                                                                                                                                                                          | As at             | As at          |
|                                                                                                                                                                                                                                                                                          | March 31, 2021    | March 31, 2020 |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year                                                                                                                                                             |                   |                |
| -Principal amount due to micro and small enterprises                                                                                                                                                                                                                                     | 80.40             | -              |
| -Interest due on above                                                                                                                                                                                                                                                                   | -                 | -              |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year                                                                              | -                 | -              |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006                                                           | -                 | -              |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                                                              | -                 | -              |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | -                 | -              |

**Note 21 : Lease liabilities (current)**

| Particulars                | Amount in ₹ lakhs |                |
|----------------------------|-------------------|----------------|
|                            | As at             | As at          |
|                            | March 31, 2021    | March 31, 2020 |
| On account of              |                   |                |
| - Building (refer note 37) | 2.81              | 1.93           |
| - Vehicle (refer note 37)  | 2.90              | 3.47           |
| <b>Total</b>               | <b>5.71</b>       | <b>5.40</b>    |

**Note 22 : Other financial liabilities (current)**

| Particulars                                           | Amount in ₹ lakhs |                 |
|-------------------------------------------------------|-------------------|-----------------|
|                                                       | As at             | As at           |
|                                                       | March 31, 2021    | March 31, 2020  |
| Current maturities of long term debts (refer note 14) | 1,304.42          | 980.00          |
| Capital creditors                                     | 162.73            | 154.42          |
| Interest accrued but not due                          | 43.16             | 25.64           |
| <b>Total</b>                                          | <b>1,510.31</b>   | <b>1,160.06</b> |

**Note 23 : Other current liabilities (current)**

| Particulars            | Amount in ₹ lakhs |                |
|------------------------|-------------------|----------------|
|                        | As at             | As at          |
|                        | March 31, 2021    | March 31, 2020 |
| Statutory dues payable | 998.47            | 66.29          |
| Advance from customers | 730.31            | 60.17          |
| Advance from employees | 0.76              | 0.24           |
| Deferred income**      | 112.74            | 93.14          |
| <b>Total</b>           | <b>1,842.28</b>   | <b>219.84</b>  |

\*\*Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. (refer note 39)

**Note 24 : Provisions (current)**

| Particulars                            | Amount in ₹ lakhs |                |
|----------------------------------------|-------------------|----------------|
|                                        | As at             | As at          |
|                                        | March 31, 2021    | March 31, 2020 |
| Provision for compensated absences     | 5.76              | 9.82           |
| Provision for gratuity (refer note 40) | 20.34             | 0.16           |
| <b>Total</b>                           | <b>26.10</b>      | <b>9.98</b>    |

**Note 25 : Current tax liabilities (net)**

| Particulars                                                                              | Amount in ₹ lakhs |                |
|------------------------------------------------------------------------------------------|-------------------|----------------|
|                                                                                          | As at             | As at          |
|                                                                                          | March 31, 2021    | March 31, 2020 |
| Provision for tax (net of prepaid taxes ₹ 2,862.61 lakhs, March 31, 2020 ₹ 811.48 lakhs) | 170.08            | 151.89         |
| <b>Total</b>                                                                             | <b>170.08</b>     | <b>151.89</b>  |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 26 : Revenue from operations**

| Particulars               | Amount in ₹ lakhs                    |                                      |
|---------------------------|--------------------------------------|--------------------------------------|
|                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Sale of products          | 1,41,077.99                          | 63,711.51                            |
| Other operating revenue * | 6,203.06                             | 2,613.55                             |
| <b>Total</b>              | <b>1,47,281.05</b>                   | <b>66,325.06</b>                     |

**Disclosure on revenue pursuant to Ind AS 115- Revenue from contract with customers:**

**(i) Reconciliation of revenue recognised with contract price :**

| Particulars                    | Amount in ₹ lakhs                    |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Contract price                 | 1,44,500.22                          | 65,495.09                            |
| Adjustments for:               |                                      |                                      |
| Discount and incentives        | (3,422.23)                           | (1,783.58)                           |
| <b>Revenue from operations</b> | <b>1,41,077.99</b>                   | <b>63,711.51</b>                     |

**(ii) Change in the contract liabilities balances during the year are as follows:**

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Balance at the beginning of the year      | 60.17                                | -                                    |
| Addition during the year                  | 730.31                               | 60.17                                |
| Revenue recognised during the year        | (60.17)                              | -                                    |
| <b>Balance at the closing of the year</b> | <b>730.31</b>                        | <b>60.17</b>                         |

**\* Other operating revenue**

| Particulars   | Amount in ₹ lakhs                    |                                      |
|---------------|--------------------------------------|--------------------------------------|
|               | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Sale of scrap | 4,115.39                             | 2,248.48                             |
| Job work      | 2,087.67                             | 365.07                               |
| <b>Total</b>  | <b>6,203.06</b>                      | <b>2,613.55</b>                      |

**Note 27 : Other income**

| Particulars                                   | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
|                                               | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Interest income - fixed deposit with banks    | -                                    | 17.73                                |
| Profit on foreign currency transactions (net) | 53.12                                | -                                    |
| Miscellaneous income*                         | 126.52                               | 96.24                                |
| <b>Total</b>                                  | <b>179.64</b>                        | <b>113.97</b>                        |

\* Miscellaneous income includes unwinding of deferred income ₹ 102.47 lakhs (March 31, 2020 ₹ 79.19 lakhs)

**Note 28 : Cost of material consumed**

| Particulars                                               | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Raw material</b>                                       |                                      |                                      |
| Inventories of raw material at the beginning of the year  | 4,526.32                             | 657.11                               |
| Add : Purchases during the year (net)                     | 1,19,160.18                          | 59,838.88                            |
| Less : Inventories of raw material at the end of the year | 2,678.96                             | 4,526.32                             |
| <b>Total</b>                                              | <b>1,21,007.54</b>                   | <b>65,069.67</b>                     |

**Note 29 : Changes in inventories of finished goods, stock-in-trade and rejection and scrap**

| Particulars                                      | Amount in ₹ lakhs                    |                                      |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Inventories at the end of the year:</b>       |                                      |                                      |
| Finished goods                                   | 3,065.14                             | 2,217.43                             |
| Rejection and scrap                              | 75.25                                | 149.92                               |
|                                                  | <b>3,140.39</b>                      | <b>2,367.35</b>                      |
| <b>Inventories at the beginning of the year:</b> |                                      |                                      |
| Finished goods                                   | 2,217.43                             | 114.93                               |
| Rejection and scrap                              | 149.92                               | 16.72                                |
|                                                  | <b>2,367.35</b>                      | <b>131.65</b>                        |
| <b>Total</b>                                     | <b>(773.04)</b>                      | <b>(2,235.70)</b>                    |

**Note 30 : Employee benefits expense**

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Salaries and wages                        | 1,821.89                             | 1,154.43                             |
| Contribution to provident and other funds | 66.09                                | 46.30                                |
| Staff welfare expenses                    | 16.64                                | 11.00                                |
| <b>Total</b>                              | <b>1,904.62</b>                      | <b>1,211.73</b>                      |

During the year, the Company recognized an amount of ₹ 248.20 lakhs (Year ended March 31, 2020 ₹ 174.19 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| - Short term employee benefits      | 219.45        | 164.30        |
| - Post employment benefits          | 6.99          | 9.01          |
| - Other long term employee benefits | 21.76         | 0.88          |
| <b>Total</b>                        | <b>248.20</b> | <b>174.19</b> |

**Note 31 : Finance costs**

| Particulars                                         | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                     | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>(a) Interest expense :</b>                       |                                      |                                      |
| - Term loan                                         | 554.20                               | 341.83                               |
| - Interest on cash credit                           | 54.67                                | 99.59                                |
| - delayed payment of Income tax                     | 52.45                                | -                                    |
| - On account of Ind AS 116 "Leases" (refer note 37) | 0.55                                 | 1.02                                 |
| <b>(b) Other borrowing costs</b>                    | <b>308.41</b>                        | <b>158.66</b>                        |
| <b>Total</b>                                        | <b>970.28</b>                        | <b>601.10</b>                        |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 32 : Depreciation and amortisation expense**

| Particulars                                                  | Amount in ₹ lakhs                    |                                      |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                              | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Depreciation on property, plant and equipment (refer note 2) | 1,619.35                             | 983.85                               |
| Amortisation of intangible assets (refer note 3)             | 16.20                                | 11.79                                |
| Depreciation on right of use assets (refer note 37)          | 17.19                                | 17.27                                |
| <b>Total</b>                                                 | <b>1,652.74</b>                      | <b>1,012.91</b>                      |

**Note 33 : Other expenses**

| Particulars                                              | Amount in ₹ lakhs                    |                                      |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                          | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Consumption of stores and spare parts                    | 2,489.40                             | 576.07                               |
| Power and fuel                                           | 2,016.11                             | 1,010.53                             |
| Rent expense (refer note 37)                             | 0.42                                 | 0.15                                 |
| Legal and professional charges*                          | 61.22                                | 64.87                                |
| Repair and maintenance:                                  |                                      |                                      |
| -Building                                                | 16.36                                | -                                    |
| -Plant and machinery                                     | 125.30                               | -                                    |
| -Others                                                  | 74.19                                | 11.36                                |
| Insurance expenses                                       | 26.81                                | 3.55                                 |
| Rates and taxes                                          | 14.17                                | 14.10                                |
| Freight outward                                          | 2,977.50                             | 1,408.62                             |
| Advertisement and sales promotion                        | 99.39                                | 77.46                                |
| Job work charges                                         | 11.48                                | 25.91                                |
| Corporate social responsibility expenses (refer note 34) | 48.52                                | -                                    |
| Loss on foreign currency transactions (net)              | -                                    | 0.90                                 |
| Travelling and conveyance                                | 7.94                                 | 30.82                                |
| Security services                                        | 54.78                                | 27.03                                |
| Director sitting fee                                     | 16.50                                | 9.32                                 |
| Management support services                              | 357.06                               | 505.85                               |
| Miscellaneous expenses                                   | 376.30                               | 188.97                               |
| <b>Total</b>                                             | <b>8,773.45</b>                      | <b>3,955.51</b>                      |

\*Legal and professional charges include auditor's remuneration as follows:

**To Statutory auditors**

|                                         |       |      |
|-----------------------------------------|-------|------|
| For audit (including quarterly reviews) | 14.00 | 1.00 |
| For taxation matters                    | -     | 1.00 |
| For GST audit                           | -     | 0.50 |
| For reimbursement of expenses           | 0.08  | 0.18 |

**Note 34 : Corporate social responsibility**

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR Expenditure as required by the Management are as follows :

| Particulars                                                      | Amount in ₹ lakhs                    |                                      |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Gross amount required to be spent by the Company during the year | 48.52                                | 10.51                                |
| Amount spent during the year on the following:                   |                                      |                                      |
| (a) Construction/acquisition of any asset                        | -                                    | -                                    |
| (b) On purposes other than (a) above                             | 41.00                                | -                                    |
| <b>Total</b>                                                     | <b>41.00</b>                         | <b>-</b>                             |

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("The Rules"), the Company has transferred the unspent amount of ₹ 8.00 lakhs to a separate bank account subsequent to the balance sheet date.

**Note 35 : Income tax expense**

| Particulars                                  | Amount in ₹ lakhs                    |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
|                                              | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Current tax</b>                           |                                      |                                      |
| Current tax on profits for the year          | 3,024.91                             | 977.85                               |
| Adjustments for current tax of prior periods | (56.56)                              | -                                    |
| <b>Total current tax expense</b>             | <b>2,968.35</b>                      | <b>977.85</b>                        |
| <b>Deferred tax</b>                          |                                      |                                      |
| Increase in deferred tax liabilities         | 455.65                               | 719.64                               |
| <b>Total tax expense</b>                     | <b>3,424.00</b>                      | <b>1,697.49</b>                      |

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for the year ended March 31, 2021:**

| Particulars                                           | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                       | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Profit before tax as per statement of profit and loss | 13,925.10                            | 5,923.81                             |
| Enacted tax rates in India                            | 25.17%                               | 25.17%                               |
| Computed expected income tax expense                  | 3,504.67                             | 1,490.91                             |
| Non deductible expenses                               | 31.29                                | 209.69                               |
| Utilisation of previously unrecognized tax losses     | -                                    | (33.49)                              |
| Income not chargeable to tax                          | (1.81)                               | -                                    |
| Other adjustments                                     | (53.59)                              | 30.38                                |
| <b>Tax expense as reported</b>                        | <b>3,480.56</b>                      | <b>1,697.49</b>                      |
| Effective tax rate                                    | 24.99%                               | 28.65%                               |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 36 : Earnings per share**

| Particulars                                                                                | Amount in ₹ lakhs            |                              |
|--------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                            | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Basic and diluted earnings per share</b>                                                |                              |                              |
| Profit attributable to equity shareholders- (A)                                            | 1,05,01,09,849               | 42,26,31,600                 |
| Equity shares outstanding at the beginning of the year                                     | 3,04,00,000                  | 2,77,00,000                  |
| <b>Add:</b> Weighted average number of equity shares issued during the year                | -                            | 27,00,000                    |
| The weighted average number of equity shares outstanding during the year- (B)              | 3,04,00,000                  | 3,04,00,000                  |
| Basic and diluted earnings per share of ₹ 2/- each (March 31, 2020: ₹ 2/- each)- (A) / (B) | 34.54                        | 14.01                        |

The Company does not have any potential equity shares and thus, weighted average number of equity shares for computation of basic earnings per share and diluted earnings per share remains same.

**Note 37 : Disclosure on lease transactions pursuant to Ind AS 116 - Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

On transition, the adoption of the new standard resulted in recognition of 'right of use' asset of ₹13.64 crore and a lease liability of ₹9.00 lakhs. The effect of this adoption was insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 results in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right of use asset at the date of initial application

The Interest rate applied to lease liabilities as at April 01, 2019 is 9% p.a.

The Company's lease asset classes primarily consist of leases for land and office premises that can be renewed after the mutual agreement of both the parties.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right of use assets can only be used by the Company. Leases are either non cancellable or may only be cancelled by incurring a substantive termination fee. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020:

| Particulars                                     | Category of right of use assets |               |               | Total           |
|-------------------------------------------------|---------------------------------|---------------|---------------|-----------------|
|                                                 | Land                            | Building      | Vehicle       |                 |
| <b>Year ended March 31, 2020</b>                |                                 |               |               |                 |
| <b>Gross carrying amount</b>                    |                                 |               |               |                 |
| Opening gross carrying amount                   | -                               | -             | -             | -               |
| Additions for the year                          | 1,365.95                        | 4.03          | 11.14         | 1,381.12        |
| Deletions                                       | -                               | -             | -             | -               |
| <b>Closing gross carrying amount</b>            | <b>1,365.95</b>                 | <b>4.03</b>   | <b>11.14</b>  | <b>1,381.12</b> |
| <b>Accumulated depreciation</b>                 |                                 |               |               |                 |
| Opening accumulated depreciation                | -                               | -             | -             | -               |
| Depreciation charge for the year                | (14.02)                         | (1.87)        | (1.38)        | (17.27)         |
| <b>Closing accumulated depreciation</b>         | <b>(14.02)</b>                  | <b>(1.87)</b> | <b>(1.38)</b> | <b>(17.27)</b>  |
| <b>Net carrying amount as on March 31, 2020</b> | <b>1,351.93</b>                 | <b>2.16</b>   | <b>9.76</b>   | <b>1,363.85</b> |
| <b>Year ended March 31, 2021</b>                |                                 |               |               |                 |
| Opening gross carrying amount                   | 1,365.95                        | 4.03          | 11.14         | 1,381.12        |
| Additions for the year                          | -                               | -             | -             | -               |
| <b>Closing gross carrying amount</b>            | <b>1,365.95</b>                 | <b>4.03</b>   | <b>11.14</b>  | <b>1,381.12</b> |
| <b>Accumulated depreciation</b>                 |                                 |               |               |                 |
| Opening accumulated depreciation                | (14.02)                         | (1.87)        | (1.38)        | (17.27)         |
| Depreciation charge for the year                | (13.96)                         | (1.86)        | (1.37)        | (17.19)         |
| <b>Closing accumulated depreciation</b>         | <b>(27.98)</b>                  | <b>(3.73)</b> | <b>(2.75)</b> | <b>(34.46)</b>  |
| <b>Net carrying amount as on March 31, 2021</b> | <b>1,337.97</b>                 | <b>0.30</b>   | <b>8.39</b>   | <b>1,346.66</b> |

The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the Statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

| Particulars                 | Amount in ₹ lakhs       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Current lease liability     | 5.71                    | 5.40                    |
| Non-current lease liability | -                       | 3.60                    |
| <b>Total</b>                | <b>5.71</b>             | <b>9.00</b>             |

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

| Particulars                             | Amount in ₹ lakhs       |                         |
|-----------------------------------------|-------------------------|-------------------------|
|                                         | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Balance at the beginning</b>         | 9.00                    | 13.38                   |
| Finance cost incurred during the period | 0.55                    | 1.02                    |
| Payment of lease liabilities            | (3.84)                  | (5.40)                  |
| <b>Balance at the end</b>               | <b>5.71</b>             | <b>9.00</b>             |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020:

| Particulars          | Amount in ₹ lakhs    |                 |                   |
|----------------------|----------------------|-----------------|-------------------|
|                      | As at March 31, 2021 |                 |                   |
|                      | Lease payments       | Finance charges | Net present value |
| Less than one year   | 5.82                 | 0.11            | 5.71              |
| One to five years    | -                    | -               | -                 |
| More than five years | -                    | -               | -                 |
| <b>Total</b>         | <b>5.82</b>          | <b>0.11</b>     | <b>5.71</b>       |

| Particulars          | Amount in ₹ lakhs    |                 |                   |
|----------------------|----------------------|-----------------|-------------------|
|                      | As at March 31, 2020 |                 |                   |
|                      | Lease payments       | Finance charges | Net present value |
| Less than one year   | 5.97                 | 0.57            | 5.40              |
| One to five years    | 3.71                 | 0.11            | 3.60              |
| More than five years | -                    | -               | -                 |
| <b>Total</b>         | <b>9.68</b>          | <b>0.68</b>     | <b>9.00</b>       |

Total cash outflow pertaining to leases during the year ended March 31, 2021 is ₹ 3.84 lakhs (March 31, 2020 ₹ 5.40 lakhs)

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.

Rental expense recorded for short-term leases is ₹ 0.42 lakh for the year ended March 31, 2021 (March 31, 2020 ₹ 0.15 lakh).

Rental income on assets given on operating lease is ₹ 24.00 lakhs for the year ended March 31, 2021 (March 31, 2020 ₹ 12.53 lakhs).

**Note 38 : Related party disclosures (as per Ind AS 24)**

**Details of related parties:**

**(a) Details of related parties :**

|                                                                      |                                                                     |
|----------------------------------------------------------------------|---------------------------------------------------------------------|
| (i) Ultimate Holding Company                                         | APL Apollo Tubes Limited (w.e.f. June 17, 2019)                     |
| (ii) Holding Company                                                 | Shri Lakshmi Metal Udyog Limited (w.e.f. June 17, 2019)             |
| (iii) Fellow Subsidiary                                              | Apollo Metalex Private Limited (w.e.f. June 17, 2019)               |
|                                                                      | APL Apollo Building Products Private Limited                        |
| (iv) Key Management Personnel (KMP)                                  | Mr. Rahul Gupta (Managing Director )                                |
| (with whom transactions have taken place during the year)            | Mr. Romi Sehgal (Whole Time Director)<br>(w.e.f. February 01, 2020) |
|                                                                      | Mr. Vinay Gupta (Director) (w.e.f. October 23, 2020)                |
|                                                                      | Mrs. Megha Gupta (upto October 23, 2020)                            |
|                                                                      | Mr. Nandlal Bansal (Chief Financial Officer )                       |
|                                                                      | Mrs. Surbhi Arora (Company Secretary)                               |
| (v) Relative of KMP                                                  | Mrs. Saroj Rani Gupta (Grandmother of Mr. Rahul Gupta)              |
| (with whom transactions have taken place during the year)            | Mrs. Neera Gupta (Mother of Mr. Rahul Gupta)                        |
|                                                                      | Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)                        |
| (vi) Enterprises significantly influenced by KMP and their relatives | APL Infrastructure Private Limited                                  |
| (with whom transactions have taken place during the year)            | Apollo Pipes Limited                                                |
|                                                                      | Apollo Metalex Private Limited (upto June 16, 2019)                 |
|                                                                      | APL Apollo Tubes Limited (upto June 16, 2019)                       |
|                                                                      | Shri Lakshmi Metal Udyog Limited (upto June 16, 2019)               |





Amount in ₹ lakhs

| Particulars                                    | Ultimate Holding Company | Holding Company   | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total              |
|------------------------------------------------|--------------------------|-------------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|--------------------|
| <b>(b) Transactions during the year</b>        |                          |                   |                   |                                |                  |                                                                 |                    |
| <b>Sale of goods (net of discounts)</b>        |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 21,979.26                | -                 | -                 | -                              | -                | -                                                               | 21,979.26          |
|                                                | (11,025.92)              | (-)               | (-)               | (-)                            | (-)              | (1,321.74)                                                      | (12,347.66)        |
| Shri Lakshmi Metal Udyog Limited               | -                        | 411.88            | -                 | -                              | -                | -                                                               | 411.88             |
|                                                | (-)                      | (627.90)          | (-)               | (-)                            | (-)              | (-)                                                             | (627.90)           |
| Apollo Metalex Private Limited                 | -                        | -                 | 3.41              | -                              | -                | -                                                               | 3.41               |
|                                                | (-)                      | (-)               | (1.74)            | (-)                            | (-)              | (-)                                                             | (1.74)             |
| APL Infrastructure Private Limited             | -                        | -                 | -                 | -                              | -                | 0.26                                                            | 0.26               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>21,979.26</b>         | <b>411.88</b>     | <b>3.41</b>       | <b>-</b>                       | <b>-</b>         | <b>0.26</b>                                                     | <b>22,394.81</b>   |
|                                                | <b>(11,025.92)</b>       | <b>(627.90)</b>   | <b>(1.74)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(1,321.74)</b>                                               | <b>(12,977.30)</b> |
| <b>Sale of scrap (other operating revenue)</b> |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 296.06                   | -                 | -                 | -                              | -                | -                                                               | 296.06             |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>296.06</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>296.06</b>      |
|                                                | <b>(-)</b>               | <b>(-)</b>        | <b>(-)</b>        | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(-)</b>         |
| <b>Sale of raw material (net of discounts)</b> |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 8,276.75                 | -                 | -                 | -                              | -                | -                                                               | 8,276.75           |
|                                                | (2,494.56)               | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (2,494.56)         |
| Shri Lakshmi Metal Udyog Limited               | -                        | 5,126.54          | -                 | -                              | -                | -                                                               | 5,126.54           |
|                                                | (-)                      | (1,052.71)        | (-)               | (-)                            | (-)              | (325.15)                                                        | (1,377.86)         |
| Apollo Metalex Private Limited                 | -                        | -                 | 4,887.66          | -                              | -                | -                                                               | 4,887.66           |
|                                                | (-)                      | (-)               | (1,046.95)        | (-)                            | (-)              | (-)                                                             | (1,046.95)         |
|                                                | <b>8,276.75</b>          | <b>5,126.54</b>   | <b>4,887.66</b>   | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>18,290.95</b>   |
|                                                | <b>(2,494.56)</b>        | <b>(1,052.71)</b> | <b>(1,046.95)</b> | <b>(-)</b>                     | <b>(-)</b>       | <b>(325.15)</b>                                                 | <b>(4,919.37)</b>  |
| <b>Sale of property, plant and equipment</b>   |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 669.22                   | -                 | -                 | -                              | -                | -                                                               | 669.22             |
|                                                | (12.83)                  | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (12.83)            |
| Shri Lakshmi Metal Udyog Limited               | -                        | 0.10              | -                 | -                              | -                | -                                                               | 0.10               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Apollo Metalex Private Limited                 | -                        | -                 | 2.25              | -                              | -                | -                                                               | 2.25               |
|                                                | (-)                      | (-)               | (1.95)            | (-)                            | (-)              | (-)                                                             | (1.95)             |
|                                                | <b>669.22</b>            | <b>0.10</b>       | <b>2.25</b>       | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>671.57</b>      |
|                                                | <b>(12.83)</b>           | <b>(-)</b>        | <b>(1.95)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(14.78)</b>     |
| <b>Sale of stores and spares</b>               |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 28.90                    | -                 | -                 | -                              | -                | -                                                               | 28.90              |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Shri Lakshmi Metal Udyog Limited               | -                        | 3.21              | -                 | -                              | -                | -                                                               | 3.21               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Apollo Metalex Private Limited                 | -                        | -                 | 13.00             | -                              | -                | -                                                               | 13.00              |
|                                                | (-)                      | (-)               | (0.90)            | (-)                            | (-)              | (-)                                                             | (0.90)             |
| APL Apollo Building Products Private Limited   | -                        | -                 | 1.00              | -                              | -                | -                                                               | 1.00               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>28.90</b>             | <b>3.21</b>       | <b>14.00</b>      | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>46.11</b>       |
|                                                | <b>(-)</b>               | <b>(-)</b>        | <b>(0.90)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(0.90)</b>      |



APOLLO TRICOAT TUBES LIMITED  
NOTES TO FINANCIAL STATEMENTS

Amount in ₹ lakhs

| Particulars                                          | Ultimate Holding Company             | Holding Company                    | Fellow Subsidiary                    | Key Management Personnel (KMP) | Relatives of KMP       | Enterprises significantly influenced by KMP and their relatives | Total                                  |
|------------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------|------------------------|-----------------------------------------------------------------|----------------------------------------|
| <b>Purchase of property, plant and equipment</b>     |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 478.70<br>(193.30)                   | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(499.82)                                                   | 478.70<br>(693.12)                     |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | -<br>(49.97)                       | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(2.66)                                                     | -<br>(52.65)                           |
| Apollo Metalex Private Limited                       | -<br>(-)                             | -<br>(-)                           | 4.60<br>(201.84)                     | -<br>(-)                       | -<br>(-)               | -<br>(18.43)                                                    | 4.60<br>(220.27)                       |
| Apollo Pipes Limited                                 | -<br>(-)                             | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | 0.60<br>(-)                                                     | 0.60<br>(-)                            |
|                                                      | <b>478.70</b><br><b>(193.30)</b>     | <b>-</b><br><b>(49.97)</b>         | <b>4.60</b><br><b>(201.84)</b>       | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>0.60</b><br><b>(520.93)</b>                                  | <b>483.90</b><br><b>(966.04)</b>       |
| <b>Purchase of stock-in-trade (net of discounts)</b> |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 274.45<br>(83.19)                    | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 274.45<br>(83.19)                      |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | 0.41<br>(-)                        | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 0.41<br>(-)                            |
|                                                      | <b>274.45</b><br><b>(83.19)</b>      | <b>0.41</b><br><b>(-)</b>          | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                                          | <b>274.86</b><br><b>(83.19)</b>        |
| <b>Purchase of raw material (net of discounts)</b>   |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 3,981.75<br>(1,391.04)               | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(228.70)                                                   | 3,981.75<br>(1,619.74)                 |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | 802.13<br>(5,404.69)               | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(2,131.27)                                                 | 802.13<br>(7,535.96)                   |
| Apollo Metalex Private Limited                       | -<br>(-)                             | -<br>(-)                           | 5,771.67<br>(4,306.24)               | -<br>(-)                       | -<br>(-)               | -<br>(10.06)                                                    | 5,771.67<br>(4,316.30)                 |
| Apollo Pipes Limited                                 | -<br>(-)                             | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(7.04)                                                     | -<br>(7.04)                            |
|                                                      | <b>3,981.75</b><br><b>(1,391.04)</b> | <b>802.13</b><br><b>(5,404.69)</b> | <b>5,771.67</b><br><b>(4,306.24)</b> | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(2,377.07)</b>                                   | <b>10,555.55</b><br><b>(13,479.04)</b> |
| <b>Purchase of stores and spares</b>                 |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 8.10<br>(17.94)                      | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(0.98)                                                     | 8.10<br>(18.92)                        |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | 2.29<br>(3.17)                     | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(2.28)                                                     | 2.29<br>(5.45)                         |
| Apollo Metalex Private Limited                       | -<br>(-)                             | -<br>(-)                           | 10.46<br>(10.50)                     | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 10.46<br>(10.50)                       |
|                                                      | <b>8.10</b><br><b>(17.94)</b>        | <b>2.29</b><br><b>(3.17)</b>       | <b>10.46</b><br><b>(10.50)</b>       | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(3.26)</b>                                       | <b>20.85</b><br><b>(34.87)</b>         |
| <b>Purchases of scrap</b>                            |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 39.16<br>(-)                         | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 39.16<br>(-)                           |
|                                                      | <b>39.16</b><br><b>(-)</b>           | <b>-</b><br><b>(-)</b>             | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                                          | <b>39.16</b><br><b>(-)</b>             |
| <b>Management fee paid</b>                           |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 397.47<br>(488.30)                   | -<br>(-)                           | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(-)                                                        | 397.47<br>(488.30)                     |
| Shri Lakshmi Metal Udyog Limited                     | -<br>(-)                             | -<br>(12.92)                       | -<br>(-)                             | -<br>(-)                       | -<br>(-)               | -<br>(4.63)                                                     | -<br>(17.55)                           |
|                                                      | <b>397.47</b><br><b>(488.30)</b>     | <b>-</b><br><b>(12.92)</b>         | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(4.63)</b>                                       | <b>397.47</b><br><b>(505.85)</b>       |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Amount in ₹ lakhs

| Particulars                              | Ultimate Holding Company | Holding Company | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total           |
|------------------------------------------|--------------------------|-----------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|-----------------|
| <b>Management support service income</b> |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 30.70                    | -               | -                 | -                              | -                | -                                                               | 30.70           |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Shri Lakshmi Metal Udyog Limited         | -                        | 3.52            | -                 | -                              | -                | -                                                               | 3.52            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Apollo Metalex Private Limited           | -                        | -               | 6.19              | -                              | -                | -                                                               | 6.19            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
|                                          | <b>30.70</b>             | <b>3.52</b>     | <b>6.19</b>       | -                              | -                | -                                                               | <b>40.41</b>    |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| <b>Reimbursement of expenses</b>         |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 1,617.55                 | -               | -                 | -                              | -                | -                                                               | 1,617.55        |
|                                          | (553.46)                 | (-)             | (-)               | (-)                            | (-)              | (4.31)                                                          | (557.77)        |
|                                          | <b>1,617.55</b>          | -               | -                 | -                              | -                | -                                                               | <b>1,617.55</b> |
|                                          | (553.46)                 | (-)             | (-)               | (-)                            | (-)              | (4.31)                                                          | (557.77)        |
| <b>Loan taken</b>                        |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 6,600                    | -               | -                 | -                              | -                | -                                                               | 6,600           |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
|                                          | <b>6,600</b>             | -               | -                 | -                              | -                | -                                                               | <b>6,600</b>    |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
| <b>Loan paid off</b>                     |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 6,600                    | -               | -                 | -                              | -                | -                                                               | 6,600           |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
|                                          | <b>6,600.00</b>          | -               | -                 | -                              | -                | -                                                               | <b>6,600</b>    |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
| <b>Rent income</b>                       |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 24.00                    | -               | -                 | -                              | -                | -                                                               | 24.00           |
|                                          | (9.53)                   | (-)             | (-)               | (-)                            | (-)              | (3.00)                                                          | (12.53)         |
|                                          | <b>24.00</b>             | -               | -                 | -                              | -                | -                                                               | <b>24.00</b>    |
|                                          | (9.53)                   | (-)             | (-)               | (-)                            | (-)              | (3.00)                                                          | (12.53)         |
| <b>Rent expense</b>                      |                          |                 |                   |                                |                  |                                                                 |                 |
| Mrs Vandana Gupta                        | -                        | -               | -                 | -                              | 0.21             | -                                                               | 0.21            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Mrs. Neera Gupta                         | -                        | -               | -                 | -                              | 0.48             | -                                                               | 0.48            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.48)           | (-)                                                             | (0.48)          |
| Mrs. Saroj Rani Gupta                    | -                        | -               | -                 | -                              | 0.60             | -                                                               | 0.60            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.48)           | (-)                                                             | (0.48)          |
|                                          | -                        | -               | -                 | -                              | <b>1.29</b>      | -                                                               | <b>1.29</b>     |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.96)           | (-)                                                             | (0.96)          |
| <b>Job work expenses</b>                 |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | -                        | -               | -                 | -                              | -                | -                                                               | -               |
|                                          | (12.22)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (12.22)         |
| Shri Lakshmi Metal Udyog Limited         | -                        | 1.22            | -                 | -                              | -                | -                                                               | 1.22            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
|                                          | -                        | <b>1.22</b>     | -                 | -                              | -                | -                                                               | <b>1.22</b>     |
|                                          | (12.22)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (12.22)         |
| <b>Job work income</b>                   |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 77.55                    | -               | -                 | -                              | -                | -                                                               | 77.55           |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Shri Lakshmi Metal Udyog Limited         | -                        | 2,010.12        | -                 | -                              | -                | -                                                               | 2,010.12        |
|                                          | (-)                      | (366.37)        | (-)               | (-)                            | (-)              | (-)                                                             | (366.37)        |
|                                          | <b>77.55</b>             | <b>2,010.12</b> | -                 | -                              | -                | -                                                               | <b>2,087.67</b> |
|                                          | (-)                      | (366.37)        | (-)               | (-)                            | (-)              | (-)                                                             | (366.37)        |





Amount in ₹ lakhs

| Particulars                                            | Ultimate Holding Company         | Holding Company   | Fellow Subsidiary | Key Management Personnel (KMP)   | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                            |
|--------------------------------------------------------|----------------------------------|-------------------|-------------------|----------------------------------|------------------|-----------------------------------------------------------------|----------------------------------|
| <b>Interest expense</b>                                |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | 202.43<br>(187.25)               | -                 | (-)               | (-)                              | (-)              | (-)                                                             | 202.43<br>(187.25)               |
| Shri Lakshmi Metal Udyog Limited                       | (-)                              | (76.40)           | (-)               | (-)                              | (-)              | (-)                                                             | (76.40)                          |
| Apollo Metalex Private Limited                         | (-)                              | (-)               | (-)               | (-)                              | (-)              | (19.63)                                                         | (19.63)                          |
|                                                        | <b>202.43</b><br><b>(187.25)</b> | <b>(76.40)</b>    | <b>(-)</b>        | <b>(-)</b>                       | <b>(-)</b>       | <b>(19.63)</b>                                                  | <b>202.43</b><br><b>(283.28)</b> |
| <b>Import licence purchases</b>                        |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | (-)                              | (-)               | (-)               | (-)                              | (-)              | (-)                                                             | (-)                              |
|                                                        | <b>(15.76)</b>                   | <b>(-)</b>        | <b>(-)</b>        | <b>(-)</b>                       | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(19.76)</b>                   |
| <b>Salary</b>                                          |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| Mr. Rahul Gupta                                        | (-)                              | (-)               | (-)               | 120.00<br>(120.00)               | (-)              | (-)                                                             | 120.00<br>(120.00)               |
| Mr. Romi Sehgal                                        | (-)                              | (-)               | (-)               | 95.95<br>(24.49)                 | (-)              | (-)                                                             | 95.95<br>(24.49)                 |
| Mr. Nandlal Bansal                                     | (-)                              | (-)               | (-)               | 22.45<br>(20.49)                 | (-)              | (-)                                                             | 22.45<br>(20.49)                 |
| Mrs. Surbhi Arora                                      | (-)                              | (-)               | (-)               | 9.80<br>(9.21)                   | (-)              | (-)                                                             | 9.80<br>(9.21)                   |
|                                                        | <b>(-)</b>                       | <b>(-)</b>        | <b>(-)</b>        | <b>248.20</b><br><b>(174.19)</b> | <b>(-)</b>       | <b>(-)</b>                                                      | <b>248.20</b><br><b>(174.19)</b> |
| <b>Director sitting fees paid</b>                      |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| Mrs. Megha Gupta                                       | (-)                              | (-)               | (-)               | (0.55)                           | (-)              | (-)                                                             | (0.55)                           |
|                                                        | <b>(-)</b>                       | <b>(-)</b>        | <b>(-)</b>        | <b>(0.55)</b>                    | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(0.55)</b>                    |
| <b>(c) Balances outstanding at the end of the year</b> |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| <b>Trade receivables</b>                               |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | (227.01)                         | (-)               | (-)               | (-)                              | (-)              | (-)                                                             | (227.01)                         |
| Shri Lakshmi Metal Udyog Limited                       | (-)                              | 54.02             | (-)               | (-)                              | (-)              | (-)                                                             | 54.02                            |
| Apollo Metalex Private Limited                         | (-)                              | (-)               | 88.11             | (-)                              | (-)              | (0.33)                                                          | 88.11<br>(0.33)                  |
|                                                        | <b>(227.01)</b>                  | <b>54.02</b>      | <b>88.11</b>      | <b>(-)</b>                       | <b>(-)</b>       | <b>(0.33)</b>                                                   | <b>142.13</b><br><b>(227.34)</b> |
| <b>Trade payables</b>                                  |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | (-)                              | (-)               | (-)               | (-)                              | (-)              | (-)                                                             | (-)                              |
| Shri Lakshmi Metal Udyog Limited                       | (-)                              | (1,643.41)        | (-)               | (-)                              | (-)              | (-)                                                             | (1,643.41)                       |
| Apollo Pipes Limited                                   | (-)                              | (-)               | (-)               | (-)                              | (-)              | (1.07)                                                          | (1.07)                           |
|                                                        | <b>(-)</b>                       | <b>(1,643.41)</b> | <b>(-)</b>        | <b>(-)</b>                       | <b>(-)</b>       | <b>(1.07)</b>                                                   | <b>(1,644.48)</b>                |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| Particulars                  |                          |                 |                   |                                |                  |                                                                 | <i>Amount in ₹ lakhs</i> |
|------------------------------|--------------------------|-----------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|--------------------------|
|                              | Ultimate Holding Company | Holding Company | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                    |
| <b>Advance from customer</b> |                          |                 |                   |                                |                  |                                                                 |                          |
| APL Apollo Tubes Limited     | 552.50                   | -               | -                 | -                              | -                | -                                                               | <b>562.50</b>            |
|                              | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)                      |
|                              | <b>562.50</b>            | -               | -                 | -                              | -                | -                                                               | <b>562.50</b>            |
|                              | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)                      |

**Notes :**

(1) Figures in the bracket relates to previous year ended March 31, 2020.

(2) Amount of expense of gratuity and compensated absences is taken on actuarial basis.

(3) The term loan and other credit facilities of the Company are also secured by corporate guarantee of APL Apollo Tubes Limited, ultimate holding Company, personal guarantee of directors of the APL Apollo Tubes Limited, ultimate holding Company, Mr. Sanjay Gupta and Mr. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited).

*(This space has been intentionally left blank)*



**Note 39 : Contingent liabilities and commitments (to the extent not provided for)**

**(a) Contingent liabilities**

Contingent liabilities for the year ended March 31, 2021 ₹ nil (March 31, 2020 ₹ nil)

**(b) Commitments**

(1) Estimated amount of contracts remaining to be executed on capital account and not provided for

| Particulars                   | Amount in ₹ lakhs       |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Property, plant and equipment | 1,312.74                | 2,250.07                |

(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 ₹ 14,230.32 lakhs (March 31, 2020 ₹ 11,176.62 lakhs) against which the Company has saved a duty of ₹ 2,371.72 lakhs (March 31, 2020 ₹ 1,862.77 lakhs).

(3) The Company does not have any other long term commitments or material non-cancellable contractual commitments /contracts.

**Note 40 : Employee benefit plan**

**a. General description of the employee benefit plan**

The Company has an obligation towards gratuity, unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

**b. Plan typically exposes the Company to actuarial risks such as : investment risks, interest rate risk, longevity risk and salary risk.**

**Investment risk**

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount risk which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest rate risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt .

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

In respect of the plan in India, the most recent actuarial valuation the present value of the defined benefit obligation were carried out as at March 31, 2021 by an actuary. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the projected unit credit method.

The Company has classified the various benefits provided to employees as under:

**A. Defined contribution plans**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognised the following amounts towards defined contribution plan in the Statement of Profit and Loss -

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Employer's contribution to provident fund | 60.14                                | 42.75                                |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**B. Other long term benefits and defined benefit plans**

**(i) Change in present value of obligation**

| Particulars                                                 | Amount in ₹ lakhs            |                              |
|-------------------------------------------------------------|------------------------------|------------------------------|
|                                                             | Gratuity                     |                              |
|                                                             | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Present value of obligation as at the beginning of the year | 13.81                        | 2.93                         |
| Interest cost                                               | 0.93                         | 0.23                         |
| Service cost                                                | 12.65                        | 8.56                         |
| Benefits paid                                               | (0.34)                       | -                            |
| Acquisition /Business Combination / Divestiture             | 0.05                         | -                            |
| Total actuarial loss on obligation                          | 40.45                        | 2.09                         |
| <b>Present value of obligation as at the end of year</b>    | <b>67.55</b>                 | <b>13.81</b>                 |

**(ii) Liabilities recognized in the balance sheet**

| Particulars                                            | Amount in ₹ lakhs       |                         |
|--------------------------------------------------------|-------------------------|-------------------------|
|                                                        | Gratuity                |                         |
|                                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Net defined benefit liability at the start of the year | 13.81                   | 2.93                    |
| Total service cost                                     | 12.65                   | 8.56                    |
| Net interest cost                                      | 0.93                    | 0.23                    |
| Re-measurements                                        | 40.45                   | 2.09                    |
| Benefit paid directly by the enterprise                | (0.34)                  | -                       |
| Acquisition /Business Combination / Divestiture        | 0.05                    | -                       |
| <b>Net liability recognized in balance sheet</b>       | <b>67.55</b>            | <b>13.81</b>            |
| Recognized under:                                      |                         |                         |
| Long term provision                                    | 47.21                   | 13.65                   |
| Short term provision                                   | 20.34                   | 0.16                    |
| <b>Total</b>                                           | <b>67.55</b>            | <b>13.81</b>            |

**(iii) Expense recognized in the statement of profit and loss**

| Particulars                                                   | Amount in ₹ lakhs            |                              |
|---------------------------------------------------------------|------------------------------|------------------------------|
|                                                               | Gratuity                     |                              |
|                                                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Service cost                                                  | 12.65                        | 8.56                         |
| Interest cost                                                 | 0.93                         | 0.23                         |
| <b>Expense recognized in the statement of profit and loss</b> | <b>13.58</b>                 | <b>8.79</b>                  |

**(iv) Other comprehensive income (OCI)**

| Particulars                                               | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                           | Gratuity                             |                                      |
|                                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Actuarial loss for the year on defined benefit obligation | 40.45                                | 2.09                                 |

**(v) Principal actuarial assumptions**

The significant actuarial assumptions for gratuity and compensated absences are as follows:

| Particulars                               | Year ended       | Year ended       |
|-------------------------------------------|------------------|------------------|
|                                           | March 31, 2021   | March 31, 2020   |
| Discount rate per annum                   | 7.09%            | 6.77%            |
| Salary escalation rate per annum          | 8.00%            | 4.00%            |
| Retirement age                            | 60 Years         | 60 Years         |
| Mortality tables                          | IALM [2012-2014] | IALM [2012-2014] |
| <b>Employee turnover / Attrition rate</b> |                  |                  |
| 18 In 30 Years                            | 3.00%            | 3.00%            |
| 30 to 45 Years                            | 2.00%            | 2.00%            |
| Above 45 Years                            | 1.00%            | 1.00%            |

**(vi) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

| Particulars                   | Amount in ₹ lakhs            |                              |
|-------------------------------|------------------------------|------------------------------|
|                               | Gratuity                     |                              |
|                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Discount rate</b>          |                              |                              |
| Increased by 1%               | (7.02)                       | (1.84)                       |
| Decreased by 1%               | 8.83                         | 2.28                         |
| <b>Salary escalation rate</b> |                              |                              |
| Increased by 1%               | 8.65                         | 2.32                         |
| Decreased by 1%               | (7.02)                       | (1.90)                       |
| <b>Attrition rate</b>         |                              |                              |
| Increased by 1%               | (1.18)                       | (0.08)                       |
| Decreased by 1%               | 1.82                         | 0.16                         |

**(vii) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 19.77 years in case of gratuity. The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars         | Amount in ₹ lakhs            |                              |
|---------------------|------------------------------|------------------------------|
|                     | Gratuity                     |                              |
|                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 20.40                        | 0.18                         |
| Between 1 - 2 years | 0.64                         | 0.24                         |
| Between 2 - 3 years | 0.57                         | 0.33                         |
| Between 3 - 4 years | 2.41                         | 0.48                         |
| Between 4 - 5 years | 16.58                        | 1.22                         |
| Beyond 5 years      | 51.46                        | 29.26                        |
| <b>Total</b>        | <b>92.06</b>                 | <b>31.71</b>                 |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 41 : Financial instruments**

**Financial instruments by category**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

| Particulars                                | As at March 31, 2021 |        |                  | As at March 31, 2020 |        |                  |
|--------------------------------------------|----------------------|--------|------------------|----------------------|--------|------------------|
|                                            | FVTPL                | FVTOCI | Amortised cost * | FVTPL                | FVTOCI | Amortised cost * |
| <i>Amount in ₹ lakhs</i>                   |                      |        |                  |                      |        |                  |
| <b>Financial assets - non current</b>      |                      |        |                  |                      |        |                  |
| Security deposit                           | -                    | -      | 175.33           | -                    | -      | 175.54           |
| <b>Financial assets - current</b>          |                      |        |                  |                      |        |                  |
| Loans to employees                         | -                    | -      | 4.88             | -                    | -      | 12.89            |
| Trade receivables                          | -                    | -      | 1,162.51         | -                    | -      | 3,794.21         |
| Cash and cash equivalents                  | -                    | -      | 0.17             | -                    | -      | 1.38             |
| Balances with banks                        | -                    | -      | 979.66           | -                    | -      | 474.76           |
| Security deposit                           | -                    | -      | 1.00             | -                    | -      | 1.00             |
| Claim receivables                          | -                    | -      | 38.62            | -                    | -      | -                |
| <b>Total financial assets</b>              | -                    | -      | <b>2,362.17</b>  | -                    | -      | <b>4,459.78</b>  |
| <b>Financial liabilities - non current</b> |                      |        |                  |                      |        |                  |
| Borrowings                                 | -                    | -      | 4,898.91         | -                    | -      | 9,820.00         |
| Lease liabilities                          | -                    | -      | -                | -                    | -      | 3.60             |
| <b>Financial liabilities -current</b>      |                      |        |                  |                      |        |                  |
| Borrowings                                 | -                    | -      | -                | -                    | -      | 456.48           |
| Trade payable                              | -                    | -      | 3,389.51         | -                    | -      | 11,243.12        |
| Lease liabilities                          | -                    | -      | 5.71             | -                    | -      | 5.40             |
| Current maturities of long term debts      | -                    | -      | 1,304.42         | -                    | -      | 980.00           |
| Capital creditors                          | -                    | -      | 162.73           | -                    | -      | 154.42           |
| Interest accrued but not due               | -                    | -      | 43.16            | -                    | -      | 25.64            |
| <b>Total financial liabilities</b>         | -                    | -      | <b>9,804.44</b>  | -                    | -      | <b>22,688.66</b> |

**Valuation technique to determine fair value**

Cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the lease payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

**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.

**\*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.





**Note 42 : 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. Company's treasury department identifies and evaluates 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.

**(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, equity price fluctuations, 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 the costs of imports, primarily in relation to capital assets.

The Company has limited exposure to foreign currency risk and thereby it mainly relies on natural hedge. To further mitigate the Company's exposure to foreign currency risk, non-INR cash flows are continuously monitored.

**Details on unhedged foreign currency exposures**

(1) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                        | As at          | As at          |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2021 | March 31, 2020 |
| <b>Payables:</b>                |                |                |
| USD                             | 64,500.00      | 1,01,800.00    |
| Equivalent amount in ₹ in lakhs | 47.16          | 74.96          |
| <b>Advance paid to vendors:</b> |                |                |
| USD                             | 1,79,082.26    | 9,01,870.63    |
| Equivalent amount in ₹ in lakhs | 136.17         | 619.86         |
| EURO                            | 16,994.77      | 1,44,906.22    |
| Equivalent amount in ₹ in lakhs | 15.05          | 113.94         |

**Sensitivity**

If INR is depreciated or appreciated by 0.5% vis-a-vis foreign currency, the impact thereof on the profit (after tax) of the Company are given below:

| Particulars               | Amount in ₹ lakhs          |                |
|---------------------------|----------------------------|----------------|
|                           | Impact on profit after tax |                |
|                           | As at                      | As at          |
|                           | March 31, 2021             | March 31, 2020 |
| USD sensitivity           |                            |                |
| INR/USD increases by 0.5% | (0.18)                     | (0.28)         |
| INR/USD decreases by 0.5% | 0.18                       | 0.28           |

**(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 with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and MCLR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

| Particulars              | Amount in ₹ lakhs |                  |
|--------------------------|-------------------|------------------|
|                          | As at             | As at            |
|                          | March 31, 2021    | March 31, 2020   |
| Variable rate borrowings | 6,198.58          | 11,256.48        |
| Fixed rate borrowings    | 4.75              | -                |
| <b>Total borrowings</b>  | <b>6,203.33</b>   | <b>11,256.48</b> |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                | Amount in ₹ lakhs    |                      |
|----------------------------|----------------------|----------------------|
|                            | Balance              | % of total loans     |
|                            | As at March 31, 2021 | As at March 31, 2020 |
| Bank loans and Cash credit | 6,198.58             | 99.92%               |
| Bank loans and Cash credit | 11,256.48            | 100%                 |

**Sensitivity analysis for variable-rate instruments**

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                        | Amount in ₹ lakhs          |                |
|------------------------------------|----------------------------|----------------|
|                                    | Impact on profit after tax |                |
|                                    | Year ended                 | Year ended     |
|                                    | March 31, 2021             | March 31, 2020 |
| Interest rates – increases by 0.5% | (23.19)                    | (42.12)        |
| Interest rates – decreases by 0.5% | 23.19                      | 42.12          |



(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company evaluates the credit worthiness of the customers based on publicly available information and the Company's historical experiences. The Company's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue receivables.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty. Trade receivables consist of a large number of customers of various scales and in different geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables. In case the receivables are not recovered even after regular follow up, measures are taken to stop further supplies to the concerned customer. The company recognises lifetime expected credit loss on trade receivables using simplified approach.

Credit risk relating to cash and cash equivalent and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such bank to be good and reviews the banking relationships on an on-going basis.

(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        | Amount in ₹ lakhs       |                         |
|--------------------|-------------------------|-------------------------|
|                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Floating rate      | 18,000.00               | 15,543.52               |
| Nature of facility | Working Capital         | Working Capital         |

(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.

| Particulars                                          | Amount in ₹ lakhs                                                           |                 |                   |                  |
|------------------------------------------------------|-----------------------------------------------------------------------------|-----------------|-------------------|------------------|
|                                                      | Contractual maturities of financial liabilities :-<br>Not later than 1 year | 1 to 5 years    | 5 years and above | Total            |
| <b>Non-derivatives</b>                               |                                                                             |                 |                   |                  |
| <b>March 31, 2021</b>                                |                                                                             |                 |                   |                  |
| Borrowings*                                          | 1,304.42                                                                    | 4,898.91        | -                 | 6,203.33         |
| Lease liabilities*                                   | 5.71                                                                        | -               | -                 | 5.71             |
| Payable on purchase of property, plant and equipment | 162.73                                                                      | -               | -                 | 162.73           |
| Trade payable                                        | 3,389.51                                                                    | -               | -                 | 3,389.51         |
| Interest accrued but not due on borrowings           | 43.16                                                                       | -               | -                 | 43.16            |
| <b>Total non-derivative liabilities</b>              | <b>4,905.53</b>                                                             | <b>4,898.91</b> | <b>-</b>          | <b>9,804.44</b>  |
| <b>Non-derivatives</b>                               |                                                                             |                 |                   |                  |
| <b>March 31, 2020</b>                                |                                                                             |                 |                   |                  |
| Borrowings*                                          | 1,436.48                                                                    | 8,490.00        | 1,330.00          | 11,256.48        |
| Lease liabilities*                                   | 5.40                                                                        | 3.60            | -                 | 9.00             |
| Payable on purchase of property, plant and equipment | 154.42                                                                      | -               | -                 | 154.42           |
| Trade payable                                        | 11,243.12                                                                   | -               | -                 | 11,243.12        |
| Interest accrued but not due on borrowings           | 25.64                                                                       | -               | -                 | 25.64            |
| <b>Total non-derivative liabilities</b>              | <b>12,865.06</b>                                                            | <b>8,493.60</b> | <b>1,330.00</b>   | <b>22,688.66</b> |

\* The amounts do not include interest payments.

**Note 43 : 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.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowing 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 acquisition, 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 borrowing less cash and cash equivalents, bank balances other than cash and cash equivalents.





| Particulars                                  | Amount in ₹ lakhs       |                         |
|----------------------------------------------|-------------------------|-------------------------|
|                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Non current borrowing                        | 4,898.91                | 9,820.00                |
| Current maturities of non current borrowings | 1,304.42                | 980.00                  |
| Current borrowings                           | -                       | 456.48                  |
| Less :- cash and cash equivalents            | (979.83)                | (476.14)                |
| <b>Net debts</b>                             | <b>5,223.50</b>         | <b>10,780.34</b>        |
| <b>Total equity</b>                          | <b>30,425.59</b>        | <b>19,954.76</b>        |
| <b>Gearing ratio</b>                         | <b>0.17</b>             | <b>0.54</b>             |

Equity includes all capital and revenue reserves of the Company that are managed as capital.

| Particulars                                        | Amount in ₹ lakhs       |                 |                   |                         |
|----------------------------------------------------|-------------------------|-----------------|-------------------|-------------------------|
|                                                    | As at<br>March 31, 2019 | Cash flows      | Interest expenses | As at<br>March 31, 2020 |
| Non-current borrowings                             | 2,906.22                | 6,913.78        | -                 | 9,820.00                |
| Current borrowings                                 | 2,547.36                | (2,090.88)      | -                 | 456.48                  |
| Current maturities of non-current borrowings       | 103.13                  | 876.87          | -                 | 980.00                  |
| Lease liabilities                                  | 13.38                   | (5.40)          | 1.02              | 9.00                    |
| <b>Total liabilities from financing activities</b> | <b>5,570.09</b>         | <b>5,699.77</b> | <b>1.02</b>       | <b>11,256.48</b>        |

| Particulars                                        | Amount in ₹ lakhs       |                   |                   |                         |
|----------------------------------------------------|-------------------------|-------------------|-------------------|-------------------------|
|                                                    | As at<br>March 31, 2020 | Cash flows        | Interest expenses | As at<br>March 31, 2021 |
| Non-current borrowings                             | 9,820.00                | (4,921.09)        | -                 | 4,898.91                |
| Current borrowings                                 | 456.48                  | (456.48)          | -                 | -                       |
| Current maturities of non-current borrowings       | 980.00                  | 324.42            | -                 | 1,304.42                |
| Lease liabilities                                  | 9.00                    | (3.84)            | 0.55              | 5.71                    |
| <b>Total liabilities from financing activities</b> | <b>11,265.48</b>        | <b>(5,056.99)</b> | <b>0.55</b>       | <b>6,209.04</b>         |

**Note 45 :** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**Note 46 :** The Board of Directors of Apollo Tricoat Tubes Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation of the Company and Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") with APL Apollo Tubes Limited ("APL Apollo"), its ultimate holding Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.

**Note 47 :** Figures for the previous year have regrouped/ reclassified wherever necessary.

**For Walker Chandio & Co LLP**

Chartered Accountants  
Firm Reg. No. 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



Place : New Delhi  
Date : May 03, 2021

**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd**



**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary  
Membership No. A33370

**APL APOLLO TUBES LIMITED**

**AUDITED STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH, 2021**



## 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, 2021, 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, 2021, 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 specified under section 143(10) of the Act (SAs). 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, but does not include the standalone financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and will 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 identified above when it becomes available 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.



When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 system 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.

#### **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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 no 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 no 38(b)(5) 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 no 38(c) of the standalone financial statements).

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)



**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 Over Financial Reporting under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **APL Apollo Tubes Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



## **Deloitte Haskins & Sells LLP**

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting 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)



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets (Property, Plant and Equipment) :
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The Company has a program of verification of fixed asset to cover all items once in 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, fixed assets were physically verified by the Management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings 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:

| Particulars of the land and building                                                | Gross Block as at March 31, 2021 (Rupees in crore) | Net Block as at March 31, 2021 (Rupees in crore) | Remarks                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Freehold land and building located at Murbad, Maharashtra admeasuring 37,800 Sq. ft | 1.47                                               | 1.18                                             | The conveyance deed is in the name of Llyod Line Pipe Limited, 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 |

- As explained to us, the inventories (other than inventories in transit and inventories lying with third party) were physically verified during the year by the Management at the reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans. In case of inventories lying with the third party, confirmation have been received by the Management for the stock held at year end and no material discrepancies was noted in respect of such confirmation.
- According to the information and explanations given to us, the Company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which
  - The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.



- c. There are no overdue amounts remaining outstanding as at year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, , Goods and Services Tax, Custom Duty and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable. The operations of the Company didn't give rise to Excise duty. Also refer to the note 38(a)(5) to the standalone financial statements regarding management assessment on certain matters relating to the provident fund.
- (b) Details of dues of Income tax, Service tax, Value added tax and Excise Duty which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute                        | Nature of Dues  | Forum where Dispute is Pending                    | Period to which the Amount Relates | Amount (net of payment) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------------------------|-----------------|---------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|
| Uttar Pradesh Value Added Tax Act 2008 | Value Added Tax | High Court of Allahabad                           | 2007-2008                          | 0.61                                      | -                                           |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2011-2012                          | 2.30                                      | 0.25                                        |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2012-2013                          | 1.13                                      | 0.16                                        |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2013-2014                          | 1.87                                      | -                                           |
|                                        | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2014-2015                          | 0.03                                      | 0.28                                        |
|                                        | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2016-2017                          | 0.40                                      | 0.06                                        |





| Name of Statute                  | Nature of Dues  | Forum where Dispute is Pending                    | Period to which the Amount Relates | Amount (net of payment) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------------------|-----------------|---------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|
|                                  | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2015-2016                          | 1.08                                      | 0.23                                        |
| Tamil Nadu Value Added Tax, 2006 | Value Added Tax | High Court of Chennai                             | 2010-11 and 2011-12                | 0.81                                      | -                                           |
| 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                                        |
|                                  | Excise Duty     | Commissioner (Appeals), Thane                     | 2014-15 & 2015-16                  | 0.48                                      | 0.02                                        |
|                                  | Excise Duty     | Commissioner (Appeals), Thane                     | 2016-17, 2017-18 & 2018-19         | 0.29                                      | 0.02                                        |
| Finance Act, 1994                | 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)              | 2016-2017                          | 2.48                                      | 0.92                                        |

We have been informed that there are no other dues of Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2021 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.



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- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)

**APL APOLLO TUBES LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**

| Particulars                                                     | Notes       | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------------|-------------------------|-------------------------|
|                                                                 |             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>I. ASSETS</b>                                                |             |                         |                         |
| <b>(1) Non-current assets</b>                                   |             |                         |                         |
| (a) Property, plant and equipment                               | 2(a)        | 872.45                  | 936.25                  |
| (b) Capital work-in-progress                                    | 2(b)        | 52.89                   | 6.24                    |
| (c) Right of use assets                                         | 2(c)        | 17.56                   | 18.46                   |
| (d) Intangible assets                                           | 2(d)        | 1.62                    | 2.39                    |
| (e) Investment in subsidiaries                                  | 3(a)        | 524.33                  | 394.07                  |
| (f) Financial assets                                            |             |                         |                         |
| (i) Investments                                                 | 3(b) & 3(c) | 1.48                    | 1.52                    |
| (ii) Loans                                                      | 4           | 107.29                  | 75.00                   |
| (iii) Other financial assets                                    | 5           | 18.63                   | 19.78                   |
| (g) Non-current tax assets (net)                                | 6           | 5.23                    | 10.19                   |
| (h) Other non-current assets                                    | 7           | 50.71                   | 45.85                   |
| <b>Total non-current assets</b>                                 |             | <b>1,652.19</b>         | <b>1,509.75</b>         |
| <b>(2) Current assets</b>                                       |             |                         |                         |
| (a) Inventories                                                 | 8           | 550.39                  | 590.27                  |
| (b) Financial assets                                            |             |                         |                         |
| (i) Trade receivables                                           | 9           | 87.18                   | 306.94                  |
| (ii) Cash and cash equivalents                                  | 10          | 3.19                    | 38.85                   |
| (iii) Bank balance other than (ii) above                        | 11          | 341.30                  | 1.07                    |
| (iv) Loans                                                      | 12          | 1.11                    | 1.04                    |
| (v) Other financial assets                                      | 13          | 13.71                   | 28.20                   |
| (c) Other current assets                                        | 14          | 108.31                  | 96.63                   |
|                                                                 |             | <b>1,105.19</b>         | <b>1,063.00</b>         |
| <b>Assets classified as held for sale</b>                       | 2(e)        | 62.51                   | 1.65                    |
| <b>Total current assets</b>                                     |             | <b>1,167.70</b>         | <b>1,064.65</b>         |
| <b>Total Assets</b>                                             |             | <b>2,819.89</b>         | <b>2,574.40</b>         |
| <b>II. EQUITY AND LIABILITIES</b>                               |             |                         |                         |
| <b>(1) Equity</b>                                               |             |                         |                         |
| (a) Equity share capital                                        | 15(a)       | 24.98                   | 24.87                   |
| (b) Other equity                                                | 15(b)       | 1,423.81                | 1,250.37                |
| <b>Total equity</b>                                             |             | <b>1,448.79</b>         | <b>1,275.24</b>         |
| <b>(2) Non-current liabilities</b>                              |             |                         |                         |
| (a) Financial liabilities                                       |             |                         |                         |
| (i) Borrowings                                                  | 16          | 224.48                  | 245.29                  |
| (ii) Lease liabilities                                          | 2(c)        | -                       | 0.08                    |
| (iii) Other financial liabilities                               | 17          | 0.78                    | 0.72                    |
| (b) Provisions                                                  | 18          | 11.69                   | 12.73                   |
| (c) Deferred tax liabilities (net)                              | 19          | 76.39                   | 72.16                   |
| (d) Other non-current liabilities                               | 20          | 48.77                   | 44.77                   |
| <b>Total non-current liabilities</b>                            |             | <b>362.11</b>           | <b>375.75</b>           |
| <b>(3) Current liabilities</b>                                  |             |                         |                         |
| (a) Financial liabilities                                       |             |                         |                         |
| (i) Borrowings                                                  | 21          | 208.42                  | 244.61                  |
| (ii) Lease liabilities                                          | 2(c)        | 0.08                    | 0.52                    |
| (iii) Trade payables                                            | 22          |                         |                         |
| - total outstanding dues of micro and small enterprises         |             | 3.85                    | 0.85                    |
| - total outstanding dues other than micro and small enterprises |             | 693.02                  | 586.65                  |
| (iv) Other financial liabilities                                | 23          | 66.18                   | 78.33                   |
| (b) Other current liabilities                                   | 24          | 35.85                   | 11.94                   |
| (c) Provisions                                                  | 25          | 0.57                    | 0.51                    |
| (d) Current tax liabilities (net)                               | 26          | 1.02                    | -                       |
| <b>Total current liabilities</b>                                |             | <b>1,008.99</b>         | <b>923.41</b>           |
| <b>Total Equity and Liabilities</b>                             |             | <b>2,819.89</b>         | <b>2,574.40</b>         |

See accompanying notes to the standalone financial statements 1-47

In terms of our report attached,

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



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



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                                         | Notes | (Rupees in crore)            |                              |
|-----------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                                     |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>I</b> Revenue from operations                                                                    | 27    | 6,007.96                     | 5,930.81                     |
| <b>II</b> Other income                                                                              | 28    | 44.11                        | 27.23                        |
| <b>III Total income (I +II)</b>                                                                     |       | <b>6,052.07</b>              | <b>5,958.04</b>              |
| <b>IV Expenses</b>                                                                                  |       |                              |                              |
| (a) Cost of materials consumed                                                                      | 29    | 4,475.04                     | 4,709.18                     |
| (b) Purchase of stock-in-trade                                                                      |       | 894.04                       | 601.20                       |
| (c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap | 30    | (20.24)                      | (73.60)                      |
| (d) Employee benefits expense                                                                       | 31    | 76.12                        | 92.63                        |
| (e) Finance costs                                                                                   | 32    | 54.89                        | 82.14                        |
| (f) Depreciation and amortisation expense                                                           | 33    | 68.18                        | 68.91                        |
| (g) Other expenses                                                                                  | 34    | 299.03                       | 363.79                       |
| <b>Total expenses</b>                                                                               |       | <b>5,847.06</b>              | <b>5,844.25</b>              |
| <b>V Profit before tax (III - IV)</b>                                                               |       | <b>205.01</b>                | <b>113.79</b>                |
| <b>VI Tax expense:</b>                                                                              |       |                              |                              |
| (a) Current tax                                                                                     |       | 47.38                        | 26.35                        |
| (b) Deferred tax (credit) / charge (net)                                                            | 19    | 3.10                         | (26.01)                      |
| (c) Income tax / deferred tax (credit) / expense of earlier year                                    | 19    | 0.75                         | (1.56)                       |
| <b>Total tax (credit) / expense</b>                                                                 | 42    | <b>51.23</b>                 | <b>(1.22)</b>                |
| <b>VII Profit for the year (V-VI)</b>                                                               |       | <b>153.78</b>                | <b>115.01</b>                |
| <b>VIII Other comprehensive income for the year</b>                                                 |       |                              |                              |
| <b>Add : (less) items that will not be reclassified to profit or loss</b>                           |       |                              |                              |
| (a) Remeasurements of post employment benefit obligation                                            |       | 1.49                         | (1.52)                       |
| (b) Income tax relating to above item                                                               |       | (0.38)                       | 0.38                         |
| <b>Other comprehensive (loss) for the year</b>                                                      |       | <b>1.11</b>                  | <b>(1.14)</b>                |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                                        |       | <b>154.89</b>                | <b>113.87</b>                |
| <b>X Earnings per equity share of Rupees 2 each</b>                                                 |       |                              |                              |
| (a) Basic (in Rupees)                                                                               | 37    | 12.34                        | 9.39                         |
| (b) Diluted (in Rupees)                                                                             | 37    | 12.30                        | 9.31                         |
| See accompanying notes to the standalone financial statements                                       | 1-47  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



Place : New Delhi  
Date : June 3, 2021

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 : June 3, 2021

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060





**APL APOLLO TUBES LIMITED**  
STATEMENT OF CHANGES IN STANDALONE EQUITY FOR THE YEAR ENDED MARCH 31, 2021

**a) Equity share capital**

| Particulars                                  | (Rupees in crore) |
|----------------------------------------------|-------------------|
| Amount                                       | Amount            |
| Opening balance as at April 1, 2019          | 23.85             |
| Changes during the year ended March 31, 2020 | 1.02              |
| <b>Balance as at March 31, 2020</b>          | <b>24.87</b>      |
| Changes during the year ended March 31, 2021 | 0.11              |
| <b>Balance as at March 31, 2021</b>          | <b>24.98</b>      |

**b) Other equity**

| Particulars                                         | Reserves and surplus          |                       |                    |                    |                      |                                        | Total           |
|-----------------------------------------------------|-------------------------------|-----------------------|--------------------|--------------------|----------------------|----------------------------------------|-----------------|
|                                                     | Debtore<br>redemption reserve | Securities<br>premium | General<br>reserve | Capital<br>Reserve | Retained<br>earnings | Share option<br>outstanding<br>account |                 |
| <b>Opening balance as at April 1, 2019</b>          | <b>80.00</b>                  | <b>212.59</b>         | <b>25.52</b>       | -                  | <b>658.17</b>        | <b>7.65</b>                            | <b>983.93</b>   |
| Profit for the year ended March 31, 2020            | -                             | -                     | -                  | -                  | 115.01               | -                                      | <b>115.01</b>   |
| Other comprehensive (loss) for the year, net of tax | -                             | -                     | -                  | -                  | (1.14)               | -                                      | <b>(1.14)</b>   |
| <b>Total comprehensive Income for the year</b>      | -                             | -                     | -                  | -                  | <b>113.87</b>        | -                                      | <b>113.87</b>   |
| <b>Allocations/Appropriations:</b>                  |                               |                       |                    |                    |                      |                                        |                 |
| Dividend paid                                       | -                             | -                     | -                  | -                  | (33.95)              | -                                      | <b>(33.95)</b>  |
| Dividend distribution tax                           | -                             | -                     | -                  | -                  | (6.98)               | -                                      | <b>(6.98)</b>   |
| Share option outstanding account                    | -                             | -                     | -                  | -                  | -                    | 3.68                                   | <b>3.68</b>     |
| Transfer to Securities premium                      | -                             | 2.19                  | -                  | -                  | -                    | (2.19)                                 | -               |
| Transfer to Capital Reserve (see note 46)           | -                             | -                     | -                  | 13.38              | -                    | -                                      | <b>13.38</b>    |
| Securities premium on issue of shares               | -                             | 176.44                | -                  | -                  | -                    | -                                      | <b>176.44</b>   |
| Transfer from Debtore Redemption Reserve            | (80.00)                       | -                     | -                  | -                  | 80.00                | -                                      | -               |
|                                                     | <b>(80.00)</b>                | <b>178.63</b>         | <b>-</b>           | <b>13.38</b>       | <b>39.07</b>         | <b>1.49</b>                            | <b>152.57</b>   |
| <b>Balance as at March 31, 2020</b>                 | <b>-</b>                      | <b>391.22</b>         | <b>25.52</b>       | <b>13.38</b>       | <b>811.11</b>        | <b>9.14</b>                            | <b>1,250.37</b> |
| Profit for the year ended March 31, 2021            | -                             | -                     | -                  | -                  | 153.78               | -                                      | <b>153.78</b>   |
| Other comprehensive income for the year, net of tax | -                             | -                     | -                  | -                  | 1.11                 | -                                      | <b>1.11</b>     |
| <b>Total comprehensive Income for the year</b>      | -                             | -                     | -                  | -                  | <b>154.89</b>        | -                                      | <b>154.89</b>   |
| <b>Allocations/Appropriations:</b>                  |                               |                       |                    |                    |                      |                                        |                 |
| Share option outstanding account                    | -                             | -                     | -                  | -                  | -                    | 3.27                                   | <b>3.27</b>     |
| Transfer to Securities premium                      | -                             | 8.63                  | -                  | -                  | -                    | (8.63)                                 | -               |
| Securities premium on issue of shares               | -                             | 15.28                 | -                  | -                  | -                    | -                                      | <b>15.28</b>    |
|                                                     | -                             | <b>23.91</b>          | <b>-</b>           | <b>-</b>           | <b>-</b>             | <b>(5.36)</b>                          | <b>18.55</b>    |
| <b>Balance as at March 31, 2021</b>                 | <b>-</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> |

See accompanying notes to the standalone financial statements

1-47

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



Place : New Delhi  
Date : June 3, 2021

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 : June 3, 2021

  
**VINAY GUPTA**  
Director

DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5050



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                              | Notes | (Rupees in crore)            |                              |
|------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                          |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>A. Cash flow from operating activities</b>                                            |       |                              |                              |
| Profit before tax                                                                        |       | 205.01                       | 113.79                       |
| Adjustments for:                                                                         |       |                              |                              |
| Depreciation and amortisation expense                                                    |       | 68.18                        | 68.91                        |
| Loss / (gain) on sale of property, plant and equipment (net)                             |       | (0.11)                       | 0.19                         |
| (Gain) on sale of assets classified as held for sale                                     |       | -                            | (1.46)                       |
| Finance costs                                                                            |       | 54.89                        | 82.14                        |
| Interest income on fixed deposits                                                        |       | (19.29)                      | (0.83)                       |
| Interest income on others                                                                |       | (13.80)                      | (11.55)                      |
| Share based expenses                                                                     |       | 3.27                         | 3.68                         |
| Provision for slow moving inventory of spares & consumables                              |       | 0.81                         | 0.22                         |
| Bad debts written off                                                                    |       | -                            | 0.02                         |
| Allowance / (write back) for doubtful trade receivables (expected credit loss allowance) |       | (1.21)                       | 2.30                         |
| Derivatives measured at fair value through profit & loss account                         |       | 0.20                         | (2.22)                       |
| Net unrealized foreign exchange (gain)                                                   |       | (2.30)                       | (2.00)                       |
| Government grant income                                                                  |       | (7.35)                       | (7.04)                       |
| <b>Operating profit before working capital changes</b>                                   |       | <b>288.30</b>                | <b>246.15</b>                |
| <b>Changes in working capital:</b>                                                       |       |                              |                              |
| Adjustments for (increase) / decrease in operating assets:                               |       |                              |                              |
| Inventories                                                                              |       | 39.08                        | 89.75                        |
| Trade receivables                                                                        |       | 220.97                       | 114.35                       |
| Current loans and other financial assets                                                 |       | 15.77                        | (19.79)                      |
| Non-current loans and other financial assets                                             |       | (31.15)                      | (75.64)                      |
| Other current assets                                                                     |       | (11.67)                      | 31.42                        |
| Other non-current assets                                                                 |       | 0.06                         | 3.18                         |
| Adjustments for increase / (decrease) in operating liabilities:                          |       |                              |                              |
| Trade payables                                                                           |       | 109.37                       | (36.65)                      |
| Other current liabilities                                                                |       | 23.91                        | (11.02)                      |
| Other current financial liabilities                                                      |       | 0.06                         | (0.86)                       |
| Other non current liabilities                                                            |       | 4.00                         | -                            |
| Other non current financial liabilities                                                  |       | 0.07                         | 0.07                         |
| Provisions (current & non-current)                                                       |       | 0.51                         | 3.07                         |
| <b>Cash generated from operations</b>                                                    |       | <b>659.28</b>                | <b>344.03</b>                |
| Income tax (paid)                                                                        |       | (41.40)                      | (39.10)                      |
| <b>Net cash flow from operating activities (A)</b>                                       |       | <b>617.88</b>                | <b>304.93</b>                |
| <b>B. Cash flow from investing activities</b>                                            |       |                              |                              |
| Capital expenditure on property, plant and equipment (including capital advances)        |       | (112.67)                     | (182.38)                     |
| Proceeds from sale of property, plant and equipment                                      |       | 6.54                         | 5.93                         |
| Proceeds from sale of assets classified as held for sale                                 |       | -                            | 5.42                         |
| Investment in other companies                                                            |       | -                            | (0.36)                       |
| Proceeds from sale of mutual funds and investment (net)                                  |       | 0.04                         | 0.01                         |
| Investment in subsidiaries                                                               |       | (130.26)                     | (2.94)                       |
| Investment in fixed deposits                                                             |       | (340.26)                     | (0.46)                       |
| Interest received                                                                        |       |                              |                              |
| - fixed deposits                                                                         |       | 20.22                        | 0.83                         |
| - others                                                                                 |       | 11.31                        | 10.25                        |
| <b>Net cash flow (used in) investing activities (B)</b>                                  |       | <b>(545.08)</b>              | <b>(163.70)</b>              |
| <b>C. Cash flow from financing activities</b>                                            |       |                              |                              |
| Proceeds from non-current borrowings                                                     |       | 175.00                       | 279.05                       |
| Repayment of current borrowings (net)                                                    |       | (36.18)                      | (207.28)                     |
| Repayment of non-current borrowings                                                      |       | (212.54)                     | (239.78)                     |
| Payment of dividends                                                                     |       | -                            | (34.05)                      |
| Payments of dividend distribution tax                                                    |       | -                            | (6.98)                       |
| Proceeds from issue of equity share capital                                              |       | 15.39                        | 177.47                       |
| Payment on account of lease liabilities                                                  |       | (0.52)                       | (0.56)                       |
| Finance costs                                                                            |       | (49.61)                      | (94.53)                      |
| <b>Net cash flow (used in) financing activities (C)</b>                                  |       | <b>(108.46)</b>              | <b>(126.66)</b>              |



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                   | Notes | (Rupees in crore)            |                              |
|---------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                               |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Net increase in Cash and cash equivalents (A+B+C)</b>      |       | (35.66)                      | 14.57                        |
| Cash and cash equivalents at the beginning of the year        |       | 38.85                        | 24.28                        |
| <b>Cash and cash equivalents at the end of the year</b>       | 10    | <b>3.19</b>                  | <b>38.85</b>                 |
| See accompanying notes to the standalone financial statements | 1-47  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner  
Membership No. 95540




Place : New Delhi  
Date : June 3, 2021


**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: Ghazlabad  
Date : June 3, 2021

  
**VINAY GURTA**  
Director  
DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060





**1(i) Company background**

APL Apollo Tubes Limited ("the Company") is a public limited Company incorporated in India on 24 February 1986 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 five manufacturing units one each at a) Sikanderabad, Uttar Pradesh, b) Hosur, Tamilnadu, c) Raipur, Chhattisgarh, d) Murbad, Maharashtra and e) Chegunta, Telangana.

The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 3, 2021.

**1(ii) Impact of the Initial application of new and amended Ind ASs that are effective for the current year**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2020.

**Amendments to Ind AS-1 and Ind AS-8 - Definition of 'material'.**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on disclosures or on the amounts reported in these standalone financial statements.

**1(iii) 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 accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

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) Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- \* Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.





A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**(d) 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.

**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.

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

Post the outbreak of COVID-19, the Company has made an assessment of the likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non current assets including goodwill, property, plant and equipment and other financial exposure. It has also evaluated its ability to meet the financial commitments of its lender etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

**(e) 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.

**(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**

The revenue is recognised once the entity satisfied that the performance obligation & control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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.

**(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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid where applicable, in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(j) Leases**

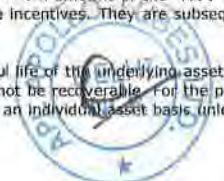
**As a lessee**

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 of 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 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.

**(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 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.

**(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 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 the principal item of the relevant assets.

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, 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.



**(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 40.

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.

**(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 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.

**(r) 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.

**(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 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 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.

**(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 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.

**(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 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).

The 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 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.

**(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 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')
- 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.

**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 FVOCI 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 44 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.

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.

**(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 Company or the counterparty.

**(z) 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.



**(aa) 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(iv) Recent Accounting Developments**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division I which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

**Balance Sheet:**

- (a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Specified format for disclosure of shareholding of promoters.
- (d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.
- (b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.





**APL APOLLO TUBES LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

**2(a) : Property, Plant and Equipment**

(Rupees in crore)

|                              | As at March 31,<br>2021 | As at March 31,<br>2020 |
|------------------------------|-------------------------|-------------------------|
| <b>Carrying amounts of :</b> |                         |                         |
| Freehold land                | 40.46                   | 99.77                   |
| Building                     | 194.68                  | 198.16                  |
| Plant and machinery          | 617.40                  | 624.22                  |
| Office equipments            | 1.45                    | 1.53                    |
| Vehicles                     | 12.56                   | 6.31                    |
| Furniture and fixtures       | 4.23                    | 5.20                    |
| Computers                    | 1.67                    | 1.06                    |
|                              | <b>872.45</b>           | <b>936.25</b>           |

|                                                                               | Freehold Land | Building | Plant and machinery | Office equipments | Vehicles | Furniture and fixtures | Computers | Total    |
|-------------------------------------------------------------------------------|---------------|----------|---------------------|-------------------|----------|------------------------|-----------|----------|
| <b>Deemed cost</b>                                                            |               |          |                     |                   |          |                        |           |          |
| <b>As at April 1, 2019</b>                                                    | 15.56         | 189.72   | 704.36              | 3.43              | 7.49     | 7.83                   | 2.29      | 930.68   |
| Additions                                                                     | 60.96         | 10.84    | 50.87               | 0.54              | 1.55     | 0.06                   | 0.36      | 125.18   |
| Assets acquired on business combination (see note 46)                         | 23.25         | 23.27    | 35.37               | 0.10              | 0.82     | 0.53                   | 0.02      | 83.36    |
| Sales / transfer during the year                                              | -             | (2.01)   | (4.56)              | -                 | (0.23)   | -                      | -         | (6.80)   |
| <b>Balance at March 31, 2020</b>                                              | 99.77         | 221.82   | 786.04              | 4.07              | 9.63     | 8.42                   | 2.67      | 1,132.42 |
| Asset classified as held for sale (see note 2(e))                             | (62.51)       | -        | -                   | -                 | -        | -                      | -         | (62.51)  |
| Asset re-classified from "Assets classified as held for sale" (see note 2(e)) | 1.65          | -        | -                   | -                 | -        | -                      | -         | 1.65     |
| Additions                                                                     | 1.55          | 5.33     | 53.19               | 0.44              | 7.83     | 0.18                   | 1.17      | 69.69    |
| Sales during the year                                                         | -             | (1.19)   | (14.70)             | -                 | (1.35)   | -                      | -         | (17.24)  |
| <b>Balance at March 31, 2021</b>                                              | 40.46         | 225.96   | 824.53              | 4.51              | 16.11    | 8.60                   | 3.84      | 1,124.01 |
| <b>Accumulated depreciation</b>                                               |               |          |                     |                   |          |                        |           |          |
| <b>As at April 1, 2019</b>                                                    | -             | 15.48    | 108.62              | 1.90              | 2.29     | 2.09                   | 1.11      | 131.49   |
| Elimination on disposal of assets                                             | -             | (0.36)   | (1.85)              | -                 | (0.14)   | -                      | -         | (2.35)   |
| Depreciation expense                                                          | -             | 8.54     | 55.05               | 0.64              | 1.17     | 1.13                   | 0.50      | 67.03    |
| <b>Balance at March 31, 2020</b>                                              | -             | 23.66    | 161.82              | 2.54              | 3.32     | 3.22                   | 1.61      | 196.17   |
| Elimination on disposal of assets                                             | -             | (0.84)   | (8.64)              | -                 | (1.25)   | -                      | -         | (10.73)  |
| Depreciation expense                                                          | -             | 8.46     | 53.95               | 0.52              | 1.48     | 1.15                   | 0.56      | 66.12    |
| <b>Balance at March 31, 2021</b>                                              | -             | 31.28    | 207.13              | 3.06              | 3.55     | 4.37                   | 2.17      | 251.56   |
| <b>Net carrying value</b>                                                     |               |          |                     |                   |          |                        |           |          |
| <b>Balance at March 31, 2020</b>                                              | 99.77         | 198.16   | 624.22              | 1.53              | 6.31     | 5.20                   | 1.06      | 936.25   |
| <b>Balance at March 31, 2021</b>                                              | 40.46         | 194.68   | 617.40              | 1.45              | 12.56    | 4.23                   | 1.67      | 872.45   |

**Notes :-**

(1) Property, plant and equipment as detailed in note 2(a) have been pledged as security for term loans taken as at March 31, 2021. See note 16 & 21 for loans taken against which these assets are pledged.





**2(b) Capital work in progress**

| Particulars                                                      | (Rupees in crore) |                     |              |
|------------------------------------------------------------------|-------------------|---------------------|--------------|
|                                                                  | Building          | Plant and machinery | Total        |
| <b>As at April 1, 2019</b>                                       | 7.80              | 14.69               | 22.49        |
| Add : Additions during the year                                  | 6.13              | 39.33               | 45.46        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (10.84)           | (50.87)             | (61.71)      |
| <b>Closing balance as at March 31, 2020</b>                      | <b>3.09</b>       | <b>3.15</b>         | <b>6.24</b>  |
| Add : Additions during the year                                  | 7.22              | 97.95               | 105.17       |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (5.33)            | (53.19)             | (58.52)      |
| <b>Closing balance as at March 31, 2021</b>                      | <b>4.98</b>       | <b>47.91</b>        | <b>52.89</b> |

**2(c) Right of use assets and lease liabilities**

| Particulars                                                 | Category of ROU Asset |             | (Rupees in crore) |
|-------------------------------------------------------------|-----------------------|-------------|-------------------|
|                                                             | Land                  | Building    | Total             |
| <b>As at April 1, 2019</b>                                  | -                     | -           | -                 |
| Reclassified on adoption of Ind AS 116 (see note (i) below) | 18.19                 | 1.17        | 19.36             |
| Amortisation                                                | (0.36)                | (0.54)      | (0.90)            |
| <b>Balance as at March 31, 2020</b>                         | <b>17.83</b>          | <b>0.63</b> | <b>18.46</b>      |
| Amortisation                                                | (0.36)                | (0.54)      | (0.90)            |
| <b>Balance as at March 31, 2021</b>                         | <b>17.47</b>          | <b>0.09</b> | <b>17.56</b>      |

- (i) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rupees 19.36 crore and a lease liability of Rupees 0.60 crore. The effect of this adoption is insignificant on the profit before tax and earnings per share.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- (ii) 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 respectively. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the standalone statement of Profit and Loss.
- (iii) Above ROU assets have been pledged as security for term loans taken as at March 31, 2021. See note 16 & 21 for loans taken against which these assets are pledged.
- (iv) Leasehold land located at Murbad, Maharashtra having value of Rupees 1.08 crore as at March 31, 2021 (March 31, 2020 : Rupees 1.19 crore), is in the name of Lloyd Line Pipe Limited which 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' National Company Law Tribunal, Principal bench, New Delhi.
- (v) The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020 :

| Particulars                 | (Rupees in crore)       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Current lease liability     | 0.08                    | 0.52                    |
| Non-current lease liability | -                       | 0.08                    |
| <b>Total</b>                | <b>0.08</b>             | <b>0.60</b>             |

- (vi) The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020 :

| Particulars                            | (Rupees in crore)            |                              |
|----------------------------------------|------------------------------|------------------------------|
|                                        | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Balance at the beginning</b>        | 0.60                         | -                            |
| Additions                              | -                            | 1.17                         |
| Finance cost accrued during the period | 0.06                         | 0.01                         |
| Payment of lease liabilities           | (0.58)                       | (0.58)                       |
| <b>Balance at the end</b>              | <b>0.08</b>                  | <b>0.60</b>                  |

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 6.60 %

- (vii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis :

| Particulars          | (Rupees in crore)       |                         |
|----------------------|-------------------------|-------------------------|
|                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| 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>             |

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.

Rental expense recorded for short-term leases is Rupees 5.02 crore for the year ended March 31, 2021 (March 31, 2020 : Rupees 5.00 crore).



2(d) Intangible Assets

|                                  | (Rupees in crore)  |
|----------------------------------|--------------------|
|                                  | Computer Softwares |
| <b>Deemed cost</b>               |                    |
| As at April 1, 2019              | 5.05               |
| Additions                        | 0.48               |
| <b>Balance at March 31, 2020</b> | <b>5.53</b>        |
| Additions                        | 0.29               |
| <b>Balance at March 31, 2021</b> | <b>5.82</b>        |
| <b>Amortisation</b>              |                    |
| As at April 1, 2019              | 2.20               |
| Charge for the year              | 0.94               |
| <b>Balance at March 31, 2020</b> | <b>3.14</b>        |
| Charge for the year              | 1.06               |
| <b>Balance at March 31, 2021</b> | <b>4.20</b>        |
| <b>Net carrying value</b>        |                    |
| Balance at March 31, 2020        | 2.39               |
| Balance at March 31, 2021        | 1.62               |

2(e) Asset classified as held for sale

|                                                                    | (Rupees in crore) |
|--------------------------------------------------------------------|-------------------|
|                                                                    | Land              |
| As at April 1, 2019                                                | 1.65              |
| Addition during the year                                           | -                 |
| <b>Balance at March 31, 2020</b>                                   | <b>1.65</b>       |
| Assets classified as held for sale (see note (i) below)            | 62.51             |
| Assets re-classified to land during the year (see note (ii) below) | (1.65)            |
| <b>Balance at March 31, 2021</b>                                   | <b>62.51</b>      |

**Note :**

- (i) The Company intends to dispose of a parcel of land to its subsidiary Company which it no longer plans to utilise in the next 12 months. As at March 31, 2021, Assets classified as held for sale consists of plot of land whose fair valuation is Rupees 64.25 crore. The valuation was performed by Government of India approved valuer M/s. Bestech Consultants Private Limited. 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 as asset held for sale as the Directors of the Company expects that the fair value less cost to sell is higher than the carrying amount.
- (ii) As at March 31, 2020, Assets classified as held for sale consisted of plot of land whose fair valuation was Rupees 2.20 crore. The valuation was performed by Government of India approved valuer Mr. Virender Kumar Jain. 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.

In current year, considering the present market conditions, management does not expect that the land would be sold in a distant future. Accordingly, the land in current year, ceases to be classified as "Asset held for sale" and has been reclassified to Property, plant and equipment.





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| 3 Investment (Non-current)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         | (Rupees in crore)       |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| <b>3(a) Investment in wholly owned subsidiaries - (unquoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |  |
| (i) 2,711,100 (March 31, 2020: 2,711,100) equity shares of Rupees 10 each fully paid up in Apollo Metalex Private Limited - at fair value (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                 | 132.78                  | 132.78                  |  |
| (ii) 5,895,000 (March 31, 2020: 5,895,000) equity shares of Rupees 10 each fully paid up in Shri Lakshmi Metal Udyog Limited - at fair value (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                              | 223.41                  | 223.41                  |  |
| (iii) 16,875 (March 31, 2020: 15,000) equity shares of Rupees 10 each fully paid up in Blue Ocean Projects Private Limited - at cost (see note (ii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40.79                   | 35.97                   |  |
| (iv) 11.00 (March 31, 2020 : 1) equity share of AED 1,000,000 each fully paid up in APL Apollo Tubes FZE - at cost (see note (iii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 21.65                   | 1.90                    |  |
| (v) 105,697,500 (March 31, 2020: 10,000) equity shares of Rupees 10 each fully paid up in APL Apollo Building Products Private Limited - at cost (see note (iv) below)                                                                                                                                                                                                                                                                                                                                                                                                                         | 105.70                  | 0.01                    |  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>524.33</b>           | <b>394.07</b>           |  |
| <b>Notes :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |  |
| (i) The Company in previous year ended March 31, 2018 measured its investment in subsidiaries on the date of transition to Ind-AS (i.e. April 1, 2016) at their respective fair value and considered the same as its deemed cost. Accordingly the Company has recorded the investment in subsidiaries at their fair value for Apollo Metalex Private Limited at Rupees 132.78 crore (original cost Rupees 7.21 crore) and Shri Lakshmi Metal Udyog Limited at Rupees 223.41 crore (original cost Rupees 36.30 crore) aggregating to Rupees 356.19 crore (original cost of Rupees 43.51 crore). |                         |                         |  |
| (ii) The Company has during the year invested Rupees 4.82 crore (March 31, 2020 : Rupees 1.04 crore) in Blue Ocean Projects Private Limited by subscribing to 1,875 equity shares of Rupees 10 each at a premium of Rupees 25,690.45 each (March 31, 2020 : 600 shares of Rupees 10 each at a premium of Rupees 17,290 each).                                                                                                                                                                                                                                                                  |                         |                         |  |
| (iii) The Company has during the year invested Rupees 19.75 crore (March 31, 2020 : Rupees 1.90 crore) in APL Apollo Tubes FZE by subscribing to 10 equity share (March 31, 2020 : 1 equity share) of AED 1,000,000 each considering 1 AED equivalent to Rupees 19.75 each (March 31, 2020 : Rupees 19.00 each).                                                                                                                                                                                                                                                                               |                         |                         |  |
| (iv) The Company has during the year invested Rupees 105.69 crore (March 31, 2020 : Rupees 0.01 crore) in APL Apollo Building Products Private Limited by subscribing to 105,687,500 equity shares (March 31, 2020 : 10,000 equity share) of Rupees 10 each. The Company was incorporated on December 19, 2019.                                                                                                                                                                                                                                                                                |                         |                         |  |
| <b>3(b) Investments in equity instruments carried at fair value through the other comprehensive income - (unquoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                         |  |
| (i) 1,371,400 (March 31, 2020: 1,371,400) equity shares of Rupees 10 each fully paid up in Clover Energy Private Limited (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1.37                    | 1.37                    |  |
| (ii) 195 (March 31, 2020: Nil) equity shares of Rupees 10 each fully paid up in AMP SOLAR Urja Private Limited (see note (ii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.01                    | -                       |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1.38</b>             | <b>1.37</b>             |  |
| <b>3(c) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |  |
| (i) Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth (March 31, 2021 : 99,965 units at NAV of Rupees 10.61 per unit)                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0.10                    | -                       |  |
| (ii) Investment in mutual fund of Union Midcap fund - regular plan growth (March 31, 2020 : 150,000 units at NAV of Rupees 10 per unit)                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                       | 0.15                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>0.10</b>             | <b>0.15</b>             |  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1.48</b>             | <b>1.52</b>             |  |
| <b>Aggregate carrying value of unquoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>525.70</b>           | <b>395.44</b>           |  |
| <b>Aggregate carrying value of quoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>0.10</b>             | <b>0.15</b>             |  |
| <b>Market value of quoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>0.10</b>             | <b>0.15</b>             |  |

**Notes :**

- (i) The Company holds 4.93 % (March 31, 2020 : 4.01 %) equity shares of Clover Energy Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (ii) The Company holds 19.50 % (March 31, 2020 : Nil) equity shares of AMP SOLAR Urja Private Limited, a Company engaged in the business of providing solar energy to its customers.

**4 Loans (Non-current)**  
(Unsecured, considered good)

| Particulars                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------|-------------------------|-------------------------|
| (a) Loans to subsidiary company (see note (i) below) | 107.29                  | 75.00                   |
| <b>Total</b>                                         | <b>107.29</b>           | <b>75.00</b>            |

**Notes :**

- (i) a) As at March 31, 2021, Rupees 100.00 crore (March 31, 2020 : Rupees 75.00 crore) is recoverable from a wholly owned subsidiary i.e. Shri Lakshmi Metal Udyog Limited. The loan is carrying interest of 8.5% p.a. (previous year 10.00% p.a.). The loan has been given for the purpose of meeting its operational requirements. The loan is repayable upto 5 years in tranches as and when funds are available with Shri Lakshmi Metal Udyog Limited. The maximum amount outstanding during the year was Rupees 100.00 crore (March 31, 2020 : Rupees 75.00 crore).

b) During the year, the Company has given a loan amounting to Rupees 0.16 crore (March 31, 2020 : Rupees Nil) carrying interest 8.5% p.a. to a wholly owned subsidiary Company i.e. Blue Ocean Projects Private Limited, for the purpose of meeting its operational requirements. The loan is repayable upto 2 years as and when funds are available with Blue Ocean Projects Private Limited. The maximum amount outstanding during the year was Rupees 0.16 crore (March 31, 2020 : Rupees Nil). Closing balance as at March 31, 2021 is Rupees 0.16 crore (March 31, 2020 : Rupees Nil)

**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

c) During the year, the Company has given a loan amounting to Rupees 7.13 crore (March 31, 2020 : Rupees Nil) carrying interest 8.5% p.a. to a wholly owned subsidiary viz. APL Apollo Building Products Private Limited for the purpose of meeting its operational requirements. The loan is repayable upto 2 years and when funds are available with APL Apollo Building Products Private Limited. The maximum amount outstanding during the year is Rupees 7.13 crore (March 31, 2020 : Rupees Nil). Closing balance as at March 31, 2021 is Rupees 7.13 crore (March 31, 2020 : Rupees Nil)

**5 Other financial assets (Non-current)**  
(Unsecured, considered good)

| Particulars                                                      | (Rupees in crore)       |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Claim receivable                                             | 0.37                    | 2.36                    |
| Less : Provision created for doubtful claims                     | 0.27                    | -                       |
|                                                                  | <u>0.10</u>             | <u>2.36</u>             |
| (b) Security deposit                                             | 18.50                   | 17.42                   |
| (c) Balance in margin money with maturity of more than 12 months | 0.03                    | -                       |
| <b>Total</b>                                                     | <b><u>18.63</u></b>     | <b><u>19.78</u></b>     |

**6 Non-current tax assets (net)**

| Particulars                                                                                                               | (Rupees in crore)       |                         |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Advance income tax (net of provision as at March 31, 2021 : Rupees 85.41 crore) (March 31, 2020 : Rupees 85.41 crore) | 5.23                    | 10.19                   |
| <b>Total</b>                                                                                                              | <b><u>5.23</u></b>      | <b><u>10.19</u></b>     |

**7 Other non-current assets**  
(Unsecured, considered good)

| Particulars                                 | (Rupees in crore)       |                         |
|---------------------------------------------|-------------------------|-------------------------|
|                                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Capital advances                        | 44.61                   | 39.66                   |
| (b) Prepaid expenses                        | 3.29                    | 3.99                    |
| (c) Value added tax (VAT) credit receivable | 0.66                    | -                       |
| (d) Payment under protest (see note below)  | -                       | -                       |
| (i) Safe guard duty                         | -                       | 0.05                    |
| (ii) Excise duty                            | 0.25                    | 0.25                    |
| (iii) Income tax                            | 0.92                    | 0.92                    |
| (iv) Value added tax                        | 0.98                    | 0.98                    |
| <b>Total</b>                                | <b><u>50.71</u></b>     | <b><u>45.85</u></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**

| Particulars                                          | (Rupees in crore)       |                         |
|------------------------------------------------------|-------------------------|-------------------------|
|                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Raw material (including stock-in-transit)        | 112.68                  | 172.51                  |
| (b) Finished goods (including stock-in-transit)      | 300.99                  | 305.03                  |
| (c) Stock in trade                                   | 4.17                    | -                       |
| (d) Work in progress                                 | 100.64                  | 88.80                   |
| (e) Stores and spares                                | 17.52                   | 17.81                   |
| (f) Rejection and scrap (including stock-in-transit) | 14.39                   | 6.12                    |
| <b>Total</b>                                         | <b><u>550.39</u></b>    | <b><u>590.27</u></b>    |

**Notes :**

(i) Cost of Inventory (including stores & spares) recognised as expense during the year amounted to Rupees 5,382.70 crore (March 31, 2020 : Rupees 5,282.30 crore)

| Details of stock-in-transit | (Rupees in crore)       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Raw material                | 8.43                    | -                       |
| Finished goods              | 48.09                   | 5.54                    |
| Rejection and Scrap         | 1.91                    | -                       |

(iii) Inventory of raw material for job work lying with third party of Rupees 5.88 crore (March 31, 2020 : Nil)

(iv) The Company has created a provision for slow moving inventory of stores & spares of Rupees 0.81 crores (March 31, 2020 : Rupees 0.22 crores)

(v) The mode of valuation of inventories has been stated in note 1(iii)(m) of significant accounting policies.

(vi) Inventories have been pledged as security towards Company's borrowings from banks.





**9 Trade receivables (Current)**  
(Unsecured)

| Particulars                                                            | (Rupees in crore)       |                         |
|------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Considered good                                                    |                         |                         |
| (i) Related parties                                                    | -                       | 0.33                    |
| (ii) Other than related parties                                        | 87.18                   | 306.61                  |
| <b>Sub total</b>                                                       | <b>87.18</b>            | <b>306.94</b>           |
| (b) Considered doubtful (other than related parties)                   | 6.27                    | 7.48                    |
| Less: Allowance for trade receivables (expected credit loss allowance) | (6.27)                  | (7.48)                  |
| <b>Sub total</b>                                                       | <b>-</b>                | <b>-</b>                |
| <b>Total</b>                                                           | <b>87.18</b>            | <b>306.94</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. There are no customers who represent more than 10% of the total balance of trade receivables.
- (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 :**

| Particulars                                                       | (Rupees in crore)            |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | Year ended March<br>31, 2021 | Year ended March<br>31, 2020 |
| Balance at the beginning of the year                              | 7.48                         | 5.18                         |
| Provision (written back) / Charge in statement of profit and loss | (1.21)                       | 2.32                         |
| Utilised during the year                                          | -                            | (0.02)                       |
| <b>Balance at the end of the year</b>                             | <b>6.27</b>                  | <b>7.48</b>                  |

**(2) Ageing of trade receivables and credit risk arising there from is as below :**

| Particulars                | (Rupees in crore)    |                         |                 |
|----------------------------|----------------------|-------------------------|-----------------|
|                            | As at March 31, 2021 |                         |                 |
|                            | Gross credit risk    | Credit losses allowance | Net credit risk |
| Amounts not yet due        | 81.50                | 0.30                    | 81.20           |
| 0-90 days overdue          | 6.01                 | 0.23                    | 5.78            |
| 91-180 days overdue        | 0.16                 | 0.05                    | 0.11            |
| 181-270 days overdue       | 0.18                 | 0.09                    | 0.09            |
| 271-365 days overdue       | 0.52                 | 0.52                    | -               |
| More than 365 days overdue | 5.08                 | 5.08                    | -               |
|                            | <b>93.45</b>         | <b>6.27</b>             | <b>87.18</b>    |

| Particulars                | (Rupees in crore)    |                         |                 |
|----------------------------|----------------------|-------------------------|-----------------|
|                            | As at March 31, 2020 |                         |                 |
|                            | Gross credit risk    | Credit losses allowance | Net credit risk |
| Amounts not yet due        | 261.91               | 0.63                    | 261.28          |
| 0-90 days overdue          | 43.36                | 0.41                    | 42.95           |
| 91-180 days overdue        | 3.47                 | 0.76                    | 2.71            |
| 181-270 days overdue       | 0.31                 | 0.31                    | -               |
| 271-365 days overdue       | 1.67                 | 1.67                    | -               |
| More than 365 days overdue | 3.70                 | 3.70                    | -               |
|                            | <b>314.42</b>        | <b>7.48</b>             | <b>306.94</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                | (Rupees in crore)       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at March 31,<br>2021 | As at March 31,<br>2020 |
| Amounts not yet due        | 0.00 % to 0.37 %        | 0.00 % to 0.24 %        |
| 0-90 days overdue          | 0.38 % to 3.83 %        | 0.25 % to 0.93 %        |
| 91-180 days overdue        | 3.84 % to 31.34 %       | 0.94 % to 21.99 %       |
| 181-270 days overdue       | 31.35 % to 48.70 %      | 100.00 %                |
| 271-365 days overdue       | 100.00 %                | 100.00 %                |
| More than 365 days overdue | 100.00 %                | 100.00 %                |

**(4) Trade receivables have been pledged as security towards Company's borrowings from banks.**

**10 Cash and cash equivalents**

| Particulars                                                     | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Cash on hand                                                | 0.12                    | 0.10                    |
| (b) Balances with banks - In current accounts                   | 1.07                    | 36.00                   |
| (c) Balances with banks - In cash credit accounts (see note 21) | 2.00                    | 2.75                    |
| <b>Total</b>                                                    | <b>3.19</b>             | <b>38.85</b>            |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

**11 Bank balances other than cash and cash equivalents**

|                                                                                                 |                         | (Rupees in crore)       |  |
|-------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) In earmarked accounts                                                                       |                         |                         |  |
| (i) unpaid dividend account                                                                     | 0.51                    | 0.54                    |  |
| (ii) In fixed deposits with maturity of more than 3 months and less than 12 months at inception | 340.79                  | 0.53                    |  |
| <b>Total</b>                                                                                    | <b>341.30</b>           | <b>1.07</b>             |  |

**12 Loans (Current)**  
(Unsecured, considered good)

|                        |                         | (Rupees in crore)       |  |
|------------------------|-------------------------|-------------------------|--|
| Particulars            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Loans to employees | 1.11                    | 1.04                    |  |
| <b>Total</b>           | <b>1.11</b>             | <b>1.04</b>             |  |

**13 Other financial assets (Current)**  
(Unsecured, considered good)

|                                                    |                         | (Rupees in crore)       |  |
|----------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Government grants                              |                         |                         |  |
| (i) Licences                                       | -                       | 0.44                    |  |
| (b) Interest accrued but not due on fixed deposits | 1.18                    | 0.14                    |  |
| (c) Interest accrued but due on loan given         | 2.48                    | 1.96                    |  |
| (d) Derivative assets (net)                        | 2.01                    | 2.22                    |  |
| (e) Claim receivables                              | 8.04                    | 23.44                   |  |
| <b>Total</b>                                       | <b>13.71</b>            | <b>28.20</b>            |  |

**14 Other current assets**  
(Unsecured, considered good)

|                                                              |                         | (Rupees in crore)       |  |
|--------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Advance to suppliers                                     | 73.13                   | 22.20                   |  |
| Less : Provision created for doubtful advances               | 0.56                    | -                       |  |
|                                                              | 72.57                   | 22.20                   |  |
| (b) Balances with government authorities                     |                         |                         |  |
| (i) Goods and services tax (GST) credit receivable           | 20.93                   | 61.21                   |  |
| (ii) Advance goods and service tax credit on import of goods | 0.16                    | 0.11                    |  |
| (c) Advance to Related parties (see note (i) & (ii) below)   | 8.76                    | 5.16                    |  |
| (d) Export Incentives receivable                             | 4.12                    | 4.82                    |  |
| (e) Prepaid expenses                                         | 1.77                    | 2.35                    |  |
| (f) Value added tax (VAT) credit receivable                  | -                       | 0.65                    |  |
| (g) Gold coins in hand                                       | -                       | 0.12                    |  |
| <b>Total</b>                                                 | <b>108.31</b>           | <b>96.63</b>            |  |

**Notes :**

- (i) During the year, the Company has given advance towards purchase of raw materials amounting to Rupees 8.76 crore (March 31, 2020 : Rupees Nil crore) to a subsidiary viz. Apollo Tricoat Tubes Limited and the material has been received subsequently.
- (ii) During the previous year 2019-20, the Company had given advance towards purchase of raw materials amounting to Rupees 5.16 crore to a wholly owned subsidiary viz. Apollo Metalex Private Limited and the material has been received in current year.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021.

| Particulars                                                                         | As at March 31, 2021 |              | (Rupees in crore, except otherwise stated)<br>As at March 31, 2020 |              |
|-------------------------------------------------------------------------------------|----------------------|--------------|--------------------------------------------------------------------|--------------|
|                                                                                     | Number of Shares     | Amount       | Number of Shares                                                   | Amount       |
| <b>15 Equity</b>                                                                    |                      |              |                                                                    |              |
| <b>15(a) Equity share capital</b>                                                   |                      |              |                                                                    |              |
| (i) <b>Authorised capital</b>                                                       |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 22,50,00,000         | 45.00        | 4,50,00,000                                                        | 45.00        |
|                                                                                     | <b>22,50,00,000</b>  | <b>45.00</b> | <b>4,50,00,000</b>                                                 | <b>45.00</b> |
| (ii) <b>Issued capital</b>                                                          |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 12,48,96,000         | 24.98        | 2,48,69,015                                                        | 24.87        |
|                                                                                     | <b>12,48,96,000</b>  | <b>24.98</b> | <b>2,48,69,015</b>                                                 | <b>24.87</b> |
| (iii) <b>Subscribed and fully paid up capital</b>                                   |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 12,48,96,000         | 24.98        | 2,48,69,015                                                        | 24.87        |
|                                                                                     | <b>12,48,96,000</b>  | <b>24.98</b> | <b>2,48,69,015</b>                                                 | <b>24.87</b> |

(1) **Reconciliation of the number of shares and amount outstanding as at March 31, 2021 and March 31, 2020 :**

| Particulars                                                                        | Number of shares        |                         | Amount                                       |                                              |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|----------------------------------------------|----------------------------------------------|
|                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 | As at<br>March 31, 2021<br>(Rupees in crore) | As at<br>March 31, 2020<br>(Rupees in crore) |
| <b>Equity share capital</b>                                                        |                         |                         |                                              |                                              |
| <b>Outstanding at the beginning of the year</b>                                    | 2,48,69,015             | 2,38,50,381             | 4.97                                         | 23.85                                        |
| Add: Issued of shares under Company's employee stock option plan (see note 40(d))  | 5,50,925                | 1,18,634                | 0.11                                         | 0.12                                         |
| Add: Increase in the number of shares on account of share split (see note 5 below) | 9,94,76,060             | -                       | 19.90                                        | -                                            |
| Add: Issued of shares under Preferential allotment (see note below)                | -                       | 4,00,000                | -                                            | 0.40                                         |
| Add: Issued of shares by conversion of share warrants (see note below)             | -                       | 5,00,000                | -                                            | 0.50                                         |
| <b>Outstanding at the end of the year</b>                                          | <b>12,48,96,000</b>     | <b>2,48,69,015</b>      | <b>24.98</b>                                 | <b>24.87</b>                                 |

**Note :**

During the previous year ended March 31, 2020, the shareholders of the Company through postal ballot on April 4, 2019 approved the issuance of 400,000 equity shares and 500,000 fully convertible warrants on preferential basis to APL Infrastructure Private Limited, an entity belonging to promoter category at an issue price of Rupees 1,800 per share and Rupees 2,000 per warrant respectively. The Board of Directors of the Company in its meeting held on April 12, 2019, allotted the said equity shares and warrants. On October 28, 2019, the finance committee of the Board of Directors allotted 500,000 equity shares on conversion of said warrants.

(2) **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, 2020 : Rupees 10 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

| Name of shareholder                     | As at March 31, 2021  |           | As at March 31, 2020  |           |
|-----------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                         | Number of shares held | % holding | Number of shares held | % holding |
| <b>Equity shares with voting rights</b> |                       |           |                       |           |
| APL Infrastructure Private Limited      | 4,05,00,935           | 32.43%    | 99,25,187             | 35.89%    |
| Kitara PHN 1001                         | 98,38,300             | 7.88%     | 30,00,000             | 12.06%    |

(4) **Share options granted under the Company's employee share options plans**

As at March 31, 2021, executives and senior employees held options over 438,000 equity shares of Rupees 2 each of the Company. As at March 31, 2020, executives and senior employees held options over 216,748 equity shares of Rupees 10 each of the Company. (See note 5 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.

(5) **The Board of Directors at their meeting held on October 28, 2020 approved the sub-division of each equity share of face value of Rupees 10 each fully paid up into 5 equity shares of face value of Rupees 2 each fully paid up. The same was approved by the members on December 3, 2020 through postal ballot and e-voting. The effective date of sub-division was December 16, 2020.**



**15(b) Other equity**

| Particulars                                                      | (Rupees in crore)       |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Securities premium                                               | 415.13                  | 391.22                  |
| General reserve                                                  | 25.52                   | 25.52                   |
| Capital Reserve                                                  | 13.38                   | 13.38                   |
| Retained earnings                                                | 966.00                  | 811.11                  |
| Share option outstanding account                                 | 3.78                    | 9.14                    |
| <b>Total</b>                                                     | <b>1,423.81</b>         | <b>1,250.37</b>         |
| <b>(1) Securities premium</b>                                    |                         |                         |
| Balance at the beginning of the year                             | 391.22                  | 212.59                  |
| Add: Issued of shares by conversion of share warrants            | -                       | 99.50                   |
| Add: Issued of shares under Preferential allotment               | -                       | 71.60                   |
| Add: Issued of shares under Company's employee stock option plan | 23.91                   | 7.53                    |
| Balance at the end of the year                                   | <u>415.13</u>           | <u>391.22</u>           |
| <b>(2) Debenture redemption reserve</b>                          |                         |                         |
| Balance at the beginning of the year                             | -                       | 80.00                   |
| Add: Transferred to retained earnings                            | -                       | (80.00)                 |
| Balance at the end of the year                                   | <u>-</u>                | <u>-</u>                |
| <b>(3) General reserve</b>                                       |                         |                         |
| Balance at the beginning of the year                             | 25.52                   | 25.52                   |
| Balance at the end of the year                                   | <u>25.52</u>            | <u>25.52</u>            |
| <b>(4) Capital reserve</b>                                       |                         |                         |
| Balance at the beginning of the year                             | 13.38                   | -                       |
| Add: Relating to business combination (see note 46)              | -                       | 13.38                   |
| Balance at the end of the year                                   | <u>13.38</u>            | <u>13.38</u>            |
| <b>(5) Retained earnings</b>                                     |                         |                         |
| Balance at the beginning of the year                             | 811.11                  | 658.17                  |
| Add: Net profits attributable to owners of the Company           | 154.89                  | 113.87                  |
| Less: Dividend paid                                              | -                       | 33.95                   |
| Less: Tax on dividend paid                                       | -                       | 6.98                    |
| Add: Transfer from debenture redemption reserve                  | -                       | 80.00                   |
| Balance at the end of the year                                   | <u>966.00</u>           | <u>811.11</u>           |
| <b>(6) Share option outstanding account</b>                      |                         |                         |
| Balance at the beginning of the year                             | 9.14                    | 7.65                    |
| Add: Addition during the year                                    | 3.27                    | 3.68                    |
| Less: Transfer to Securities premium reserve                     | 8.63                    | 2.19                    |
| Balance at the end of the year                                   | <u>3.78</u>             | <u>9.14</u>             |

**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) **Debenture redemption reserve** : The Companies Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. On redemption of debentures, amount is transferred to Retained earnings.
- (iii) **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.
- (iv) **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.
- (v) **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.
- (vi) **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)
- (vii) **Items of other comprehensive income** : It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.





| 16  | Borrowings (Non-current)                             | (Rupees in crore)       |                         |
|-----|------------------------------------------------------|-------------------------|-------------------------|
|     |                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|     | Particulars                                          |                         |                         |
| (a) | Term Loan:                                           |                         |                         |
|     | - From banks:                                        |                         |                         |
|     | (i) Secured (see note (i) below)                     | 124.48                  | 245.29                  |
|     | - From others (unsecured):                           |                         |                         |
|     | (i) Working capital facilities (see note (ii) below) | 100.00                  |                         |
|     | <b>Total</b>                                         | <b>224.48</b>           | <b>245.29</b>           |

| As at<br>March 31, 2021   |                                                    | As at<br>March 31, 2020   |                                                    |
|---------------------------|----------------------------------------------------|---------------------------|----------------------------------------------------|
| Non current<br>borrowings | Current Maturities<br>of non-current<br>borrowings | Non current<br>borrowings | Current Maturities<br>of non-current<br>borrowings |

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

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. 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. 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. The loan outstanding is repayable in 15 quarterly instalments commencing from April 2021 and ending in October 2024. Applicable rate of interest is 7.75%.

|       |       |       |      |
|-------|-------|-------|------|
| 30.56 | 11.11 | 41.67 | 8.33 |
|-------|-------|-------|------|

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. 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. 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. The loan outstanding was repayable in 18 quarterly instalments commencing from June 2020 and ending in September 2024. Applicable rate of interest is 8.75% - 8.95%. During the current year, loan has been repaid fully.

|   |   |       |       |
|---|---|-------|-------|
| - | - | 38.89 | 11.11 |
|---|---|-------|-------|

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. 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. 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. The loan outstanding is repayable in 15 quarterly instalments commencing from April 2021 and ending in October 2024. Applicable rate of interest is 7.75%.

|       |       |       |       |
|-------|-------|-------|-------|
| 61.11 | 22.22 | 83.33 | 16.67 |
|-------|-------|-------|-------|

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 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. 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. The loan outstanding is repayable in 11 quarterly instalments commencing from June 2021 and ending in December 2023. Applicable rate of interest is 4.15%. Closing balance of loan as on March 31, 2021 is USD 7,233,269 (March 31, 2020 : USD 9,863,576) equivalent to Rupees 52.88 crore (March 31, 2020 : Rupees 74.35 crore).

|       |       |       |       |
|-------|-------|-------|-------|
| 32.81 | 20.07 | 51.56 | 22.79 |
|-------|-------|-------|-------|



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | As at<br>March 31, 2021 |                                              | As at<br>March 31, 2020 |                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------|-------------------------|----------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Non current borrowings  | Current Maturities of non-current borrowings | Non current borrowings  | Current Maturities of non-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. 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. 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. The loan outstanding was repayable in 6 to 13 quarterly instalments commencing from May 2019 to Sep 2021 and ending in December 2022 to May, 2023. Applicable rate of interest is 8.50 % to 10.10 % . During the current year, loan has been repaid completely. |                         |                                              | 29.84                   | 15.10                                        |
| 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. 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. 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. The loan outstanding is repayable in one instalment in June 2021. Applicable rate of interest is 7.65%.                                                                                                                                                         |                         | 1.57                                         |                         |                                              |
| (If) Term loan from others are as follows:<br>During the year, the Company has taken unsecured loan from Apollo Metalex Private Limited, the wholly owned subsidiary Company for meeting its operational working capital requirements. Loan is repayable upto 5 years as and when funds are available with Company. Applicable rate of interest is 8.50 % p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 100.00                  |                                              |                         |                                              |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>224.48</b>           | <b>54.97</b>                                 | <b>245.29</b>           | <b>74.00</b>                                 |

**17 Other financial liabilities (Non-current)**

| Particulars                           | (Rupees in crore)       |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Deferred payment (see note below) | 0.78                    | 0.72                    |
| <b>Total</b>                          | <b>0.78</b>             | <b>0.72</b>             |

**Note :**

- (i) The Company has a deferred liability related to sales tax of Rupees 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 Rupees 0.78 crore as on March 31, 2021. The difference of Rupees 0.27 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free deferred liability and is recognised as deferred income. (See note 20 & 24)

**18 Provisions (Non-current)**

| Particulars                              | (Rupees in crore)       |                         |
|------------------------------------------|-------------------------|-------------------------|
|                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for compensated absences   | 3.70                    | 3.55                    |
| (b) Provision for gratuity (see note 39) | 7.99                    | 9.18                    |
| <b>Total</b>                             | <b>11.69</b>            | <b>12.73</b>            |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

**19 Deferred Tax Liabilities (net)**

**(a) Component of deferred tax assets and liabilities are :-**

| Particulars                                                  | (Rupees in crore)       |                         |
|--------------------------------------------------------------|-------------------------|-------------------------|
|                                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) Deferred Tax Liabilities on account of                   |                         |                         |
| - Property, plant and equipments and other intangible assets | 77.88                   | 73.84                   |
| - Acquired on business combination (see note 46)             | 3.40                    | 3.58                    |
| - Financial Assets (Transaction cost on loans)               | 0.05                    | 0.07                    |
| - Others                                                     | 0.34                    | -                       |
| <b>Total deferred tax liabilities (A)</b>                    | <b>81.67</b>            | <b>77.48</b>            |
| (ii) Deferred Tax Assets on account of                       |                         |                         |
| - Provision for expected credit loss allowance               | 1.58                    | 1.88                    |
| - Provision for employee benefit expenses                    | 3.70                    | 3.33                    |
| - Others                                                     | -                       | 0.11                    |
| <b>Total deferred tax assets (B)</b>                         | <b>5.28</b>             | <b>5.32</b>             |
| <b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b>     | <b>76.39</b>            | <b>72.16</b>            |

**(b) Movement in deferred tax liabilities / asset**

|                                                            | As at April 1,<br>2019 | (Profit) / Loss<br>Recognised in<br>profit or loss | (Profit) / Loss<br>Recognised in<br>other<br>comprehensive<br>income | Transfer to<br>Capital Reserve | As at March 31,<br>2020 |
|------------------------------------------------------------|------------------------|----------------------------------------------------|----------------------------------------------------------------------|--------------------------------|-------------------------|
| <b>Deferred Tax Liabilities (A)</b>                        |                        |                                                    |                                                                      |                                |                         |
| Property, plant and equipments and other intangible assets | 100.25                 | (26.41)                                            | -                                                                    | -                              | 73.83                   |
| Acquired on business combination (see note 46)             | -                      | -                                                  | -                                                                    | 3.58                           | 3.58                    |
| Fair Valuation of transaction cost                         | 0.14                   | (0.07)                                             | -                                                                    | -                              | 0.07                    |
| <b>Total</b>                                               | <b>100.39</b>          | <b>(26.48)</b>                                     | <b>-</b>                                                             | <b>3.58</b>                    | <b>77.48</b>            |
| <b>Deferred Tax Assets (B)</b>                             |                        |                                                    |                                                                      |                                |                         |
| Provision for employee benefit expenses                    | 3.02                   | (0.07)                                             | 0.38                                                                 | -                              | 3.33                    |
| Provision for expected credit loss allowance               | 1.98                   | (0.10)                                             | -                                                                    | -                              | 1.88                    |
| Fair Valuation of financial assets                         | 0.29                   | (0.29)                                             | -                                                                    | -                              | -                       |
| Others                                                     | 0.12                   | (0.01)                                             | -                                                                    | -                              | 0.11                    |
| <b>Total</b>                                               | <b>5.41</b>            | <b>(0.47)</b>                                      | <b>0.38</b>                                                          | <b>-</b>                       | <b>5.32</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>                | <b>94.98</b>           | <b>(26.01)</b>                                     | <b>(0.38)</b>                                                        | <b>3.58</b>                    | <b>72.16</b>            |

**Movement in deferred tax liabilities / asset**

|                                                            | As at April 1,<br>2020 | (Profit) / Loss<br>Recognised in<br>profit or loss | Deferred tax<br>expense of earlier<br>year | (Profit) / Loss<br>Recognised in<br>other<br>comprehensive<br>income | As at March 31,<br>2021 |
|------------------------------------------------------------|------------------------|----------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|-------------------------|
| <b>Deferred Tax Liabilities (A)</b>                        |                        |                                                    |                                            |                                                                      |                         |
| Property, plant and equipments and other intangible assets | 73.83                  | 3.30                                               | 0.75                                       | -                                                                    | 77.88                   |
| Acquired on business combination (see note 46)             | 3.58                   | (0.16)                                             | -                                          | -                                                                    | 3.40                    |
| Fair Valuation of transaction cost                         | 0.07                   | (0.02)                                             | -                                          | -                                                                    | 0.05                    |
| Others                                                     | -                      | 0.34                                               | -                                          | -                                                                    | 0.34                    |
| <b>Total</b>                                               | <b>77.48</b>           | <b>3.44</b>                                        | <b>0.75</b>                                | <b>-</b>                                                             | <b>81.67</b>            |
| <b>Deferred Tax Assets (B)</b>                             |                        |                                                    |                                            |                                                                      |                         |
| Provision for employee benefit expenses                    | 3.33                   | 0.75                                               | -                                          | (0.38)                                                               | 3.70                    |
| Provision for expected credit loss allowance               | 1.88                   | (0.30)                                             | -                                          | -                                                                    | 1.58                    |
| Others                                                     | 0.11                   | (0.11)                                             | -                                          | -                                                                    | -                       |
| <b>Total</b>                                               | <b>5.32</b>            | <b>0.34</b>                                        | <b>-</b>                                   | <b>(0.38)</b>                                                        | <b>5.28</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>                | <b>72.16</b>           | <b>3.10</b>                                        | <b>0.75</b>                                | <b>0.38</b>                                                          | <b>76.39</b>            |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

**20 Other Non-current liabilities**

| Particulars                                                     | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Deferred income - government grant for                      |                         |                         |
| - Purchase of equipment (see note (i) below)                    | 48.57                   | 44.45                   |
| - deferred liability related to sales tax (see note (ii) below) | 0.20                    | 0.32                    |
| <b>Total</b>                                                    | <b>48.77</b>            | <b>44.77</b>            |

**Note :**

- (i) Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. The income will be recognised in Profit or loss on a straight line basis over the useful life of the related assets. (see note 38(b)(2)).
- (ii) The Company has a deferred liability related to sales tax of Rupees 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 Rupees 0.78 crore as on March 31, 2021. The difference of Rupees 0.27 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free deferred liability and is recognised as deferred income.

**21 Borrowings (Current)**

| Particulars                                         | (Rupees in crore)       |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) <b>Loan repayable on demand</b>                 |                         |                         |
| - From banks (Secured)                              |                         |                         |
| (i) Working capital facilities (see note (i) below) | 208.42                  | 244.61                  |
| <b>Total</b>                                        | <b>208.42</b>           | <b>244.61</b>           |

**Nature of security :**

- (i) 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, Kudawall 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.

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. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.

**22 Trade payables (Current)**

| Particulars                                                       | (Rupees in crore)       |                         |
|-------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Total outstanding dues of micro and small enterprises         | 3.85                    | 0.85                    |
| (b) Total outstanding dues other than micro and small enterprises | 693.02                  | 586.65                  |
| <b>Total</b>                                                      | <b>696.87</b>           | <b>587.50</b>           |

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                                                                                                                                                                                                     | (Rupees in crore)       |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                 | 3.85                    | 0.85                    |
| (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                                                                             | -                       | -                       |





**23 Other financial liabilities (Current)**

| Particulars                                                    | (Rupees in crore)       |                         |
|----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Security deposits                                          | 1.00                    | 0.94                    |
| (b) Current maturities of non-current borrowings (see note 16) | 54.97                   | 74.00                   |
| (c) Payable on purchase of property, plant and equipment       | 5.24                    | 0.51                    |
| (d) Retention money payable                                    | 1.85                    | 0.33                    |
| (e) Unclaimed dividends                                        | 0.51                    | 0.54                    |
| (f) Interest accrued but due on borrowings                     | 2.61                    | 2.01                    |
| <b>Total</b>                                                   | <b>66.18</b>            | <b>78.33</b>            |

**24 Other current liabilities**

| Particulars                               | (Rupees in crore)       |                         |
|-------------------------------------------|-------------------------|-------------------------|
|                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Statutory remittances                 | 3.39                    | 1.63                    |
| (b) Advance from customers                | 29.40                   | 7.62                    |
| (c) Deferred income (see note 20)         |                         |                         |
| - Purchase of equipment                   | 2.99                    | 2.63                    |
| - deferred liability related to sales tax | 0.07                    | 0.07                    |
| <b>Total</b>                              | <b>35.85</b>            | <b>11.94</b>            |

**25 Provisions (Current)**

| Particulars                              | (Rupees in crore)       |                         |
|------------------------------------------|-------------------------|-------------------------|
|                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for compensated absences   | 0.20                    | 0.34                    |
| (b) Provision for gratuity (see note 39) | 0.37                    | 0.17                    |
| <b>Total</b>                             | <b>0.57</b>             | <b>0.51</b>             |

**26 Current tax liabilities (net)**

| Particulars                                                                    | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for tax (March 31, 2021 : net of advance tax Rupees 46.90 crore) | 1.02                    | -                       |
| <b>Total</b>                                                                   | <b>1.02</b>             | -                       |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| 27 Revenue from operations                        |                              | (Rupees in crore)            |  |
|---------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Sale of products (see note (i) below)         | 5,815.93                     | 5,704.40                     |  |
| (b) Other operating revenue (see note (ii) below) | 192.03                       | 226.41                       |  |
| <b>Total</b>                                      | <b>6,007.96</b>              | <b>5,930.81</b>              |  |

Notes :

| (i) Reconciliation of revenue recognised with contract price : |                              | (Rupees in crore)            |  |
|----------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Contract price                                                 | 5,973.99                     | 5,877.54                     |  |
| Adjustments for:                                               |                              |                              |  |
| Discount & incentives                                          | (158.06)                     | (173.14)                     |  |
| <b>Revenue from operations</b>                                 | <b>5,815.93</b>              | <b>5,704.40</b>              |  |
| <b>(ii) Other operating revenue comprises</b>                  |                              |                              |  |
| Sale of scrap                                                  | 189.00                       | 217.62                       |  |
| Export incentives                                              | 3.03                         | 8.67                         |  |
| Job work                                                       | -                            | 0.12                         |  |
| <b>Total</b>                                                   | <b>192.03</b>                | <b>226.41</b>                |  |

| 28 Other income                                                                |                              | (Rupees in crore)            |  |
|--------------------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Interest income on fixed deposit                                           | 19.29                        | 0.83                         |  |
| (b) Interest income on others (see note 41)                                    | 13.80                        | 11.55                        |  |
| (c) Profit on sale of property, plant and equipment (net)                      | 0.11                         | -                            |  |
| (d) Profit on sale of assets held for sale                                     | -                            | 1.46                         |  |
| (e) Gain on foreign currency transactions (net)                                | 1.43                         | 1.21                         |  |
| (f) Profit on derivatives measured at fair value through profit & loss account | -                            | 2.22                         |  |
| (g) Provision written back for expected credit loss                            | 1.21                         | -                            |  |
| (h) Miscellaneous income (see note below)                                      | 8.27                         | 9.96                         |  |
| <b>Total</b>                                                                   | <b>44.11</b>                 | <b>27.23</b>                 |  |

Note :

Miscellaneous income includes (a) unwinding of deferred income of Rupees 2.68 crores (March 31, 2020 : Rupees 2.44 crores), (b) Subvention interest income on export packing credit facilities of Rupees 4.67 crores (March 31, 2020 : Rupees 4.61 crores) and (c) Other miscellaneous income of Rupees 0.92 crores (March 31, 2020 : Rupees 2.91 crores).

| 29 Cost of materials consumed                               |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Inventories of raw material as at the beginning of the year | 172.51                       | 338.28                       |  |
| Add: Purchases during the year                              | 4,415.21                     | 4,543.41                     |  |
| Less: Inventories of raw material as at the end of the year | 112.68                       | 172.51                       |  |
| <b>Total</b>                                                | <b>4,475.04</b>              | <b>4,709.18</b>              |  |

| 30 Change in inventories                         |                              | (Rupees in crore)            |  |
|--------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| <b>Inventories at the end of the year:</b>       |                              |                              |  |
| (a) Finished goods                               | 300.99                       | 305.03                       |  |
| (b) Stock in trade                               | 4.17                         | -                            |  |
| (c) Work in progress                             | 100.64                       | 88.80                        |  |
| (d) Rejection and scrap                          | 14.39                        | 6.12                         |  |
|                                                  | <b>420.19</b>                | <b>399.95</b>                |  |
| <b>Inventories at the beginning of the year:</b> |                              |                              |  |
| (a) Finished goods                               | 305.03                       | 318.80                       |  |
| (b) Work in progress                             | 88.80                        | -                            |  |
| (c) Rejection and scrap                          | 6.12                         | 7.55                         |  |
|                                                  | <b>399.95</b>                | <b>326.35</b>                |  |
| <b>Total</b>                                     | <b>(20.24)</b>               | <b>(73.60)</b>               |  |

| 31 Employee benefits expense                                           |                              | (Rupees in crore)            |  |
|------------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                            | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Salaries and wages                                                 | 72.37                        | 89.16                        |  |
| (b) Contribution to provident fund (see note 39)                       | 3.00                         | 3.02                         |  |
| (c) Gratuity expense (see note 39)                                     | 1.89                         | 1.98                         |  |
| (d) Share-based payments to employees (see note 36(a) & 40)            | 3.27                         | 3.68                         |  |
| (e) Staff welfare expenses                                             | 1.53                         | 2.23                         |  |
|                                                                        | <b>82.06</b>                 | <b>100.07</b>                |  |
| Less: Allocation of common employee benefits expenses (see note 36(b)) | 5.94                         | 7.44                         |  |
| <b>Total</b>                                                           | <b>76.12</b>                 | <b>92.63</b>                 |  |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

During the year, the Company recognised an amount of Rupees 6.31 crore (Year ended March 31, 2020 Rupees 6.72 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :-

| Particulars                                                        | (Rupees in crore)            |                              |
|--------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (i) Short term employee benefits                                   | 6.00                         | 6.59                         |
| (ii) Post employment benefits (Gratuity expense)                   | 0.17                         | 0.07                         |
| (iii) Other long term employee benefits (Leave encashment expense) | 0.14                         | 0.06                         |
|                                                                    | <b>6.31</b>                  | <b>6.72</b>                  |

**32 Finance costs**

| Particulars                        | (Rupees in crore)            |                              |
|------------------------------------|------------------------------|------------------------------|
|                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Interest expense :             |                              |                              |
| (i) working capital facilities     | 29.23                        | 47.86                        |
| (ii) term loan                     | 21.73                        | 14.23                        |
| (iii) debentures                   | -                            | 16.05                        |
| (iv) delayed payment of income tax | 0.54                         | -                            |
| (v) on leases                      | 0.06                         | 0.01                         |
|                                    | <b>51.56</b>                 | <b>78.15</b>                 |
| (b) Other borrowing cost           | 3.33                         | 3.99                         |
| <b>Total</b>                       | <b>54.89</b>                 | <b>82.14</b>                 |

**33 Depreciation and amortisation expense**

| Particulars                                                       | (Rupees in crore)            |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Depreciation on property, plant and equipment (see note 2(a)) | 66.12                        | 67.03                        |
| (b) Amortisation on right of use assets (see note 2(b))           | 0.90                         | 0.90                         |
| (c) Amortisation on intangible assets (see note 2(c))             | 1.06                         | 0.94                         |
| (d) Depreciation on capital work in progress                      | 0.10                         | 0.04                         |
| <b>Total</b>                                                      | <b>68.18</b>                 | <b>68.91</b>                 |

**34 Other expenses**

| Particulars                                                          | (Rupees in crore)            |                              |
|----------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Freight outward                                                  | 176.29                       | 188.48                       |
| (b) Power and fuel                                                   | 43.64                        | 56.27                        |
| (c) Consumption of stores and spare parts                            | 33.85                        | 45.52                        |
| (d) Derivatives measured at fair value through profit & loss account | 0.20                         | -                            |
| (e) Advertisement and sales promotion                                | 22.38                        | 49.00                        |
| (f) Rent                                                             | 5.02                         | 5.00                         |
| (g) Travelling and conveyance                                        | 2.78                         | 5.96                         |
| (h) Legal and professional charges (see note (i) below)              | 4.27                         | 6.17                         |
| (i) Job work charges                                                 | -                            | 0.38                         |
| (j) Repair and maintenance:                                          |                              |                              |
| (i) Building                                                         | 0.10                         | 0.09                         |
| (ii) Plant and machinery                                             | 3.31                         | 4.04                         |
| (iii) Others                                                         | 1.16                         | 1.39                         |
| (k) Rates and taxes                                                  | 2.25                         | 3.79                         |
| (l) Security services                                                | 1.75                         | 1.59                         |
| (m) Allowance for expected credit loss                               | -                            | 2.30                         |
| (n) Allowance for doubtful advances                                  | 0.56                         | -                            |
| (o) Allowance for doubtful claims receivable                         | 0.27                         | -                            |
| (p) Bad debts written off                                            | -                            | 0.02                         |
| (q) Loss on sale of property, plant and equipment (net)              | -                            | 0.19                         |
| (r) Corporate social responsibility (see note 35)                    | 2.56                         | 0.13                         |
| (s) Provision for slow moving inventory of spares & consumables      | 0.81                         | 0.22                         |
| (t) Insurance                                                        | 1.49                         | 1.23                         |
| (u) Management support services                                      | 0.31                         | 1.84                         |
| (v) Miscellaneous expenses                                           | 5.41                         | 6.45                         |
|                                                                      | <b>308.41</b>                | <b>380.06</b>                |
| (w) Less: Allocation of common expenses (see note 36(b))             | 9.38                         | 16.27                        |
| <b>Total</b>                                                         | <b>299.03</b>                | <b>363.79</b>                |

**Note :-**

(i) Legal and professional charges include auditor's remuneration (excluding indirect taxes) as follows :

|                                                 |             |             |
|-------------------------------------------------|-------------|-------------|
| (a) To statutory auditors                       |             |             |
| For audit (including quarterly limited reviews) | 0.90        | 1.09        |
| For other services                              | 0.01        | 0.12        |
| Reimbursement of expenses                       | 0.01        | 0.10        |
| <b>Total</b>                                    | <b>0.92</b> | <b>1.31</b> |
| (b) To cost auditors for cost audit             | 0.02        | 0.02        |
| <b>Total</b>                                    | <b>0.02</b> | <b>0.02</b> |



**35 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:

|             |                                                                       | (Rupees in crore)            |                           |             |
|-------------|-----------------------------------------------------------------------|------------------------------|---------------------------|-------------|
| Particulars |                                                                       | Year ended<br>March 31, 2021 |                           |             |
| a)          | Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                           | 2.56        |
| Particulars |                                                                       | In Cash                      | Yet to be paid in<br>cash | Total       |
| b)          | Amount spent during the year out of the above :                       |                              |                           |             |
|             | 1) Construction / acquisition of any asset                            | -                            | -                         | -           |
|             | 2) On purposes other than(1) above                                    | 1.56                         | 1.00                      | 2.56        |
|             |                                                                       | <u>1.56</u>                  | <u>1.00</u>               | <u>2.56</u> |

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the Company has subsequent to balance sheet date has deposited amount of Rupees 1.00 crore to a separate bank account.

|             |                                                                       | Year ended<br>March 31, 2020 |                           |             |
|-------------|-----------------------------------------------------------------------|------------------------------|---------------------------|-------------|
| Particulars |                                                                       |                              |                           |             |
| a)          | Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                           | 2.85        |
| Particulars |                                                                       | In Cash                      | Yet to be paid in<br>cash | Total       |
| b)          | Amount spent during the year out of the above :                       |                              |                           |             |
|             | 1) Construction / acquisition of any asset                            | -                            | -                         | -           |
|             | 2) On purposes other than(1) above                                    | 0.13                         | -                         | 0.13        |
|             |                                                                       | <u>0.13</u>                  | <u>-</u>                  | <u>0.13</u> |





**36 Allocation of common expenses**

- (a) The Company has charged back the "Share based expenses" to employees (included under "Employee benefits expense" in note 31) 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 31 & "Other expenses" in note 34) 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 / results.

**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.

| Particulars                                                                                                                            | (Rupees in crore, unless otherwise stated) |                              |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|
|                                                                                                                                        | Year ended<br>March 31, 2021               | Year ended<br>March 31, 2020 |
| Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share                 | 153.78                                     | 115.01                       |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share                               | 12,45,75,268                               | 12,24,47,434                 |
| Adjustments for calculation of diluted earnings per share (Employee stock option)(Number)                                              | 4,38,000                                   | 10,83,740                    |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 12,50,13,268                               | 12,35,31,174                 |
| Nominal value of equity shares (see note 15(a)(5))                                                                                     | 2                                          | 2                            |
| (a) Basic earnings per share in Rupees                                                                                                 | 12.34                                      | 9.29                         |
| (b) Diluted earnings per share in Rupees                                                                                               | 12.30                                      | 9.31                         |

In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended March 31, 2021 and March 31, 2020 has been arrived at after giving effect to the above sub-division. Also see note 15(a)(5).

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

| Particulars                                                                                                                      | (Rupees in crore)       |                         |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Contingent liabilities (for pending litigations)</b>                                                                      |                         |                         |
| (1) Disputed claims/levies in respect of sales tax:                                                                              |                         |                         |
| - Reversal of input tax credit                                                                                                   | 7.44                    | 7.44                    |
| - Provisional Assessment                                                                                                         | 1.77                    | 1.77                    |
|                                                                                                                                  | <u>9.21</u>             | <u>9.21</u>             |
| (2) Disputed claims/levies in respect of excise duty:                                                                            |                         |                         |
| - Excise demand on excess / shortages                                                                                            | 6.34                    | 6.34                    |
|                                                                                                                                  | <u>6.34</u>             | <u>6.34</u>             |
| (3) Disputed claims/levies in respect of service tax:                                                                            |                         |                         |
| - Availability of input credit                                                                                                   | 0.94                    | 0.94                    |
| (4) Disputed claims/levies in respect of income tax                                                                              | 3.40                    | 0.84                    |
| (5) Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (II) below) | -                       | -                       |
| <b>Total</b>                                                                                                                     | <u>19.89</u>            | <u>17.33</u>            |

(i) During the year, the Company has discounted the sales bill from the banks for Rupees Nil crore (March 31, 2020 Rupees 0.28 crore).

(ii) 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.

(iii) 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 89.55 169.06

(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 Rupees 117.79 crore (March 31, 2020 Rupees 174.73 crore) against which the Company has saved a duty of Rupees 19.63 crore (March 31, 2020 Rupees 29.12 crore).

(3) The Company has entered in Power Supply Agreement with a Vendor. As per agreement, the Company is required to draw an 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years having estimated power purchase price of Rupees 3.08 crore (March 31, 2020 : Rupees 3.08 crore).

(4) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2021 of Apollo Metalex Private Limited is Rupees 70.43 crore (March 31, 2020 Rupees 90.01 crore), Shri Lakshmi Metal Udyog Limited is Rupees Nil crore (March 31, 2020 Rupees 67.28 crore) and Apollo Tricoat Tubes Limited is Rupees 62.03 crore (March 31, 2020 Rupees 112.56 crore).

(5) 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.

39 Employee benefit obligations

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2021 |             |             |
|                                           | Current              | Non-current | Total       |
| Gratuity                                  |                      |             |             |
| Present value of obligation               | 0.37                 | 7.99        | 8.76        |
| <b>Total employee benefit obligations</b> | <b>0.37</b>          | <b>7.99</b> | <b>8.36</b> |

| Particulars                               | As at March 31, 2020 |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | Current              | Non-current | Total       |
|                                           | Gratuity             |             |             |
| Present value of obligation               | 0.17                 | 9.18        | 9.35        |
| <b>Total employee benefit obligations</b> | <b>0.17</b>          | <b>9.18</b> | <b>9.35</b> |

(a) 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 Rupees 0.20 crore (March 31, 2020 Rupees 0.20 crore). Vesting occurs upon completion of 5 years of service.

During the year, the Company has made contribution of Rupees 1.00 crore (March 31, 2020 : Rupees 0.68 crore) to APL Apollo Tubes Limited Employees Group Gratuity Trust which has made further contribution to Kotak Mahindra Life Insurance Co. Ltd.

(b) Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rupees 3.00 crore (Year ended March 31, 2020 Rupees 3.02 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.

(c) 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:

| Particulars                                                    | (Rupees in crore) |               |
|----------------------------------------------------------------|-------------------|---------------|
|                                                                |                   | Gratuity      |
| <b>Opening balance as at April 1, 2019</b>                     |                   | <b>6.06</b>   |
| Current service cost                                           |                   | 1.51          |
| Interest expense                                               |                   | 0.47          |
| <b>Total amount recognised in profit or loss</b>               |                   | <b>1.98</b>   |
| Add : Acquisition on business combination (see note (i) below) |                   | 0.68          |
| <i>Remeasurements</i>                                          |                   |               |
| effect of change in financial assumptions                      |                   | 1.35          |
| effect of change in demographic assumptions                    |                   | 0.01          |
| effect of experience adjustments                               |                   | 0.17          |
| changes in asset ceiling                                       |                   | (0.01)        |
| <b>Total amount recognised in other comprehensive income</b>   |                   | <b>1.52</b>   |
| Employer contributions : Benefit payments                      |                   | (0.20)        |
| <b>Balance as at March 31, 2020</b>                            |                   | <b>10.04</b>  |
| <b>Balance as at March 31, 2020</b>                            |                   | <b>10.04</b>  |
| Current service cost                                           |                   | 1.26          |
| Interest expense/(Income)                                      |                   | 0.68          |
| Expected return on plan assets                                 |                   | (0.05)        |
| <b>Total amount recognised in profit or loss</b>               |                   | <b>1.89</b>   |
| Add / (less): Transfer to subsidiary (note (ii) below)         |                   | (0.09)        |
| <i>Remeasurements</i>                                          |                   |               |
| effect of change in financial assumptions                      |                   | (0.42)        |
| effect of change in demographic assumptions                    |                   | -             |
| effect of experience adjustments                               |                   | (1.08)        |
| changes in asset ceiling                                       |                   | 0.01          |
| <b>Total amount recognised in other comprehensive income</b>   |                   | <b>(1.49)</b> |
| Employer contributions : Benefit payments                      |                   | (0.60)        |
| <b>Balance as at March 31, 2021</b>                            |                   | <b>9.75</b>   |

(i)

The Company completed the acquisition of a production unit (located at Chegunta, Hyderabad) of M/s Taurus Value Steel & Pipes Private Limited ("Taurus") on May 27, 2019 along with its employees (see note 46). The Company has carried out actuarial valuation of such employees. Further Taurus has transferred gratuity fund of such employees to the APL Apollo Tubes Limited Employee Group Gratuity Trust and accordingly gratuity liability in the Company has been recognised.

(ii)

The Company has transferred some employees on payroll of APL Apollo Tubes Limited to Apollo Building Products Private Limited, (a wholly owned subsidiary of the Company). Accordingly, corresponding liability has been transferred to the Apollo Building Products Private Limited.



(d) Movement of Plan Assets

| Particulars                    | (Rupees in crore)            |                              |
|--------------------------------|------------------------------|------------------------------|
|                                | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Opening balance                | 0.69                         |                              |
| Contribution by the employer   | 1.00                         | 0.66                         |
| Expected return on plan assets | 0.04                         | -                            |
| Actuarial gains / loss         | (0.01)                       | 0.01                         |
| Benefits paid                  | (0.33)                       | -                            |
| Closing balance                | <u>1.39</u>                  | <u>0.69</u>                  |

(e) Net asset / (liability) recognised in the Balance Sheet

| Particulars                                          | (Rupees in crore)            |                              |
|------------------------------------------------------|------------------------------|------------------------------|
|                                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Present value of defined benefit obligation          | 9.75                         | 10.04                        |
| Less : Fair value of plan assets                     | 1.39                         | 0.69                         |
| <b>Funded status- Surplus / (Deficit)</b>            | <b>(8.36)</b>                | <b>(9.35)</b>                |
| Unrecognised past service costs                      | -                            | -                            |
| <b>Net liability recognised in the Balance Sheet</b> | <b>(8.36)</b>                | <b>(9.35)</b>                |

(f) Category of assets

|                          |         |         |
|--------------------------|---------|---------|
| Funds managed by Insurer | 100.00% | 100.00% |
|--------------------------|---------|---------|

(g) Post-Employment benefits

The significant actuarial assumptions were as follows:

| Particulars               | Year ended<br>March 31, 2021              | Year ended<br>March 31, 2020              |
|---------------------------|-------------------------------------------|-------------------------------------------|
| Discount rate             | 7.09%                                     | 6.77%                                     |
| Salary growth rate        | 8.00%                                     | 8.00%                                     |
| Expected Return on Assets | 6.77%                                     | -                                         |
| Retirement age            | 60 Years                                  | 60 Years                                  |
| Mortality                 | Indian Assured Lives<br>Mortality 2012-14 | Indian Assured Lives<br>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.
- (h) The Company expects to make a contribution of Rupees 9.83 crores (March 31, 2020: Rupees 11.02 crores) to the defined benefit plans during the next financial year.

(i) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

|                                     | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (increase by 1%)      | (1.17)                       | (1.30)                       |
| Salary growth rate (increase by 1%) | 1.39                         | 1.52                         |

|                                     | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (decrease by 1%)      | 1.42                         | 1.56                         |
| Salary growth rate (decrease by 1%) | (1.17)                       | (1.29)                       |

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.

(j) 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.

**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.





**(k) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 16.95 years (March 31, 2020 : 17.65 years).  
The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars         | (Rupees in crore)            |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 0.38                         | 0.18                         |
| Between 1 - 1 years | 0.28                         | 0.37                         |
| Between 2 - 3 years | 0.44                         | 0.42                         |
| Between 3 - 4 years | 0.67                         | 0.57                         |
| Between 4 - 5 years | 0.75                         | 0.71                         |
| Beyond 5 years      | 6.01                         | 6.48                         |
| <b>Total</b>        | <b>8.53</b>                  | <b>8.71</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).

(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 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 Rupees 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 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 Rupees 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 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 Rupees 1,633.05 and Rupees 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 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 Rupees 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 is 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 has been determined at Rupees 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<br>(before giving effect of share split) | Grant Date        | Expiry Date      | Exercise Price<br>(see note below) | Fair Value at grant date |
|--------------------------------------------------------------------|-------------------|------------------|------------------------------------|--------------------------|
|                                                                    |                   |                  | (Amount in Rupees)                 | (Amount in Rupees)       |
| 7,24,000                                                           | 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 Rupees 1,633.05 and Rupees 2,124.10 respectively. The exercise price of these options has been reduced in previous year (See note (a) (vi) above).

**(c) Fair value option granted/ modified**

(i) No options granted during the year. The weighted average fair value of the share options granted in previous year is Rupees 466.08. Options were priced using Black Scholes Model. Basis of valuation of option granted during previous year March 31, 2020 are as follows :

|                                                              | Grant on November 9,<br>2019 |
|--------------------------------------------------------------|------------------------------|
| Grant date share price (before giving effect of share split) | 1,438.55                     |
| Exercise Price (before giving effect of share split)         | 1,438.55                     |
| Expected volatility                                          | 33.33%-34.97%                |
| Option Life                                                  | 3-4.5                        |
| Dividend yield                                               | 0.80%                        |
| Risk-free Interest Rate                                      | 6.07%-6.37%                  |





- (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 was determined at Rupees 131.46 and Rupees 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 will continue to be recognised as if the terms had not been modified.

The incremental fair value of the options has been determined using the Black Scholes Model with the following model inputs :

|                                                                     | Original Grant on<br>September 9, 2017 | Original Grant on<br>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%                           |

- (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, 2021 |                                                          | Year ended March 31, 2020 |                                                          |
|--------------------------------------------|---------------------------|----------------------------------------------------------|---------------------------|----------------------------------------------------------|
|                                            | Number of options         | Weighted Average<br>Exercise Price<br>(Amount in Rupees) | Number of options         | Weighted Average<br>Exercise Price<br>(Amount in Rupees) |
| Balance at the beginning of the year       | 1,083,740#                | 283.46                                                   | 1,365,615                 | 241.54                                                   |
| Granted during the year                    | -                         | -                                                        | 4,75,000                  | 287.71                                                   |
| Vested during the year                     | 254,375                   | 281.07                                                   | 740,985                   | 134.24                                                   |
| Lapsed during the year                     | 94,815                    | -                                                        | 1,63,705                  | -                                                        |
| Forfeited during the year                  | -                         | -                                                        | -                         | -                                                        |
| Exercised during the year                  | 5,50,925                  | 279.34                                                   | 5,93,170                  | 92.22                                                    |
| Expired during the year                    | -                         | -                                                        | -                         | -                                                        |
| Options outstanding at the end of the year | 438,000\$                 | 287.71                                                   | 1,083,740#                | 283.46                                                   |
| Options available for grant                | 1,09,180                  | -                                                        | 14,365                    | -                                                        |

# As at March 31, 2020, 314,835 options were vested but not exercised.  
\$ As at March 31, 2021, 10,500 options were vested but not exercised.

- (e) **Share option exercised (see note (f) below) :**

| Share option exercised during the year ended March 31, 2021         | Number exercised/allotted | Exercise/Allotment date | Share Price at exercise/allotment date<br>Rupees |
|---------------------------------------------------------------------|---------------------------|-------------------------|--------------------------------------------------|
| Granted on January 28, 2017, February 05, 2018 & September 09, 2017 | 2,81,820                  | August 31, 2020         | 480.62                                           |
| Granted on September 09, 2017                                       | 60,355                    | October 22, 2020        | 592.45                                           |
| Granted on November 9, 2019                                         | 59,375                    | November 19, 2020       | 646.98                                           |
| Granted on November 9, 2019                                         | 37,500                    | December 31, 2020       | 883.00                                           |
| Granted on February 05, 2018                                        | 87,500                    | March 2, 2021           | 1,157.40                                         |
| Granted on January 28, 2017                                         | 24,375                    | March 18, 2021          | 1,219.60                                         |

| Share option exercised during the year ended March 31, 2020 | Number exercised/allotted | Exercise/Allotment date | Share Price at exercise/allotment date<br>Rupees |
|-------------------------------------------------------------|---------------------------|-------------------------|--------------------------------------------------|
| Granted on July 28, 2015                                    | 5,84,420                  | December 4, 2019        | 314.58                                           |
| Granted on January 28, 2017                                 | 8,750                     | March 30, 2020          | 244.87                                           |

- (f) Disclosures for March 31, 2021 and March 31, 2020 have been made after giving effect to the share split. See note 15(a)(5) 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 Rupees 3.27 crore (net of amount cross charged to subsidiaries) (March 31, 2020 Rupees 3.68 crore).
- (h) No option expired during the year.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

|            |                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>41</b>  | <b>Related party transaction :</b>                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>(a)</b> | <b>Details of related parties :</b>                                                                                       | <b>Name of related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                            |
| (i)        | Subsidiaries                                                                                                              | Apollo Metalex Private Limited<br>Shri Lakshmi Metal Udyog Limited<br>Blue Ocean Projects Private Limited<br>APL Apollo Building Products Private Limited<br>APL Apollo Tubes FZE                                                                                                                                                                                                                                                         |
| (ii)       | Step-down subsidiary                                                                                                      | Apollo Tricoat Tubes Limited (w.e.f. June 17, 2019)                                                                                                                                                                                                                                                                                                                                                                                       |
| (iii)      | Key Management Personnel (KMP) (with whom transactions have taken place during the year)                                  | Mr. Sanjay Gupta (Chairman) & (Managing Director w.e.f. November 11, 2019)<br>Mr. Ashok Kumar Gupta (Managing Director till November 11, 2019)<br>Mr. Romi Sehgal (Whole Time Director till July 1, 2018)<br>Mr. Romi Sehgal (Director w.e.f. July 1, 2018)<br>Mr. Deepak Goyal (Chief Financial Officer)<br>Mr. Adhish Swaroop (Company Secretary till September 30, 2019)<br>Mr. Deepak C S (Company Secretary w.e.f. January 25, 2020) |
| (iv)       | Relative of KMP (with whom transactions have taken place during the year)                                                 | Mrs. Saroj Rani Gupta (Mother of Mr. Sanjay Gupta)<br>Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta)<br>Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)<br>Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)<br>Mrs. Veera Gupta (Wife of Mr. Ashok Kumar Gupta)                                                                                                                                                                                        |
| (v)        | Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year) | APL Infrastructure Private Limited<br>Apollo Pipes Limited<br>Apollo Tricoat Tubes Limited (till June 16, 2019)                                                                                                                                                                                                                                                                                                                           |

(Rupees in crore)

| Particulars                                          | Subsidiaries                     | Step-down subsidiary            | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                            |
|------------------------------------------------------|----------------------------------|---------------------------------|--------------------------------|------------------|-----------------------------------------------------------------|----------------------------------|
| <b>(b) Transactions during the year</b>              |                                  |                                 |                                |                  |                                                                 |                                  |
| <b>Sale of goods (net of discounts)</b>              |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 55.91<br>(62.79)                 | -                               | -                              | -                | -                                                               | 55.91<br>(62.79)                 |
| Shri Lakshmi Metal Udyog Limited                     | 48.93<br>(35.21)                 | -                               | -                              | -                | -                                                               | 48.93<br>(35.21)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 0.96<br>(0.95)                                                  | 0.96<br>(0.95)                   |
| APL Apollo Building Products Private Limited         | 0.55<br>(-)                      | -                               | -                              | -                | -                                                               | 0.55<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 42.86<br>(14.34)                | -                              | -                | -                                                               | 42.86<br>(14.34)                 |
|                                                      | <b>105.39</b><br><b>(98.00)</b>  | <b>42.86</b><br><b>(14.34)</b>  | <b>-</b>                       | <b>-</b>         | <b>0.96</b><br><b>(3.52)</b>                                    | <b>149.21</b><br><b>(115.86)</b> |
| <b>Sale of scrap (other operating revenue)</b>       |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 0.05<br>(0.72)                   | -                               | -                              | -                | -                                                               | 0.05<br>(0.72)                   |
| APL Apollo Building Products Private Limited         | 0.44<br>(-)                      | -                               | -                              | -                | -                                                               | 0.44<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 0.63<br>(0.52)                  | -                              | -                | -                                                               | 0.63<br>(0.91)                   |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 0.03<br>(-)                                                     | 0.03<br>(-)                      |
|                                                      | <b>0.49</b><br><b>(0.72)</b>     | <b>0.63</b><br><b>(0.52)</b>    | <b>-</b>                       | <b>-</b>         | <b>0.03</b><br><b>(0.39)</b>                                    | <b>1.15</b><br><b>(1.63)</b>     |
| <b>Sale of property, plant and equipments</b>        |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | (0.84)<br>0.16                   | -                               | -                              | -                | -                                                               | (0.84)<br>0.16                   |
| APL Apollo Building Products Private Limited         | (-)                              | -                               | -                              | -                | -                                                               | (-)                              |
| Apollo Tricoat Tubes Limited                         | -                                | 4.87<br>(1.46)                  | -                              | -                | -                                                               | 4.87<br>(1.12)                   |
|                                                      | <b>0.16</b><br><b>(0.84)</b>     | <b>4.87</b><br><b>(1.46)</b>    | <b>-</b>                       | <b>-</b>         | <b>(0.66)</b>                                                   | <b>5.03</b><br><b>(2.96)</b>     |
| <b>Sale of licenses</b>                              |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Tricoat Tubes Limited                         | -                                | (0.20)                          | -                              | -                | -                                                               | (0.20)                           |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 1.42<br>(0.41)                                                  | 1.42<br>(0.41)                   |
|                                                      | <b>-</b>                         | <b>(0.20)</b>                   | <b>-</b>                       | <b>-</b>         | <b>1.42</b><br><b>(0.41)</b>                                    | <b>1.42</b><br><b>(0.61)</b>     |
| <b>Purchase of property, plant and equipments</b>    |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Pipes Limited                                 | (-)                              | (-)                             | (-)                            | (-)              | 0.01<br>(-)                                                     | 0.01<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | (-)                              | 6.64<br>(0.05)                  | (-)                            | (-)              | -                                                               | 6.64<br>(0.05)                   |
|                                                      | <b>(-)</b>                       | <b>6.64</b><br><b>(0.05)</b>    | <b>(-)</b>                     | <b>(-)</b>       | <b>0.01</b><br><b>(-)</b>                                       | <b>6.65</b><br><b>(0.05)</b>     |
| <b>Purchase of stock-in-trade (net of discounts)</b> |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 350.92<br>(286.70)               | -                               | -                              | -                | -                                                               | 350.92<br>(286.70)               |
| Shri Lakshmi Metal Udyog Limited                     | 49.82<br>(15.51)                 | -                               | -                              | -                | -                                                               | 49.82<br>(15.51)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 2.72<br>(-)                                                     | 2.72<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 220.23<br>(99.79)               | -                              | -                | -                                                               | 220.23<br>(113.66)               |
|                                                      | <b>400.74</b><br><b>(302.21)</b> | <b>220.23</b><br><b>(99.79)</b> | <b>-</b>                       | <b>-</b>         | <b>2.72</b><br><b>(13.87)</b>                                   | <b>623.69</b><br><b>(415.87)</b> |
| <b>Purchase of raw material (net of discounts)</b>   |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 18.90<br>(36.29)                 | -                               | -                              | -                | -                                                               | 18.90<br>(36.29)                 |
| Shri Lakshmi Metal Udyog Limited                     | 94.08<br>(35.46)                 | -                               | -                              | -                | -                                                               | 94.08<br>(35.46)                 |
| Apollo Tricoat Tubes Limited                         | -                                | 82.57<br>(24.65)                | -                              | -                | -                                                               | 82.57<br>(24.65)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | (3.68)                                                          | (3.68)                           |
|                                                      | <b>112.98</b><br><b>(71.75)</b>  | <b>82.57</b><br><b>(24.65)</b>  | <b>-</b>                       | <b>-</b>         | <b>(3.68)</b>                                                   | <b>195.55</b><br><b>(100.08)</b> |





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

(Rupees in crore)

| Particulars                                                       | Subsidiaries                   | Step-down subsidiary         | Key Management Personnel (KMP) | Relatives of KMP             | Enterprises significantly influenced by KMP and their relatives | Total                          |
|-------------------------------------------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|-----------------------------------------------------------------|--------------------------------|
| <b>Purchase of scrap</b>                                          |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 11.73<br>(12.85)               | -                            | -                              | -                            | -                                                               | 11.73<br>(12.85)               |
| Shri Lakshmi Metal Udyog Limited                                  | 1.92<br>(3.16)                 | -                            | -                              | -                            | -                                                               | 1.92<br>(3.16)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.96<br>(5.15)               | -                              | -                            | (2.61)                                                          | 2.97<br>(8.76)                 |
|                                                                   | <b>13.65</b><br><b>(16.01)</b> | <b>2.96</b><br><b>(6.15)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>(2.61)</b><br><b>(2.61)</b>                                  | <b>16.61</b><br><b>(24.77)</b> |
| <b>Job Work</b>                                                   |                                |                              |                                |                              |                                                                 |                                |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.78<br>(-)                  | -                              | -                            | -                                                               | 0.78<br>(-)                    |
|                                                                   | <b>(-)</b>                     | <b>0.78</b><br><b>(-)</b>    | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.78</b><br><b>(-)</b>      |
| <b>Rent paid</b>                                                  |                                |                              |                                |                              |                                                                 |                                |
| APL Infrastructure Private Limited                                | -                              | -                            | -                              | -                            | 0.06<br>(0.06)                                                  | 0.06<br>(0.06)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.24<br>(0.10)               | -                              | -                            | (0.01)                                                          | 0.24<br>(0.11)                 |
| Apollo Pipes Limited                                              | -                              | -                            | -                              | -                            | 0.14<br>(-)                                                     | 0.14<br>(-)                    |
| Apollo Metalex Private Limited                                    | 0.41<br>(0.17)                 | -                            | -                              | -                            | -                                                               | 0.41<br>(0.17)                 |
| Mrs. Neera Gupta                                                  | -                              | -                            | -                              | 0.02<br>(0.02)               | -                                                               | 0.02<br>(0.02)                 |
| Mrs. Vandana Gupta                                                | -                              | -                            | -                              | 0.02<br>(0.02)               | -                                                               | 0.02<br>(0.02)                 |
|                                                                   | <b>0.41</b><br><b>(0.17)</b>   | <b>0.24</b><br><b>(0.10)</b> | <b>-</b><br><b>-</b>           | <b>0.04</b><br><b>(0.04)</b> | <b>0.20</b><br><b>(0.07)</b>                                    | <b>0.89</b><br><b>(0.38)</b>   |
| <b>Interest expense</b>                                           |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 5.62<br>(-)                    | -                            | -                              | -                            | -                                                               | 5.62<br>(-)                    |
|                                                                   | <b>5.62</b><br><b>(-)</b>      | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>5.62</b><br><b>(-)</b>      |
| <b>Interest income</b>                                            |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 0.19<br>(0.23)                 | -                            | -                              | -                            | -                                                               | 0.19<br>(0.23)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.02<br>(1.73)               | -                              | -                            | -                                                               | 2.02<br>(1.73)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 10.23<br>(8.42)                | -                            | -                              | -                            | -                                                               | 10.23<br>(8.42)                |
| APL Apollo Building Products Private Limited                      | 0.20<br>(-)                    | -                            | -                              | -                            | -                                                               | 0.20<br>(-)                    |
| Blue Ocean Projects Private Limited                               | -                              | -                            | -                              | -                            | -                                                               | -                              |
|                                                                   | <b>(0.09)</b>                  | <b>(-)</b>                   | <b>-</b>                       | <b>-</b>                     | <b>-</b>                                                        | <b>(0.09)</b>                  |
|                                                                   | <b>10.62</b><br><b>(8.74)</b>  | <b>2.02</b><br><b>(1.73)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>12.64</b><br><b>(10.47)</b> |
| <b>Allocation of common expenses (Income of the Company)</b>      |                                |                              |                                |                              |                                                                 |                                |
| <b>(a) Employee benefit expenses:</b>                             |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 2.75<br>(3.65)                 | -                            | -                              | -                            | -                                                               | 2.75<br>(3.65)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 1.52<br>(1.76)               | -                              | -                            | -                                                               | 1.52<br>(1.76)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 1.56<br>(2.03)                 | -                            | -                              | -                            | -                                                               | 1.56<br>(2.03)                 |
|                                                                   | <b>4.31</b><br><b>(5.68)</b>   | <b>1.52</b><br><b>(1.76)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>5.83</b><br><b>(7.44)</b>   |
| <b>(b) Expenses incurred by Company on behalf of</b>              |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 4.42<br>(8.44)                 | -                            | -                              | -                            | -                                                               | 4.42<br>(8.44)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.45<br>(2.96)               | -                              | -                            | -                                                               | 2.45<br>(2.96)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 2.51<br>(4.71)                 | -                            | -                              | -                            | -                                                               | 2.51<br>(4.71)                 |
|                                                                   | <b>6.93</b><br><b>(13.15)</b>  | <b>2.45</b><br><b>(2.96)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>9.38</b><br><b>(16.11)</b>  |
| <b>(c) Share based expense incurred by Company on behalf of</b>   |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 0.09<br>(-)                    | -                            | -                              | -                            | -                                                               | 0.09<br>(-)                    |
| Shri Lakshmi Metal Udyog Limited                                  | 0.02<br>(0.07)                 | -                            | -                              | -                            | -                                                               | 0.02<br>(0.07)                 |
|                                                                   | <b>0.11</b><br><b>(0.07)</b>   | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.11</b><br><b>(0.07)</b>   |
| <b>(d) Share based income incurred by Company on behalf of</b>    |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | (0.07)                         | -                            | -                              | -                            | -                                                               | (0.07)                         |
|                                                                   | <b>(0.07)</b>                  | <b>-</b>                     | <b>-</b>                       | <b>-</b>                     | <b>-</b>                                                        | <b>(0.07)</b>                  |
| <b>(e) Allocation of common expenses (expense of the Company)</b> |                                |                              |                                |                              |                                                                 |                                |
| Shri Lakshmi Metal Udyog Limited                                  | (1.84)                         | -                            | -                              | -                            | -                                                               | (1.84)                         |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.31<br>(-)                  | -                              | -                            | -                                                               | 0.31<br>(-)                    |
|                                                                   | <b>(1.84)</b>                  | <b>0.31</b><br><b>(-)</b>    | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.31</b><br><b>(1.84)</b>   |
| <b>Salary</b>                                                     |                                |                              |                                |                              |                                                                 |                                |
| Mr. Sanjay Gupta                                                  | -                              | -                            | 3.50<br>(3.50)                 | -                            | -                                                               | 3.50<br>(3.50)                 |
| Mr. Ashok Kumar Gupta                                             | -                              | -                            | (1.53)                         | -                            | -                                                               | (1.53)                         |
| Mr. Deepak Goyal                                                  | -                              | -                            | 2.58<br>(1.49)                 | -                            | -                                                               | 2.58<br>(1.49)                 |
| Mr. Adhish Swaroop                                                | -                              | -                            | (0.12)                         | -                            | -                                                               | (0.12)                         |
| Mr. Deepak C S                                                    | -                              | -                            | 0.23<br>(-)                    | -                            | -                                                               | 0.23<br>(-)                    |
|                                                                   | <b>(-)</b>                     | <b>(-)</b>                   | <b>6.31</b><br><b>(6.72)</b>   | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>6.31</b><br><b>(6.72)</b>   |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

(Rupees in crore)

| Particulars                                                         | Subsidiaries | Step-down subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total    |
|---------------------------------------------------------------------|--------------|----------------------|--------------------------------|------------------|-----------------------------------------------------------------|----------|
| <b>Dividend paid</b>                                                |              |                      |                                |                  |                                                                 |          |
| APL Infrastructure Private Limited                                  | -            | -                    | -                              | -                | -                                                               | -        |
| Mr. Romi Sehgal                                                     | (-)          | (-)                  | (-)                            | (-)              | (11.80)                                                         | (11.80)  |
| Mr. Deepak Goyal                                                    | (-)          | (-)                  | (0.02)                         | (-)              | (-)                                                             | (0.02)   |
| Mrs. Veera Gupta                                                    | (-)          | (-)                  | (0.01)                         | (-)              | (-)                                                             | (0.01)   |
|                                                                     | (-)          | (-)                  | (0.83)                         | (-)              | (-)                                                             | (0.83)   |
|                                                                     | (-)          | (-)                  | (0.86)                         | (-)              | (11.80)                                                         | (12.66)  |
| <b>Loans taken during the year</b>                                  |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | 100.00       | -                    | -                              | -                | -                                                               | 100.00   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
|                                                                     | 100.00       | (-)                  | (-)                            | (-)              | (-)                                                             | 100.00   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| <b>Loans given during the year</b>                                  |              |                      |                                |                  |                                                                 |          |
| Shri Lakshmi Metal Udyog Limited                                    | 45.00        | -                    | -                              | -                | -                                                               | 45.00    |
|                                                                     | (150.00)     | (-)                  | (-)                            | (-)              | (-)                                                             | (150.00) |
| APL Apollo Building Products Private Limited                        | 7.13         | -                    | -                              | -                | -                                                               | 7.13     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| Blue Ocean Projects Private Limited                                 | 0.16         | -                    | -                              | -                | -                                                               | 0.16     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| Apollo Tricoat Tubes Limited                                        | -            | 66.00                | -                              | -                | -                                                               | 66.00    |
|                                                                     | (-)          | (200.00)             | (-)                            | (-)              | (-)                                                             | (200.00) |
|                                                                     | 52.29        | 66.00                | (-)                            | (-)              | (-)                                                             | 118.29   |
|                                                                     | (150.00)     | (200.00)             | (-)                            | (-)              | (-)                                                             | (350.00) |
| <b>Loans received back during the year</b>                          |              |                      |                                |                  |                                                                 |          |
| Shri Lakshmi Metal Udyog Limited                                    | 20.00        | -                    | -                              | -                | -                                                               | 20.00    |
|                                                                     | (75.00)      | (-)                  | (-)                            | (-)              | (-)                                                             | (75.00)  |
| Apollo Tricoat Tubes Limited                                        | -            | 66.00                | -                              | -                | -                                                               | 66.00    |
|                                                                     | (-)          | (200.00)             | (-)                            | (-)              | (-)                                                             | (200.00) |
|                                                                     | 20.00        | 66.00                | (-)                            | (-)              | (-)                                                             | 86.00    |
|                                                                     | (75.00)      | (200.00)             | (-)                            | (-)              | (-)                                                             | (275.00) |
| <b>Advances from customers</b>                                      |              |                      |                                |                  |                                                                 |          |
| APL Apollo Tubes FZE                                                | 19.85        | -                    | -                              | -                | -                                                               | 19.85    |
|                                                                     | (1.41)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.41)   |
|                                                                     | 19.85        | (-)                  | (-)                            | (-)              | (-)                                                             | 19.85    |
|                                                                     | (1.41)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.41)   |
| <b>Issue of equity share capital (including securities premium)</b> |              |                      |                                |                  |                                                                 |          |
| APL Infrastructure Private Limited                                  | -            | -                    | -                              | -                | -                                                               | -        |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (172.00)                                                        | (172.00) |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (172.00)                                                        | (172.00) |
| <b>Investment in equity share capital</b>                           |              |                      |                                |                  |                                                                 |          |
| APL Apollo Tubes FZE                                                | 19.75        | -                    | -                              | -                | -                                                               | 19.75    |
|                                                                     | (1.90)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.90)   |
| APL Apollo Building Products Private Limited                        | 105.69       | -                    | -                              | -                | -                                                               | 105.69   |
|                                                                     | (0.01)       | (-)                  | (-)                            | (-)              | (-)                                                             | (0.01)   |
| Blue Ocean Projects Private Limited                                 | 4.82         | -                    | -                              | -                | -                                                               | 4.82     |
|                                                                     | (1.04)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.04)   |
|                                                                     | 130.26       | (-)                  | (-)                            | (-)              | (-)                                                             | 130.26   |
|                                                                     | (2.94)       | (-)                  | (-)                            | (-)              | (-)                                                             | (2.94)   |
| <b>(c) Balances outstanding at the end of the year</b>              |              |                      |                                |                  |                                                                 |          |
| <b>Trade receivables</b>                                            |              |                      |                                |                  |                                                                 |          |
| Apollo Pipes Limited                                                | -            | -                    | -                              | -                | -                                                               | -        |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (0.33)                                                          | (0.33)   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (0.33)                                                          | (0.33)   |
| <b>Claim Receivable</b>                                             |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | 4.05         | -                    | -                              | -                | -                                                               | 4.05     |
|                                                                     | (13.77)      | (-)                  | (-)                            | (-)              | (-)                                                             | (13.77)  |
| Apollo Tricoat Tubes Limited                                        | -            | 2.09                 | -                              | -                | -                                                               | 2.09     |
|                                                                     | (-)          | (8.42)               | (-)                            | (-)              | (-)                                                             | (8.42)   |
| Shri Lakshmi Metal Udyog Limited                                    | 1.41         | -                    | -                              | -                | -                                                               | 1.41     |
|                                                                     | (1.06)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.06)   |
|                                                                     | 5.46         | 2.09                 | (-)                            | (-)              | (-)                                                             | 7.55     |
|                                                                     | (14.82)      | (8.42)               | (-)                            | (-)              | (-)                                                             | (23.25)  |
| <b>Expenses payable</b>                                             |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | (1.25)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.25)   |
| Apollo Tricoat Tubes Limited                                        | -            | 0.45                 | -                              | -                | -                                                               | 0.45     |
|                                                                     | (-)          | (0.33)               | (-)                            | (-)              | (-)                                                             | (0.33)   |
| Shri Lakshmi Metal Udyog Private Limited                            | 0.49         | -                    | -                              | -                | -                                                               | 0.49     |
|                                                                     | (3.37)       | (-)                  | (-)                            | (-)              | (-)                                                             | (3.37)   |
|                                                                     | 0.49         | 0.45                 | (-)                            | (-)              | (-)                                                             | 0.94     |
|                                                                     | (4.62)       | (0.33)               | (-)                            | (-)              | (-)                                                             | (4.95)   |
| <b>Security deposits given</b>                                      |              |                      |                                |                  |                                                                 |          |
| Mrs. Neera Gupta                                                    | -            | -                    | -                              | 3.00             | -                                                               | 3.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (3.00)           | (-)                                                             | (3.00)   |
| Mrs. Vandana Gupta                                                  | -            | -                    | -                              | 3.00             | -                                                               | 3.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (3.00)           | (-)                                                             | (3.00)   |
| APL Infrastructure Private Limited                                  | -            | -                    | -                              | -                | 5.00                                                            | 5.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (5.00)                                                          | (5.00)   |
|                                                                     | (-)          | (-)                  | (-)                            | 6.00             | 5.00                                                            | 11.00    |
|                                                                     | (-)          | (-)                  | (-)                            | (6.00)           | (5.00)                                                          | (11.00)  |





(Rupees in crore)

| Particulars                                    | Subsidiaries                    | Step-down subsidiary         | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                           |
|------------------------------------------------|---------------------------------|------------------------------|--------------------------------|------------------|-----------------------------------------------------------------|---------------------------------|
| <b>Interest receivable</b>                     |                                 |                              |                                |                  |                                                                 |                                 |
| Shri Lakshmi Metal Udyog Limited               | 2.44<br>(1.65)                  | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 2.44<br>(1.65)                  |
| Apollo Tricoat Tubes Limited                   | -<br>(-)                        | 0.04<br>(0.28)               | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.04<br>(0.28)                  |
| Blue Ocean Projects Private Limited            | (0.03)                          | (-)                          | (-)                            | (-)              | (-)                                                             | (0.03)                          |
|                                                | <b>2.44</b><br><b>(1.68)</b>    | <b>0.04</b><br><b>(0.28)</b> | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>2.48</b><br><b>(1.96)</b>    |
| <b>Interest Payable</b>                        |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 1.94<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 1.94<br>(-)                     |
|                                                | <b>1.94</b><br><b>(-)</b>       | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>1.94</b><br><b>(-)</b>       |
| <b>Advance recoverable</b>                     |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | (5.16)                          | (-)                          | (-)                            | (-)              | (-)                                                             | (5.16)                          |
| Apollo Tricoat Tubes Limited                   | (-)                             | 8.76<br>(-)                  | (-)                            | (-)              | (-)                                                             | 8.76<br>(-)                     |
|                                                | <b>(5.16)</b>                   | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>8.76</b><br><b>(5.16)</b>    |
| <b>Loans receivable</b>                        |                                 |                              |                                |                  |                                                                 |                                 |
| Shri Lakshmi Metal Udyog Limited               | 100.00<br>(75.00)               | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 100.00<br>(75.00)               |
| APL Apollo Building Products Private Limited   | 7.13<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 7.13<br>(-)                     |
| Blue Ocean Projects Private Limited            | 0.16<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.16<br>(-)                     |
|                                                | <b>107.29</b><br><b>(75.00)</b> | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>107.29</b><br><b>(75.00)</b> |
| <b>Loans payable</b>                           |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 100.00<br>(-)                   | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 100.00<br>(-)                   |
|                                                | <b>100.00</b><br><b>(-)</b>     | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>100.00</b><br><b>(-)</b>     |
| <b>Trade payables</b>                          |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 40.82<br>(-)                    | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 40.82<br>(-)                    |
| Shri Lakshmi Metal Udyog Limited               | 17.83<br>(9.23)                 | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 17.83<br>(9.23)                 |
| Apollo Pipes Limited                           | 0.05<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.05<br>(-)                     |
| Apollo Tricoat Tubes Limited                   | (-)                             | (1.17)                       | (-)                            | (-)              | (-)                                                             | (1.17)                          |
| Mr. Sanjay Gupta                               | (-)                             | (-)                          | 0.19<br>(0.19)                 | (-)              | (-)                                                             | 0.19<br>(0.19)                  |
| Mr. Deepak Goyal (net of advances recoverable) | (-)                             | (-)                          | 0.01<br>(0.02)                 | (-)              | (-)                                                             | 0.01<br>(0.02)                  |
| Mr. Deepak C S (net of advances recoverable)   | (-)                             | (-)                          | 0.01<br>(0.01)                 | (-)              | (-)                                                             | 0.01<br>(0.01)                  |
|                                                | <b>58.70</b><br><b>(9.23)</b>   | <b>(1.17)</b>                | <b>(0.22)</b>                  | <b>(-)</b>       | <b>(-)</b>                                                      | <b>58.91</b><br><b>(10.62)</b>  |

**Notes :**

- (i) Figures in the bracket relates to previous year ended March 31, 2020.  
(ii) Amount of expense of gratuity and compensated absences is taken on actuarial basis.  
(iii) 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.  
(iv) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2021 of Apollo Metalex Private Limited is Rupees 70.43 crore (March 31, 2020 Rupees 90.01 crore), Shri Lakshmi Metal Udyog Limited is Rupees Nil crore (March 31, 2020 Rupees 67.28 crore) and Apollo Tricoat Tubes Limited is Rupees 52.03 crore (March 31, 2020 Rupees 112.56 crore).

**42 Income tax expense**

The reconciliation of estimated income tax to income tax expense is as below :-

| Particulars                                                                                             | (Rupees in crore)            |                              |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                         | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Profit before tax as per standalone statement of profit and loss</b>                                 | <b>205.01</b>                | <b>113.79</b>                |
| Income tax expenses calculated as per tax rates of Income tax act of 25.168% (March 31, 2020 : 25.168%) | 51.60                        | 28.84                        |
| (i) Items not deductible                                                                                | (1.12)                       | (1.73)                       |
| (ii) Reversal of deferred tax liabilities as at March 31, 2019 (see note below)                         | -                            | (26.57)                      |
| (iii) Income tax / deferred tax expense / (credit) of earlier year                                      | 0.75                         | (1.56)                       |
| <b>Tax expense as reported</b>                                                                          | <b>51.23</b>                 | <b>(1.22)</b>                |

**Note i**

The Company during the previous year elected to be assessed at lower tax rate of 25.168% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 26.57 crores on account of remeasurement of deferred tax liability as at March 31, 2019.



**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, 2021 and March 31, 2020 :-

(Rupees in crore)

| Particulars                                                  | As at March 31, 2021 |             |                 | As at March 31, 2020 |             |                 |
|--------------------------------------------------------------|----------------------|-------------|-----------------|----------------------|-------------|-----------------|
|                                                              | FVTPL                | FVTOCI      | Amortised cost  | FVTPL                | FVTOCI      | Amortised cost  |
| <b>Financial assets - Non Current</b>                        |                      |             |                 |                      |             |                 |
| Investments                                                  |                      |             |                 |                      |             |                 |
| - Other investments                                          | 0.10                 | 1.38        | -               | 0.15                 | 1.37        | -               |
| Loans to subsidiary company                                  | -                    | -           | 107.29          | -                    | -           | 75.00           |
| Security deposit                                             | -                    | -           | 18.50           | -                    | -           | 17.42           |
| Balance in margin money with maturity of more than 12 months | -                    | -           | 0.03            | -                    | -           | -               |
| Claim receivable (net of provision)                          | -                    | -           | 0.10            | -                    | -           | 2.36            |
| <b>Financial assets - Current</b>                            |                      |             |                 |                      |             |                 |
| Loans to employees                                           | -                    | -           | 1.11            | -                    | -           | 1.04            |
| Claim receivable                                             | -                    | -           | 8.04            | -                    | -           | 23.44           |
| Government grants                                            | -                    | -           | -               | -                    | -           | 2.44            |
| Derivative assets (net)                                      | 2.01                 | -           | -               | 2.22                 | -           | -               |
| Trade receivables                                            | -                    | -           | 87.18           | -                    | -           | 305.94          |
| Cash and cash equivalents                                    | -                    | -           | 3.19            | -                    | -           | 38.85           |
| Bank balances other than cash and cash equivalents           | -                    | -           | 341.30          | -                    | -           | 1.07            |
| Others                                                       | -                    | -           | 3.66            | -                    | -           | 2.10            |
| <b>Total financial assets</b>                                | <b>2.11</b>          | <b>1.38</b> | <b>570.40</b>   | <b>2.37</b>          | <b>1.37</b> | <b>468.65</b>   |
| <b>Financial liabilities - Non Current</b>                   |                      |             |                 |                      |             |                 |
| Borrowings                                                   | -                    | -           | 224.48          | -                    | -           | 245.29          |
| Lease liabilities                                            | -                    | -           | -               | -                    | -           | 0.08            |
| Deferred payment                                             | -                    | -           | 0.78            | -                    | -           | 0.72            |
| <b>Financial liabilities - Current</b>                       |                      |             |                 |                      |             |                 |
| Borrowings                                                   | -                    | -           | 263.39          | -                    | -           | 318.61          |
| Lease liabilities                                            | -                    | -           | 0.08            | -                    | -           | 0.52            |
| Interest accrued but not due on borrowings                   | -                    | -           | 2.61            | -                    | -           | 2.01            |
| Security deposit                                             | -                    | -           | 1.00            | -                    | -           | 0.94            |
| Trade payables                                               | -                    | -           | 703.96          | -                    | -           | 588.24          |
| Others                                                       | -                    | -           | 0.51            | -                    | -           | 0.54            |
| <b>Total financial liabilities</b>                           | <b>-</b>             | <b>-</b>    | <b>1,196.81</b> | <b>-</b>             | <b>-</b>    | <b>1,157.05</b> |

**(a) Financial assets and liabilities measured at fair value - recurring fair value measurements :**

| Particulars                                                                   | As at March 31, 2021    |             | As at March 31, 2020 |             |
|-------------------------------------------------------------------------------|-------------------------|-------------|----------------------|-------------|
|                                                                               | Level 1                 | Level 2     | Level 1              | Level 2     |
|                                                                               | <b>Financial Assets</b> |             |                      |             |
| - Assets for foreign currency forward contracts                               | -                       | 2.01        | -                    | 2.22        |
| - Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth | 0.10                    | -           | -                    | -           |
| - Investment in mutual fund of Union Midcap fund - regular plan growth        | -                       | -           | 0.15                 | -           |
| <b>Total financial assets</b>                                                 | <b>0.10</b>             | <b>2.01</b> | <b>0.15</b>          | <b>2.22</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 / investment property (Level 3)**

| Particulars                        | Fair Value as at |                |
|------------------------------------|------------------|----------------|
|                                    | March 31, 2021   | March 31, 2020 |
| Assets classified as held for sale | 64.26            | 2.20           |

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, Company 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.

(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 (INR). 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 raw material. 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 results 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. 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 :-

| (a) Option Outstanding               | Buy/Sell | As at          | As at          |
|--------------------------------------|----------|----------------|----------------|
|                                      |          | March 31, 2021 | March 31, 2020 |
| In USD                               | Buy      | 72,33,289      | 98,63,576      |
| Equivalent amount in Rupees in crore |          | 52.88          | 74.62          |
| In USD                               | Sell     | 72,33,289      | 98,63,576      |
| Equivalent amount in Rupees in crore |          | 52.88          | 74.62          |
| (b) Forward contract outstanding     | Buy/Sell | As at          | As at          |
|                                      |          | March 31, 2021 | March 31, 2020 |
| In USD                               | Sell     | 78,26,864      | 1,00,00,000    |
| Equivalent amount in Rupees in crore | Sell     | 57.22          | 75.65          |

(2) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                                | As at          | As at          |
|-----------------------------------------|----------------|----------------|
|                                         | March 31, 2021 | March 31, 2020 |
| <b>Payables:</b>                        |                |                |
| USD                                     | 2,09,500       | -              |
| Equivalent amount in Rupees in crore    | 1.53           | -              |
| EURO                                    | -              | 37,803         |
| Equivalent amount in Rupees in crore    | -              | 0.31           |
| <b>Advance paid to vendors:</b>         |                |                |
| USD                                     | 40,28,951      | 35,38,720      |
| Equivalent amount in Rupees in crore    | 29.46          | 26.68          |
| EURO                                    | 3,53,208       | 85,630         |
| Equivalent amount in Rupees in crore    | 3.03           | 0.71           |
| <b>Trade receivables:</b>               |                |                |
| EURO                                    | 64,701         | -              |
| Equivalent amount in Rupees in crore    | 0.56           | -              |
| <b>Advance Received from Customers:</b> |                |                |
| USD                                     | 29,33,629      | 3,48,019       |
| Equivalent amount in Rupees in crore    | 21.45          | 2.62           |
| EURO                                    | -              | 6,277          |
| Equivalent amount in Rupees in crore    | -              | 0.05           |

**Sensitivity**

If INR is depreciated or appreciated by 2.5% vis-a-vis foreign currency, the impact thereof on the profit and loss (after tax) of the Company are given below:

| Particulars                                        | Impact on profit after tax |                |
|----------------------------------------------------|----------------------------|----------------|
|                                                    | Year ended                 | Year ended     |
|                                                    | March 31, 2021             | March 31, 2020 |
| <b>EURO sensitivity</b>                            |                            |                |
| INR/EURO Increases by 2.5% (March 31, 2020 - 2.5%) | -                          | 0.01           |
| INR/EURO Decreases by 2.5% (March 31, 2020 - 2.5%) | -                          | (0.01)         |
| <b>USD sensitivity</b>                             |                            |                |
| INR/USD Increases by 2.5% (March 31, 2020 - 2.5%)  | 0.03                       | -              |
| INR/USD Decreases by 2.5% (March 31, 2020 - 2.5%)  | (0.03)                     | -              |



(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 and LIBOR rates. 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. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

| Particulars              | (Rupees in crore)       |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Variable rate borrowings | 434.99                  | 489.55                  |
| Fixed rate borrowings    | 52.88                   | 74.35                   |
| <b>Total borrowings</b>  | <b>487.87</b>           | <b>563.90</b>           |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                              | Balance              |                      | % of total loans |
|------------------------------------------|----------------------|----------------------|------------------|
|                                          | As at March 31, 2021 | As at March 31, 2020 |                  |
| Bank overdrafts, bank loans, Cash Credit | 434.99               | 489.55               | 89%              |
| As at March 31, 2020                     | 489.55               | 489.55               | 87%              |

**Sensitivity**

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                           | Impact on profit after tax   |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Interest rates – increase by 50 basis points (50 bps) | (1.63)                       | (1.83)                       |
| Interest rates – decrease by 50 basis points (50 bps) | 1.63                         | 1.83                         |

(b) **Credit risk**

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.

**Reconciliation of expected credit loss allowance – Trade receivables**

|                                                                   | (Rupees in crore) |
|-------------------------------------------------------------------|-------------------|
| Opening balance as at April 1, 2019                               | 5.18              |
| Charge in statement of profit and loss                            | 2.32              |
| Utilised during the year                                          | (0.02)            |
| <b>Allowance for expected credit loss on March 31, 2020</b>       | <b>7.48</b>       |
| Charge / (Provision written back) in statement of profit and loss | (1.21)            |
| Utilised during the year                                          | -                 |
| <b>Allowance for expected credit loss on March 31, 2021</b>       | <b>6.27</b>       |

In current year ended March 31, 2021, revenues arising from direct sales of goods as disclosed in note 27(a) does not include revenue from any customer who contributed more than 10% to the Company's revenue.

In previous year ended March 31, 2020, revenues arising from direct sales of goods as disclosed in note 27(a) includes revenue of approximately Rupees 828.11 crore from customer who contributed more than 10% to the Company's revenue.

(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<br>March 31, 2021  | As at<br>March 31, 2020 |
|--------------------|--------------------------|-------------------------|
|                    | Floating rate borrowings | 891.58                  |
| Nature of facility | Working Capital          | Working Capital         |





(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 :-

| (Rupees in crore)                       |                       |                       |                    |                 |
|-----------------------------------------|-----------------------|-----------------------|--------------------|-----------------|
| Particulars                             | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total           |
| <b>As at March 31, 2021</b>             |                       |                       |                    |                 |
| Borrowings (Interest bearing)           | 263.39                | 224.48                | -                  | 487.87          |
| Lease liabilities (Interest bearing)    | 0.08                  | -                     | -                  | 0.08            |
| Interest accrued but due on borrowings  | 2.61                  | -                     | -                  | 2.61            |
| Trade Payables                          | 703.96                | -                     | -                  | 703.96          |
| Security Deposits                       | 1.00                  | -                     | -                  | 1.00            |
| Deferred payment (Interest bearing)     | -                     | 0.78                  | -                  | 0.78            |
| Others                                  | 0.51                  | -                     | -                  | 0.51            |
| <b>Total non-derivative liabilities</b> | <b>971.55</b>         | <b>225.26</b>         | <b>-</b>           | <b>1,196.81</b> |
| <b>As at March 31, 2020</b>             |                       |                       |                    |                 |
| Borrowings (Interest bearing)           | 318.61                | 245.29                | -                  | 563.90          |
| Lease liabilities (Interest bearing)    | 0.08                  | 0.52                  | -                  | 0.60            |
| Interest accrued but due on borrowings  | 2.01                  | -                     | -                  | 2.01            |
| Trade Payables                          | 588.34                | -                     | -                  | 588.34          |
| Security Deposits                       | 0.94                  | -                     | -                  | 0.94            |
| Deferred payment (Interest bearing)     | -                     | -                     | 0.72               | 0.72            |
| Others                                  | 0.54                  | -                     | -                  | 0.54            |
| <b>Total non-derivative liabilities</b> | <b>910.52</b>         | <b>245.81</b>         | <b>0.72</b>        | <b>1,157.05</b> |

**45 Reconciliation of liabilities arising from financing activities**

| (Rupees in crore)                                  |                                     |                 |                                            |                      |
|----------------------------------------------------|-------------------------------------|-----------------|--------------------------------------------|----------------------|
| Particulars                                        | Opening balance as at April 1, 2019 | Net Cash flows  | Non-cash changes-foreign exchange movement | As at March 31, 2020 |
| Non-current borrowings                             | 139.93                              | 110.22          | (4.86)                                     | 245.29               |
| Current borrowings                                 | 451.89                              | (208.61)        | 1.33                                       | 244.61               |
| Current maturities of non-current borrowings       | 140.09                              | (66.09)         | -                                          | 74.00                |
| <b>Total liabilities from financing activities</b> | <b>731.91</b>                       | <b>(164.48)</b> | <b>(3.53)</b>                              | <b>563.90</b>        |

| (Rupees in crore)                                  |                      |                |                                            |                      |
|----------------------------------------------------|----------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | As at March 31, 2020 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2021 |
| Non-current borrowings                             | 245.29               | (18.51)        | (2.30)                                     | 224.48               |
| Current borrowings                                 | 244.61               | (36.19)        | -                                          | 208.42               |
| Current maturities of non-current borrowings       | 74.00                | (19.03)        | -                                          | 54.97                |
| <b>Total liabilities from financing activities</b> | <b>563.90</b>        | <b>(73.73)</b> | <b>(2.30)</b>                              | <b>487.87</b>        |

**46 Acquisition of business**

During the previous year ended March 31, 2020, The Company completed the acquisition of a production unit (located at Chegunta, Hyderabad), of M/s Taurus Value Steel & Pipes Private Limited, a subsidiary of M/s Shankara Building Products Limited, Bangalore. The acquisition was approved by the Board of Directors of the Company in their meeting held on April 12, 2019 and completed on May 27, 2019. The acquisition of above unit (assets) was accounted for under 'Ind-AS 103 : Business Combination' whereby assets acquired were fair valued. Details of purchase consideration, fair value of net assets acquired and resultant capital reserve is as under :-

| Particulars                                                         |  | (Rupees in crore)                 |
|---------------------------------------------------------------------|--|-----------------------------------|
|                                                                     |  | Fair value as on acquisition date |
| Property, plant and equipment                                       |  | 83.36                             |
| Capital work-in-progress                                            |  | 3.60                              |
| <b>Fair Value of identifiable net assets (A)</b>                    |  | <b>86.96</b>                      |
| <b>Consideration paid (B)</b>                                       |  | <b>70.00</b>                      |
| <b>Capital Reserve (C=A-B)</b>                                      |  | <b>16.96</b>                      |
| Less : Deferred tax liability recognised on fair valuation gain (D) |  | 3.58                              |
| <b>Net Capital Reserve recognised (C-D)</b>                         |  | <b>13.38</b>                      |

**Note :**

Acquisition-related costs amounting to Rupees 2.36 crores was excluded from the consideration transferred and was recognised as an expense in the standalone statement of profit and loss within other expenses.

**47 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.

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.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| Particulars                                              | (Rupees in crore)       |                         |
|----------------------------------------------------------|-------------------------|-------------------------|
|                                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Non current borrowings                                   | 224.48                  | 245.29                  |
| Current maturities of non current borrowings             | 54.97                   | 74.00                   |
| Current borrowings                                       | 208.42                  | 244.61                  |
| Less: Cash and cash equivalents                          | (3.19)                  | (38.85)                 |
| Less: Bank balances other than cash and cash equivalents | (341.30)                | (1.07)                  |
| <b>Total Debts (net)</b>                                 | <b>143.38</b>           | <b>523.98</b>           |
| Total equity                                             | 1,448.79                | 1,275.24                |
| <b>Gearing Ratio</b>                                     | <b>0.10</b>             | <b>0.41</b>             |

Equity includes all capital and reserves of the Company that are managed as capital.



For and on behalf of the Board of Directors of  
APL APOLLO TUBES LIMITED

*[Signature]*  
**SANJAY GUPTA**  
Chairman & Managing  
Director  
DIN : 00233188

*[Signature]*  
**VINAY GUPTA**  
Director  
DIN : 00005149



*[Signature]*  
**DEEPAK GOYAL**  
Chief Financial Officer

*[Signature]*  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060

Place : Ghaziabad  
Date : June 3, 2021

# Walker Chandok & Co LLP

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## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Apollo Tricoat Tubes Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Apollo Tricoat Tubes Limited ('the Holding Company') and its associate (refer Annexure 1 for the list of associate included in the Statement) for the quarter ended 30 September 2021 and the consolidated year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandok & Co LLP is registered with limited liability  
VAB identification number AAC-2085 and is registered  
office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandniok & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the Holding Company share of net profit after tax of ₹ Nil and ₹ Nil and total comprehensive income of ₹ Nil and ₹ Nil for the quarter and year-to-date period ended on 30 September 2021 respectively, in respect of an associate, based on their interim financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Holding Company.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

**For Walker Chandniok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Neeraj Sharma**  
Partner  
Membership No. 502103  
UDIN: 21502103AAAAFP7972



**Place: Noida**  
**Date: 27 October 2021**

Chartered Accountants



# Walker Chandiook & Co LLP

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

## **Annexure 1**

### **List of entity included in the Statement**

1. Radiance KA Sunrise Two Private Limited



**Chartered Accountants**

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED  
 SEPTEMBER 30, 2021**

| Particulars                                                                          | (Rupees in Crores, except EPS)                        |                                                         |
|--------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|
|                                                                                      | Quarter ended<br>September 30,<br>2021<br>(Unaudited) | Half year ended<br>September 30,<br>2021<br>(Unaudited) |
| <b>I Revenue from operations</b>                                                     |                                                       |                                                         |
| (a) Sale of products                                                                 | 579.79                                                | 1,142.48                                                |
| (b) Other operating income                                                           | 20.27                                                 | 39.22                                                   |
| <b>Total revenue from operations</b>                                                 | 600.06                                                | 1,181.70                                                |
| <b>II Other income</b>                                                               | 0.53                                                  | 0.94                                                    |
| <b>III Total income</b>                                                              | 600.59                                                | 1,182.64                                                |
| <b>IV Expenses</b>                                                                   |                                                       |                                                         |
| (a) Cost of materials consumed                                                       | 485.76                                                | 954.93                                                  |
| (b) Purchase of stock-in-trade                                                       | 18.32                                                 | 36.46                                                   |
| (c) Changes in Inventories of finished goods, stock in trade and rejection and scrap | 13.71                                                 | 3.41                                                    |
| (d) Employee benefit expenses                                                        | 5.63                                                  | 11.08                                                   |
| (e) Finance cost                                                                     | 1.05                                                  | 2.75                                                    |
| (f) Depreciation and amortisation expense                                            | 4.57                                                  | 9.05                                                    |
| (g) Other expenses                                                                   | 26.75                                                 | 56.40                                                   |
| <b>Total expenses</b>                                                                | 555.79                                                | 1,074.08                                                |
| <b>V Profit before taxes (III-IV)</b>                                                | 44.80                                                 | 108.56                                                  |
| <b>VI Tax Expense:</b>                                                               |                                                       |                                                         |
| (a) Current tax                                                                      | 9.91                                                  | 25.04                                                   |
| (b) Deferred tax charge (net)                                                        | 1.46                                                  | 2.40                                                    |
| <b>Total tax expense</b>                                                             | 11.37                                                 | 27.44                                                   |
| <b>VII Profit for the period (V-VI)</b>                                              | 33.43                                                 | 81.12                                                   |
| <b>VIII Other Comprehensive Income</b>                                               |                                                       |                                                         |
| <b>Items that will not be reclassified to profit or loss</b>                         |                                                       |                                                         |
| (a) Remeasurement of post employment benefit obligation                              | (0.11)                                                | (0.22)                                                  |
| (b) Income tax relating to above item                                                | 0.03                                                  | 0.06                                                    |
| <b>Other Comprehensive Income for the period</b>                                     | (0.08)                                                | (0.16)                                                  |
| <b>IX Total Comprehensive Income for the period (VII+VIII)</b>                       | 33.35                                                 | 80.96                                                   |
| <b>X Paid up equity share capital (Face Value of Rupees 2 each)</b>                  | 12.16                                                 | 12.16                                                   |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each #</b>                        |                                                       |                                                         |
| Basic (in Rs.)                                                                       | 5.50                                                  | 13.34                                                   |
| Diluted (in Rs.)                                                                     | 5.50                                                  | 13.34                                                   |

#EPS is not annualised for the quarter and half year ended September 30, 2021 (Refer note 5)

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**APOLLO TRICOAT TUBES LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2021**

| Particulars                                                                  | (Rupees in Crores)<br>As at<br>September 30, 2021<br>(Unaudited) |
|------------------------------------------------------------------------------|------------------------------------------------------------------|
| <b>I. ASSETS</b>                                                             |                                                                  |
| <b>(1) Non-current assets</b>                                                |                                                                  |
| (a) Property, plant and equipment                                            | 341.56                                                           |
| (b) Capital work-in-progress                                                 | 13.04                                                            |
| (c) Right of use assets                                                      | 13.39                                                            |
| (d) Other intangible assets                                                  | 0.13                                                             |
| (e) Financial assets                                                         |                                                                  |
| (i) Investments                                                              | 1.36                                                             |
| (ii) Other financial assets                                                  | 1.75                                                             |
| (f) Other non-current assets                                                 | 7.61                                                             |
| <b>Total non-current assets</b>                                              | <b>378.84</b>                                                    |
| <b>(2) Current assets</b>                                                    |                                                                  |
| (a) Inventories                                                              | 93.20                                                            |
| (b) Financial assets                                                         |                                                                  |
| (i) Trade receivables                                                        | 94.45                                                            |
| (ii) Cash and cash equivalents                                               | 50.65                                                            |
| (iii) Bank balance other than (ii) above                                     | 10.45                                                            |
| (iv) Loans                                                                   | -                                                                |
| (v) Other financial assets                                                   | 0.81                                                             |
| (c) Other current assets                                                     | 3.56                                                             |
| <b>Total current assets</b>                                                  | <b>253.12</b>                                                    |
| <b>Total Assets</b>                                                          | <b>631.96</b>                                                    |
| <b>II. EQUITY AND LIABILITIES</b>                                            |                                                                  |
| <b>(1) Equity</b>                                                            |                                                                  |
| (a) Equity share capital                                                     | 12.16                                                            |
| (b) Other equity                                                             | 373.06                                                           |
| <b>Total equity</b>                                                          | <b>385.22</b>                                                    |
| <b>LIABILITIES</b>                                                           |                                                                  |
| <b>(2) Non-current liabilities</b>                                           |                                                                  |
| (a) Financial liabilities                                                    |                                                                  |
| (i) Borrowings                                                               | 42.47                                                            |
| (b) Provisions                                                               | 1.15                                                             |
| (c) Deferred tax liabilities (net)                                           | 14.48                                                            |
| (d) Other non-current liabilities                                            | 20.12                                                            |
| <b>Total non-current liabilities</b>                                         | <b>78.22</b>                                                     |
| <b>(3) Current liabilities</b>                                               |                                                                  |
| (a) Financial liabilities                                                    |                                                                  |
| (i) Borrowings                                                               | 13.04                                                            |
| (ii) Lease liabilities                                                       | 0.04                                                             |
| (iii) Trade payables                                                         |                                                                  |
| - total outstanding dues of micro and small enterprises                      | 0.89                                                             |
| - total outstanding dues of creditors other than micro and small enterprises | 119.93                                                           |
| (iii) Other financial liabilities                                            | 2.43                                                             |
| (b) Other current liabilities                                                | 6.50                                                             |
| (c) Provisions                                                               | 0.36                                                             |
| (d) Current tax liabilities (net)                                            | 25.33                                                            |
| <b>Total current liabilities</b>                                             | <b>168.52</b>                                                    |
| <b>Total Equity and Liabilities</b>                                          | <b>631.96</b>                                                    |

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# Walker Chandniok & Co LLP

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Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

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## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

### To the Board of Directors of Apollo Tricoat Tubes Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Apollo Tricoat Tubes Limited ('the Company') for the quarter ended 30 September 2021 and the year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandniok & Co LLP is registered with limited liability with identification number PAC-2085 and its registered office at LAL Kishanbhai Circus, New Delhi, 110001, India



# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Neeraj Sharma**  
Partner  
Membership No. 502103  
UDIN: 21502103AAAAFO8935



**Place:** Noida  
**Date:** 27 October 2021

Chartered Accountants

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021**

| Particulars                                                                          | (Rupees in Crores, except EPS)                        |                                               |                                                       |                                                         |                                                      |                                           |
|--------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------|-------------------------------------------|
|                                                                                      | Quarter ended<br>September 30,<br>2021<br>(Unaudited) | Quarter ended<br>June 30, 2021<br>(Unaudited) | Quarter ended<br>September 30,<br>2020<br>(Unaudited) | Half year ended<br>September 30,<br>2021<br>(Unaudited) | Half year ended<br>September 30, 2020<br>(Unaudited) | Year ended March<br>31, 2021<br>(Audited) |
| <b>I Revenue from operations</b>                                                     |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Sale of products                                                                 | 579.79                                                | 562.69                                        | 313.54                                                | 1,142.48                                                | 480.27                                               | 1,410.78                                  |
| (b) Other operating Income                                                           | 20.27                                                 | 18.95                                         | 16.94                                                 | 39.22                                                   | 21.20                                                | 62.03                                     |
| <b>Total revenue from operations</b>                                                 | <b>600.06</b>                                         | <b>581.64</b>                                 | <b>330.48</b>                                         | <b>1,181.70</b>                                         | <b>501.47</b>                                        | <b>1,472.81</b>                           |
| <b>II Other Income</b>                                                               | <b>0.53</b>                                           | <b>0.41</b>                                   | <b>0.64</b>                                           | <b>0.94</b>                                             | <b>0.94</b>                                          | <b>1.80</b>                               |
| <b>III Total Income</b>                                                              | <b>600.59</b>                                         | <b>582.05</b>                                 | <b>331.12</b>                                         | <b>1,182.64</b>                                         | <b>502.41</b>                                        | <b>1,474.61</b>                           |
| <b>IV Expenses</b>                                                                   |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Cost of materials consumed                                                       | 485.76                                                | 469.17                                        | 242.78                                                | 954.93                                                  | 344.77                                               | 1,087.22                                  |
| (b) Purchase of stock-in-trade                                                       | 18.32                                                 | 18.14                                         | 35.38                                                 | 36.46                                                   | 55.75                                                | 122.86                                    |
| (c) Changes in inventories of finished goods, stock in trade and rejection and scrap | 13.71                                                 | (10.30)                                       | (14.70)                                               | 3.41                                                    | (1.21)                                               | (7.73)                                    |
| (d) Employee benefit expenses                                                        | 5.63                                                  | 5.45                                          | 5.07                                                  | 11.08                                                   | 8.96                                                 | 19.05                                     |
| (e) Finance cost                                                                     | 1.05                                                  | 1.70                                          | 1.89                                                  | 2.75                                                    | 5.11                                                 | 9.70                                      |
| (f) Depreciation and amortisation expense                                            | 4.57                                                  | 4.48                                          | 4.11                                                  | 9.05                                                    | 7.65                                                 | 16.53                                     |
| (g) Other expenses                                                                   | 26.75                                                 | 29.65                                         | 24.62                                                 | 56.80                                                   | 37.41                                                | 87.73                                     |
| <b>Total expenses</b>                                                                | <b>555.79</b>                                         | <b>518.29</b>                                 | <b>299.15</b>                                         | <b>1,074.08</b>                                         | <b>458.44</b>                                        | <b>1,335.36</b>                           |
| <b>V Profit before taxes (III-IV)</b>                                                | <b>44.80</b>                                          | <b>63.76</b>                                  | <b>31.97</b>                                          | <b>108.56</b>                                           | <b>43.97</b>                                         | <b>139.25</b>                             |
| <b>VI Tax Expense:</b>                                                               |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Current tax                                                                      | 9.91                                                  | 15.13                                         | 6.80                                                  | 25.04                                                   | 8.74                                                 | 30.25                                     |
| (b) Deferred tax charge (net)                                                        | 1.46                                                  | 0.94                                          | 1.30                                                  | 2.40                                                    | 2.46                                                 | 4.56                                      |
| (c) Adjustment of Tax relating to earlier periods                                    | -                                                     | -                                             | -                                                     | -                                                       | -                                                    | (0.57)                                    |
| <b>Total tax expense</b>                                                             | <b>11.37</b>                                          | <b>16.07</b>                                  | <b>8.16</b>                                           | <b>27.44</b>                                            | <b>11.20</b>                                         | <b>34.24</b>                              |
| <b>VII Profit for the period/ year (V-VI)</b>                                        | <b>33.43</b>                                          | <b>47.69</b>                                  | <b>23.81</b>                                          | <b>81.12</b>                                            | <b>32.77</b>                                         | <b>105.01</b>                             |
| <b>VIII Other Comprehensive Income</b>                                               |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| <b>Items that will not be reclassified to profit or loss</b>                         |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Remeasurement of post employment benefit obligation                              | (0.11)                                                | (0.11)                                        | (0.16)                                                | (0.22)                                                  | (0.17)                                               | (0.40)                                    |
| (b) Income tax relating to above item                                                | 0.03                                                  | 0.03                                          | 0.04                                                  | 0.05                                                    | 0.04                                                 | 0.10                                      |
| <b>Other Comprehensive Income for the period/year</b>                                | <b>(0.08)</b>                                         | <b>(0.08)</b>                                 | <b>(0.12)</b>                                         | <b>(0.16)</b>                                           | <b>(0.13)</b>                                        | <b>(0.30)</b>                             |
| <b>IX Total Comprehensive Income for the period/year (VII+VIII)</b>                  | <b>33.35</b>                                          | <b>47.61</b>                                  | <b>23.69</b>                                          | <b>80.96</b>                                            | <b>32.64</b>                                         | <b>104.71</b>                             |
| <b>X Paid up equity share capital (Face Value of Rupees 2 each)</b>                  | <b>12.16</b>                                          | <b>6.08</b>                                   | <b>6.08</b>                                           | <b>12.16</b>                                            | <b>6.08</b>                                          | <b>6.08</b>                               |
| <b>XI Other equity</b>                                                               |                                                       |                                               |                                                       |                                                         |                                                      | <b>298.18</b>                             |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each #</b>                        |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| Basic (In Rs.)                                                                       | 5.50                                                  | 7.84                                          | 3.92                                                  | 13.34                                                   | 5.39                                                 | 17.27                                     |
| Diluted (In Rs.)                                                                     | 5.50                                                  | 7.84                                          | 3.92                                                  | 13.34                                                   | 5.39                                                 | 17.27                                     |

#EPS is not annualised for the quarter and half year ended September 30, 2021, quarter ended June 30, 2021 and half year ended September 30, 2020 (Refer note 5)



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**Notes to the statement of standalone and consolidated financial results :**

1. The above Unaudited Financial Results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The above Unaudited Financial Results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 27, 2021.
2. The Statutory Auditors have carried out the 'Limited Review' of the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2021 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Board of Directors of Apollo Tricoat Tubes Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation ('scheme') of the Company and Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") with APL Apollo Tubes Limited ("APL Apollo"), its Holding Company and their respective shareholders and creditors, as may be modified from time to time ('scheme'), under Section 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.
4. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
5. The Board of Directors of Apollo Tricoat Tubes Limited ("Company") in its meeting held on August 6, 2021 have recommended for approval by shareholders, bonus issue of 1 (one) equity share of Rupees 2 each for every 1 (one) equity share of Rupees 2 each held by shareholders of the Company as on the record date.  
Pursuant to the approval of the shareholders through postal ballot (including e-voting), the Company has allotted 30,400,000 bonus equity shares of Rupees 2 each as fully paid-up bonus equity shares, in the proportion of 1 (one) equity share of Rupees 2 each for every 1 (one) existing equity shares of Rupees 2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently the Company capitalised a sum of Rupees 6.08 crores from other equity.  
The earning per share have been adjusted for bonus issue for previous periods presented.
6. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.
7. The Company had entered into Power Purchase Agreement entered with Radiance Ka Sunrise Two Private Limited (Radiance) for purchase of solar power. Pursuant to this agreement, the Company has acquired 26% stake in Radiance with effect from September 13, 2021 for meeting the regulatory requirements of Power Purchase Agreement. This investment has been accounted for in accordance with Indian Accounting Standard 28 "Investment in associates and joint ventures" leading to first time presentation of Consolidated Financial Results. However the Company does not have any share of profit in Radiance and hence there is no impact on consolidated profit of the Company.
8. Figures for the previous period / year have regrouped wherever necessary.

Ghaziabad  
October 27, 2021

For APOLLO TRICOAT TUBES LIMITED  
  
RAHUL GUPTA  
MANAGING DIRECTOR

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APOLLO TRICOAT TUBES LIMITED  
STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2021

| Particulars                                                                  | (Rupees in Crores)                         |                                      |
|------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------|
|                                                                              | As at<br>September 30, 2021<br>(Unaudited) | As at<br>March 31, 2021<br>(Audited) |
| <b>I. ASSETS</b>                                                             |                                            |                                      |
| <b>(1) Non-current assets</b>                                                |                                            |                                      |
| (a) Property, plant and equipment                                            | 341.56                                     | 322.93                               |
| (b) Capital work-in-progress                                                 | 13.04                                      | 12.39                                |
| (c) Right of use assets                                                      | 13.39                                      | 13.47                                |
| (d) Other intangible assets                                                  | 0.13                                       | 0.21                                 |
| (e) Financial assets                                                         | 1.36                                       | -                                    |
| (i) Investments                                                              | 1.75                                       | 1.75                                 |
| (ii) Other financial assets                                                  | 7.61                                       | 3.40                                 |
| (f) Other non-current assets                                                 | -                                          | -                                    |
| <b>Total non-current assets</b>                                              | <b>378.84</b>                              | <b>354.15</b>                        |
| <b>(2) Current assets</b>                                                    |                                            |                                      |
| (a) Inventories                                                              | 93.20                                      | 64.38                                |
| (b) Financial assets                                                         |                                            |                                      |
| (i) Trade receivables                                                        | 94.45                                      | 11.62                                |
| (ii) Cash and cash equivalents                                               | 50.65                                      | 9.80                                 |
| (iii) Bank balance other than (ii) above                                     | 10.45                                      | -                                    |
| (iv) Loans                                                                   | -                                          | 0.05                                 |
| (v) Other financial assets                                                   | 0.81                                       | 0.40                                 |
| (c) Other current assets                                                     | 3.56                                       | 16.02                                |
| <b>Total current assets</b>                                                  | <b>253.12</b>                              | <b>102.27</b>                        |
| <b>Total Assets</b>                                                          | <b>631.96</b>                              | <b>456.42</b>                        |
| <b>II. EQUITY AND LIABILITIES</b>                                            |                                            |                                      |
| <b>(1) Equity</b>                                                            |                                            |                                      |
| (a) Equity share capital                                                     | 12.16                                      | 6.08                                 |
| (b) Other equity                                                             | 373.06                                     | 298.18                               |
| <b>Total equity</b>                                                          | <b>385.22</b>                              | <b>304.26</b>                        |
| <b>LIABILITIES</b>                                                           |                                            |                                      |
| <b>(2) Non-current liabilities</b>                                           |                                            |                                      |
| (a) Financial liabilities                                                    |                                            |                                      |
| (i) Borrowings                                                               | 42.47                                      | 48.99                                |
| (b) Provisions                                                               | 1.15                                       | 0.88                                 |
| (c) Deferred tax liabilities (net)                                           | 14.48                                      | 12.12                                |
| (d) Other non-current liabilities                                            | 20.12                                      | 20.74                                |
| <b>Total non-current liabilities</b>                                         | <b>78.22</b>                               | <b>82.73</b>                         |
| <b>(3) Current liabilities</b>                                               |                                            |                                      |
| (a) Financial liabilities                                                    |                                            |                                      |
| (i) Borrowings                                                               | 13.04                                      | 13.04                                |
| (ii) Lease liabilities                                                       | 0.04                                       | 0.06                                 |
| (iii) Trade payables                                                         |                                            |                                      |
| - total outstanding dues of micro and small enterprises                      | 0.89                                       | 0.80                                 |
| - total outstanding dues of creditors other than micro and small enterprises | 119.93                                     | 33.09                                |
| (iv) Other financial liabilities                                             | 2.43                                       | 2.05                                 |
| (b) Other current liabilities                                                | 6.50                                       | 18.43                                |
| (c) Provisions                                                               | 0.36                                       | 0.26                                 |
| (d) Current tax liabilities (net)                                            | 25.33                                      | 1.70                                 |
| <b>Total current liabilities</b>                                             | <b>168.52</b>                              | <b>69.43</b>                         |
| <b>Total Equity and Liabilities</b>                                          | <b>631.96</b>                              | <b>456.42</b>                        |

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

**TO THE BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **APL APOLLO TUBES LIMITED** ("the Company"), for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Place: Ghaziabad  
Date: October 28, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAACX5744)

**APL APOLLO TUBES LIMITED**  
 Regd. Office : 37, Hargobind Enclave, Vikas Marg, Delhi - 110092  
 Statement of Standalone Financial Results for the quarter and half year ended September 30, 2021  
 CIN : L74899DL1986PLC023443

| Particulars                                                                                         | (Rupees in crore, except EPS)          |                                   |                                        |                                          |                                          |                                 |
|-----------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------|----------------------------------------|------------------------------------------|------------------------------------------|---------------------------------|
|                                                                                                     | Quarter ended<br>September 30,<br>2021 | Quarter ended<br>June 30,<br>2021 | Quarter ended<br>September 30,<br>2020 | Half year ended<br>September 30,<br>2021 | Half year ended<br>September 30,<br>2020 | Year ended<br>March 31,<br>2021 |
|                                                                                                     | (Unaudited)                            | (Unaudited)                       | (Unaudited)                            | (Unaudited)                              | (Unaudited)                              | (Audited)                       |
| <b>I Revenue from operations</b>                                                                    |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Sale of products                                                                                | 2,028.85                               | 1,620.62                          | 1,528.24                               | 3,649.47                                 | 2,290.01                                 | 5,815.93                        |
| (b) Other operating income                                                                          | 71.78                                  | 56.92                             | 53.35                                  | 128.70                                   | 75.28                                    | 192.03                          |
| Total revenue from operations                                                                       | 2,100.63                               | 1,677.54                          | 1,581.59                               | 3,778.17                                 | 2,365.29                                 | 6,007.96                        |
| <b>II Other Income</b>                                                                              | 8.56                                   | 9.46                              | 12.41                                  | 18.02                                    | 18.78                                    | 44.11                           |
| <b>III Total income (I +II)</b>                                                                     | <b>2,109.19</b>                        | <b>1,687.00</b>                   | <b>1,594.00</b>                        | <b>3,796.19</b>                          | <b>2,384.07</b>                          | <b>6,052.07</b>                 |
| <b>IV Expenses</b>                                                                                  |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Cost of materials consumed                                                                      | 1,460.98                               | 1,422.65                          | 1,181.83                               | 2,913.63                                 | 1,751.65                                 | 4,475.04                        |
| (b) Purchase of stock-in-trade (traded goods)                                                       | 232.54                                 | 308.50                            | 180.73                                 | 541.04                                   | 288.39                                   | 894.04                          |
| (c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap | 158.49                                 | (245.55)                          | 34.71                                  | (87.06)                                  | 50.01                                    | (20.24)                         |
| (d) Employee benefits expense                                                                       | 21.36                                  | 20.84                             | 19.51                                  | 42.20                                    | 36.48                                    | 76.12                           |
| (e) Finance costs                                                                                   | 8.57                                   | 11.15                             | 13.75                                  | 19.72                                    | 29.09                                    | 54.89                           |
| (f) Depreciation and amortisation expense                                                           | 18.18                                  | 17.52                             | 16.63                                  | 35.70                                    | 32.70                                    | 68.18                           |
| (g) Other expenses                                                                                  | 88.65                                  | 90.38                             | 89.21                                  | 179.03                                   | 135.48                                   | 299.03                          |
| Total expenses                                                                                      | 2,018.77                               | 1,625.49                          | 1,536.37                               | 3,644.26                                 | 2,323.80                                 | 5,847.06                        |
| <b>V Profit before tax (III-IV)</b>                                                                 | <b>90.42</b>                           | <b>61.51</b>                      | <b>57.63</b>                           | <b>151.93</b>                            | <b>60.27</b>                             | <b>205.01</b>                   |
| <b>VI Tax expense :</b>                                                                             |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Current tax                                                                                     | 21.92                                  | 15.98                             | 14.93                                  | 37.90                                    | 14.99                                    | 47.38                           |
| (b) Deferred tax charge / (credit) (net)                                                            | 1.00                                   | (0.41)                            | (0.10)                                 | 0.59                                     | 0.72                                     | 3.10                            |
| (c) Income tax / deferred tax expense of earlier year                                               | -                                      | -                                 | -                                      | -                                        | 0.75                                     | 0.75                            |
| Total tax expense                                                                                   | 22.92                                  | 15.57                             | 14.83                                  | 38.49                                    | 16.46                                    | 51.23                           |
| <b>VII Profit for the period / year (V-VI)</b>                                                      | <b>67.50</b>                           | <b>45.94</b>                      | <b>42.80</b>                           | <b>113.44</b>                            | <b>43.81</b>                             | <b>153.78</b>                   |
| <b>VIII Other Comprehensive Income</b>                                                              |                                        |                                   |                                        |                                          |                                          |                                 |
| <b>Add / (less) : Items that will not be reclassified to profit or loss</b>                         |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Remeasurement of post employment benefit obligation                                             | 0.40                                   | 0.40                              | (0.41)                                 | 0.80                                     | (0.82)                                   | 1.49                            |
| (b) Income tax relating to above item                                                               | (0.10)                                 | (0.10)                            | 0.10                                   | (0.20)                                   | 0.20                                     | (0.38)                          |
| Other Comprehensive Income for the period / year                                                    | 0.30                                   | 0.30                              | (0.31)                                 | 0.60                                     | (0.62)                                   | 1.11                            |
| <b>IX Total Comprehensive Income for the period / year (VII+VIII)</b>                               | <b>67.80</b>                           | <b>46.24</b>                      | <b>42.49</b>                           | <b>114.04</b>                            | <b>43.19</b>                             | <b>154.89</b>                   |
| <b>X Paid up Equity Share Capital (Face value of Rupees 2 each - Refer note 4)</b>                  | 49.96                                  | 24.98                             | 24.93                                  | 49.96                                    | 24.93                                    | 24.98                           |
| <b>XI Other equity</b>                                                                              |                                        |                                   |                                        |                                          |                                          | 1,423.81                        |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each # :</b><br>(Refer note 4 & 6)               |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Basic (In Rupees)                                                                               | 2.70                                   | 1.84                              | 1.72                                   | 4.54                                     | 1.76                                     | 6.17                            |
| (b) Diluted (In Rupees)                                                                             | 2.69                                   | 1.84                              | 1.71                                   | 4.53                                     | 1.75                                     | 6.15                            |

# EPS is not annualised for the quarter and half year ended September 30, 2021, quarter ended June 30, 2021 and quarter and half year ended September 30, 2020. (Refer note 4 & 6)

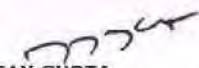


### Notes to the Statement of Standalone Unaudited Financial Results :

1. The above Standalone Unaudited Financial Results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 28, 2021.
2. The Statutory Auditors have carried out the 'Limited Review' of the Standalone Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2021 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Company has made an assessment of the likely adverse impact on economic environment in general post the outbreak of COVID-19 and potential impact on its operations including the carrying values of its current and non current assets including property, plant and equipment and other financial exposure. The Company has also evaluated its ability to meet the financial commitments towards its lenders etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.
4. The Board of Directors of APL Apollo Tubes Limited ('Company') in its meeting held on October 28, 2020, approved a proposal for sub-division of the face value of the equity shares of the Company from Rupees 10 per equity share to Rupees 2 per equity share i.e. 1 equity share to be split into 5 equity shares. Subsequent to the approval of above proposal by the shareholders of the Company, w.e.f. December 16, 2020 the sub-division became effective. Accordingly, Earnings per equity share (EPS) for the quarter and half year ended September 30, 2020 has been adjusted to reflect the above share split.
5. The Board of Directors of APL Apollo Tubes Limited ("Company"), at its meeting held on February 27, 2021, has 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 ('Shri Lakshmi' - wholly owned subsidiary company) and Apollo Tricoat Tubes Limited ('Apollo Tricoat' - subsidiary company of wholly owned subsidiary) with the Company. The Scheme is subject to receipt of approvals from the shareholders and creditors of the respective Companies as may be directed by the Hon'ble National Company Law Tribunal, Delhi bench ("NCLT"), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required.
6. The Board of Directors of APL Apollo Tubes Limited ('Company') in its meeting held on August 5, 2021 have recommended for approval by shareholders, bonus issue of 1 (one) equity share of Rupees 2 each for every 1 (one) equity shares of Rupees 2 each held by shareholders of the Company as on the record date, subject to approval of the shareholders.  
  
Pursuant to the approval of the shareholders through postal ballot (including remote e-voting) on September 9, 2021, the Company allotted 124,896,000 bonus equity shares of Rupees 2 each as fully paid-up bonus equity shares, in the proportion of 1 (One) equity share of Rupees 2 each for every 1 (One) existing equity shares of Rupees 2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently, the Company capitalised a sum of Rupees 24.98 crores from 'other equity' to 'equity share capital'.  
  
The earning per share has been adjusted for bonus issue for previous periods presented.
7. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.
8. The above Standalone Unaudited Financial Results have been prepared in accordance with the amended Scheduled III and accordingly previous period / year's figures have been regrouped/reclasses (as necessary) to compare with current period results.

Ghaziabad  
October 28, 2021

For APL APOLLO TUBES LIMITED

  
SANJAY GUPTA  
CHAIRMAN AND MANAGING DIRECTOR





**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021**

| Particulars                                                                       | (Rupees in crore)                     |                                       |
|-----------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                   | Half year ended<br>September 30, 2021 | Half year ended<br>September 30, 2020 |
|                                                                                   | (Unaudited)                           | (Unaudited)                           |
| <b>A. Cash flow from operating activities</b>                                     |                                       |                                       |
| Profit before tax                                                                 | 151.93                                | 60.27                                 |
| Adjustments for:                                                                  |                                       |                                       |
| Depreciation and amortisation expense                                             | 35.70                                 | 32.70                                 |
| Loss / (gain) on sale of property, plant and equipment (net)                      | 0.39                                  | (0.05)                                |
| Finance costs                                                                     | 19.72                                 | 29.09                                 |
| Interest income on fixed deposits                                                 | (7.78)                                | (7.08)                                |
| Interest income on others                                                         | (2.45)                                | (6.59)                                |
| Share based expenses                                                              | 0.93                                  | 1.86                                  |
| Provision for slow moving inventory of spares & consumables                       | 0.45                                  | 0.28                                  |
| Provision for doubtful trade receivables written back                             | (0.42)                                | (0.13)                                |
| Derivatives measured at fair value through profit & loss account                  | (1.77)                                | (2.26)                                |
| Net unrealized foreign exchange loss / (gain)                                     | 3.55                                  | (0.65)                                |
| Government grant income                                                           | (3.32)                                | (4.46)                                |
| <b>Operating profit before working capital changes</b>                            | <b>196.93</b>                         | <b>102.98</b>                         |
| <b>Changes in working capital:</b>                                                |                                       |                                       |
| Adjustments for (Increase) / decrease in operating assets:                        |                                       |                                       |
| Inventories                                                                       | (89.52)                               | 142.78                                |
| Trade receivables                                                                 | (7.49)                                | 204.04                                |
| Current loans and other financial assets                                          | (2.08)                                | 2.86                                  |
| Non-current loans and other financial assets                                      | 109.33                                | (44.17)                               |
| Other current assets                                                              | 20.69                                 | (19.94)                               |
| Other non-current assets                                                          | 0.72                                  | 0.58                                  |
| Adjustments for increase / (decrease) in operating liabilities:                   |                                       |                                       |
| Trade payables                                                                    | 20.18                                 | 64.21                                 |
| Other current liabilities                                                         | (18.96)                               | 0.34                                  |
| Other current financial liabilities                                               | 0.20                                  | 0.01                                  |
| Other non current liabilities                                                     | 2.17                                  | 3.35                                  |
| Other non current financial liabilities                                           | -                                     | 0.03                                  |
| Provisions (current & non-current)                                                | 1.28                                  | 1.65                                  |
| <b>Cash generated from operations</b>                                             | <b>233.45</b>                         | <b>458.72</b>                         |
| Income tax (paid)                                                                 | (45.39)                               | (12.58)                               |
| <b>Net cash flow from operating activities (A)</b>                                | <b>188.06</b>                         | <b>446.14</b>                         |
| <b>B. Cash flow from investing activities</b>                                     |                                       |                                       |
| Capital expenditure on property, plant and equipment (including capital advances) | (18.24)                               | (43.03)                               |
| Proceeds from sale of property, plant and equipment                               | 2.88                                  | 4.24                                  |
| Investment in mutual funds                                                        | (0.05)                                | (0.05)                                |
| Investment in subsidiaries                                                        | (101.39)                              | -                                     |
| Loan given to subsidiary                                                          | (20.65)                               | -                                     |
| Proceeds from maturity of fixed deposits                                          | 177.39                                | -                                     |
| Investment in fixed deposits                                                      | -                                     | (500.02)                              |
| Interest received                                                                 |                                       |                                       |
| fixed deposits                                                                    | 7.12                                  | 0.29                                  |
| - others                                                                          | 4.87                                  | 4.88                                  |
| <b>Net cash flow from / (used in) investing activities (B)</b>                    | <b>51.93</b>                          | <b>(533.69)</b>                       |
| <b>C. Cash flow from financing activities</b>                                     |                                       |                                       |
| Proceeds from non-current borrowings                                              | -                                     | 75.00                                 |
| Proceeds from current borrowings                                                  | 65.75                                 | 87.90                                 |
| Repayment of non-current borrowings                                               | (127.18)                              | (94.87)                               |
| Proceeds from issue of equity share capital                                       | -                                     | 7.85                                  |
| Payment on account of lease liabilities                                           | (0.29)                                | (0.27)                                |
| Finance costs                                                                     | (19.56)                               | (24.77)                               |
| <b>Net cash flow (used in) / from financing activities (C)</b>                    | <b>(81.28)</b>                        | <b>50.84</b>                          |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>             | <b>158.71</b>                         | <b>(36.71)</b>                        |
| Cash and cash equivalents at the beginning of the period                          | 3.19                                  | 38.85                                 |
| <b>Cash and cash equivalents at the end of the period</b>                         | <b>161.90</b>                         | <b>2.14</b>                           |





**APL APOLLO TUBES LIMITED**  
 Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi-110092  
 Statement of Assets and Liabilities as at September 30, 2021  
 CIN : L74899DL1986PLC023443

| Particulars                                                     | Consolidated                   |                            | Standalone                     |                            |
|-----------------------------------------------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|
|                                                                 | As at<br>September 30,<br>2021 | As at<br>March 31,<br>2021 | As at<br>September 30,<br>2021 | As at<br>March 31,<br>2021 |
|                                                                 | (Unaudited)                    | (Audited)                  | (Unaudited)                    | (Audited)                  |
| (Rupees in crore)                                               |                                |                            |                                |                            |
| <b>A. ASSETS</b>                                                |                                |                            |                                |                            |
| <b>(1) Non-current assets</b>                                   |                                |                            |                                |                            |
| (a) Property plant and equipment                                | 1,492.26                       | 1,501.41                   | 907.59                         | 872.45                     |
| (b) Capital work-in-progress                                    | 175.58                         | 107.67                     | 16.55                          | 52.89                      |
| (c) Investment property                                         | 62.51                          | -                          | 62.51                          | -                          |
| (d) Right of use assets                                         | 95.43                          | 94.94                      | 18.20                          | 17.56                      |
| (e) Goodwill                                                    | 137.50                         | 137.50                     | -                              | -                          |
| (f) Other intangible assets                                     | 1.25                           | 1.84                       | 1.12                           | 1.62                       |
| (g) Investment in subsidiaries                                  |                                |                            | 625.72                         | 524.33                     |
| (h) Financial assets                                            |                                |                            |                                |                            |
| (i) Investments                                                 | 4.43                           | 1.48                       | 1.53                           | 1.48                       |
| (ii) Loans                                                      | -                              | -                          | 20.65                          | 107.29                     |
| (iii) Other financial assets                                    | 26.65                          | 26.92                      | 18.36                          | 18.63                      |
| (i) Non-current tax assets (net)                                | 13.36                          | 5.78                       | 12.72                          | 5.23                       |
| (j) Other non-current assets                                    | 164.08                         | 122.30                     | 31.27                          | 50.71                      |
| <b>Total non-current assets</b>                                 | <b>2,173.06</b>                | <b>1,999.84</b>            | <b>1,716.22</b>                | <b>1,652.19</b>            |
| <b>(2) Current assets</b>                                       |                                |                            |                                |                            |
| (a) Inventories                                                 | 918.22                         | 759.92                     | 639.46                         | 550.39                     |
| (b) Financial assets                                            |                                |                            |                                |                            |
| (i) Trade receivables                                           | 186.63                         | 130.59                     | 91.54                          | 87.18                      |
| (ii) Cash and cash equivalents                                  | 216.67                         | 16.12                      | 161.90                         | 3.19                       |
| (iii) Bank balances other than (ii) above                       | 203.57                         | 341.81                     | 154.91                         | 341.30                     |
| (iv) Loans                                                      | 1.68                           | 1.29                       | 1.50                           | 1.11                       |
| (v) Other financial assets                                      | 3.19                           | 3.15                       | 13.65                          | 13.71                      |
| (c) Other current assets                                        | 130.47                         | 146.23                     | 87.62                          | 108.31                     |
| <b>Total current assets</b>                                     | <b>1,660.43</b>                | <b>1,399.11</b>            | <b>1,160.58</b>                | <b>1,105.19</b>            |
| <b>Assets classified as held for sale</b>                       | -                              | -                          | -                              | 62.51                      |
| <b>Total current assets</b>                                     | <b>1,660.43</b>                | <b>1,399.11</b>            | <b>1,160.58</b>                | <b>1,167.70</b>            |
| <b>Total Assets</b>                                             | <b>3,833.49</b>                | <b>3,398.95</b>            | <b>2,876.80</b>                | <b>2,819.89</b>            |
| <b>B. EQUITY AND LIABILITIES</b>                                |                                |                            |                                |                            |
| <b>(1) Equity</b>                                               |                                |                            |                                |                            |
| (i) Equity share capital                                        | 49.96                          | 24.98                      | 49.96                          | 24.98                      |
| (ii) Other equity                                               | 1,925.04                       | 1,669.60                   | 1,513.82                       | 1,423.81                   |
| <b>Equity Attributable to the owners of the Company</b>         | <b>1,975.00</b>                | <b>1,694.66</b>            | <b>1,563.78</b>                | <b>1,448.79</b>            |
| Non-controlling interests                                       | 174.07                         | 138.30                     | -                              | -                          |
| <b>Total equity</b>                                             | <b>2,149.07</b>                | <b>1,832.96</b>            | <b>1,563.78</b>                | <b>1,448.79</b>            |
| <b>(2) Non-current liabilities</b>                              |                                |                            |                                |                            |
| (a) Financial liabilities                                       |                                |                            |                                |                            |
| (i) Borrowings                                                  | 150.38                         | 183.47                     | 100.18                         | 224.46                     |
| (ja) Lease liabilities                                          | 0.54                           | -                          | 0.54                           | -                          |
| (ii) Other financial liabilities                                | 0.82                           | 1.00                       | 0.82                           | 0.78                       |
| (b) Provisions                                                  | 17.53                          | 16.44                      | 12.11                          | 11.69                      |
| (c) Deferred tax liabilities (net)                              | 114.12                         | 111.16                     | 77.18                          | 76.39                      |
| (d) Other non-current liabilities                               | 76.87                          | 75.54                      | 50.94                          | 48.77                      |
| <b>Total non-current liabilities</b>                            | <b>360.26</b>                  | <b>387.61</b>              | <b>241.77</b>                  | <b>362.11</b>              |
| <b>(3) Current liabilities</b>                                  |                                |                            |                                |                            |
| (a) Financial liabilities                                       |                                |                            |                                |                            |
| (i) Borrowings                                                  | 401.09                         | 336.86                     | 326.26                         | 263.39                     |
| (ia) Lease liabilities                                          | 0.40                           | 0.14                       | 0.36                           | 0.08                       |
| (ii) Trade payables                                             |                                |                            |                                |                            |
| - total outstanding dues of micro and small enterprises         | 6.85                           | 5.70                       | 4.72                           | 3.85                       |
| - total outstanding dues other than micro and small enterprises | 815.03                         | 780.15                     | 713.32                         | 693.02                     |
| (iii) Other financial liabilities                               | 10.81                          | 12.03                      | 8.04                           | 11.21                      |
| (b) Other current liabilities                                   | 33.03                          | 34.85                      | 16.90                          | 35.85                      |
| (c) Provisions                                                  | 1.25                           | 1.23                       | 0.63                           | 0.57                       |
| (d) Current tax liabilities (net)                               | 55.70                          | 7.42                       | 1.02                           | 1.02                       |
| <b>Total current liabilities</b>                                | <b>1,324.16</b>                | <b>1,178.38</b>            | <b>1,071.25</b>                | <b>1,008.99</b>            |
| <b>Total Equity and Liabilities</b>                             | <b>3,833.49</b>                | <b>3,398.95</b>            | <b>2,876.80</b>                | <b>2,819.89</b>            |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**MANAGEMENT CERTIFIED BALANCE SHEET AS AT SEP 30, 2021**

| Particulars                                                     | (Rupees in crore)     |                         |
|-----------------------------------------------------------------|-----------------------|-------------------------|
|                                                                 | As at<br>Sep 30, 2021 | As at<br>March 31, 2021 |
| <b>I. ASSETS</b>                                                |                       |                         |
| <b>(1) Non-current assets</b>                                   |                       |                         |
| (a) Property, plant and equipment                               | 41.33                 | 42.53                   |
| (b) Capital work-in-progress                                    | 0.01                  | 0.35                    |
| (c) Investment in subsidiary                                    | 252.38                | 252.38                  |
| (d) Financial assets                                            |                       |                         |
| (i) Other financial assets                                      | 0.72                  | 0.72                    |
| (u) Non-current tax assets (net)                                | 0.12                  | 0.12                    |
| (f) Other non current assets                                    | 0.54                  | 0.31                    |
| <b>Total non-current assets</b>                                 | <b>295.10</b>         | <b>296.42</b>           |
| <b>(2) Current assets</b>                                       |                       |                         |
| (a) Inventories                                                 | 29.45                 | 39.35                   |
| (b) Financial assets                                            |                       |                         |
| (i) Trade receivables                                           | 24.37                 | 24.97                   |
| (ii) Cash and cash equivalents                                  | 0.07                  | 1.28                    |
| (iii) Bank balance other than (ii) above                        | 0.50                  | -                       |
| (iv) Loans                                                      | 0.05                  | 0.03                    |
| (iv) Other financial assets                                     | 0.46                  | 0.49                    |
| (c) Other current assets                                        | 1.96                  | 3.31                    |
| <b>Total current assets</b>                                     | <b>56.86</b>          | <b>69.44</b>            |
| <b>Total Assets</b>                                             | <b>351.96</b>         | <b>365.85</b>           |
| <b>II. EQUITY AND LIABILITIES</b>                               |                       |                         |
| <b>(1) Equity</b>                                               |                       |                         |
| (a) Equity share capital                                        | 5.90                  | 5.90                    |
| (b) Other equity                                                | 253.17                | 209.96                  |
| <b>Total equity</b>                                             | <b>259.07</b>         | <b>215.86</b>           |
| <b>(2) Non-current liabilities</b>                              |                       |                         |
| (a) Financial liabilities                                       |                       |                         |
| (i) Borrowings                                                  | -                     | 100.00                  |
| (b) Provisions                                                  | 0.98                  | 1.07                    |
| (c) Deferred tax liabilities (net)                              | 4.30                  | 4.48                    |
| <b>Total non-current liabilities</b>                            | <b>5.28</b>           | <b>105.55</b>           |
| <b>(3) Current liabilities</b>                                  |                       |                         |
| (a) Financial liabilities:                                      |                       |                         |
| (i) Borrowings                                                  | 0.99                  | -                       |
| (ii) Trade payables                                             |                       |                         |
| - total outstanding dues of micro and small enterprises         | 0.33                  | 0.32                    |
| - total outstanding dues other than micro and small enterprises | 65.31                 | 36.02                   |
| (iii) Other financial liabilities                               | 1.13                  | 2.46                    |
| (b) Other current liabilities                                   | 4.11                  | 4.21                    |
| (c) Provisions                                                  | 0.03                  | 0.02                    |
| (d) Current tax liabilities (net)                               | 15.72                 | 1.40                    |
| <b>Total current liabilities</b>                                | <b>87.61</b>          | <b>44.43</b>            |
| <b>Total equity and liabilities</b>                             | <b>351.96</b>         | <b>365.84</b>           |

For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gupta*  
**VINAY GUPTA**  
 Director  
 DIN : 00005148

*Sanjay Gupta*  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

*Shivam*

**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467



Place: Delhi  
 Date: October 27, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**MANAGEMENT CERTIFIED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

| Particulars                                                                         | (Rupees in crore) |                              |
|-------------------------------------------------------------------------------------|-------------------|------------------------------|
|                                                                                     | H1 FY 22          | Year ended<br>March 31, 2021 |
| <b>I</b> Revenue from operations                                                    | 511.02            | 730.36                       |
| <b>II</b> Other income                                                              | 0.85              | 0.11                         |
| <b>III Total income (I +II)</b>                                                     | <b>511.88</b>     | <b>730.47</b>                |
| <b>IV Expenses</b>                                                                  |                   |                              |
| (a) Cost of materials consumed                                                      | 346.28            | 555.23                       |
| (b) Purchase of stock-in-trade                                                      | 68.25             | 57.20                        |
| (c) Changes in inventories of finished goods, work-in-progress, rejection and scrap | 9.97              | (6.25)                       |
| (d) Employee benefits expense                                                       | 3.61              | 6.91                         |
| (e) Finance costs                                                                   | 3.28              | 12.29                        |
| (f) Depreciation expense                                                            | 1.80              | 3.51                         |
| (g) Other expenses                                                                  | 20.94             | 39.41                        |
| <b>Total expenses</b>                                                               | <b>454.13</b>     | <b>668.30</b>                |
| <b>V Profit before tax (III - IV)</b>                                               | <b>57.75</b>      | <b>62.17</b>                 |
| <b>VI Tax expense:</b>                                                              |                   |                              |
| (a) Current tax                                                                     | 14.90             | 16.40                        |
| (b) Deferred tax (credit) (net)                                                     | (0.23)            | (0.28)                       |
| (c) Income tax expense of earlier year                                              | -                 | -                            |
| <b>Total tax expense</b>                                                            | <b>14.67</b>      | <b>16.12</b>                 |
| <b>VII Profit for the year (V-VI)</b>                                               | <b>43.08</b>      | <b>46.05</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                           | -                 | -                            |
| (b) Remeasurement of post employment benefit obligation                             | 0.17              | 0.32                         |
| (c) Income tax relating to (b) above                                                | (0.04)            | (0.08)                       |
| <b>Other comprehensive income for the year</b>                                      | <b>0.13</b>       | <b>0.24</b>                  |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                        | <b>43.21</b>      | <b>46.29</b>                 |
| <b>X Earnings per equity share of Rupees 10 each</b>                                |                   |                              |
| (a) Basic (in rupees)                                                               | 73.08             | 78.12                        |
| (b) Diluted (in rupees)                                                             | 73.08             | 78.12                        |

For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gupta*  
**VINAY GUPTA**  
 Director  
 DIN : 00005149

*Sanjay Gupta*  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

*Shivam*  
**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

Place: Delhi  
 Date: October 27, 2021





Date: December 27, 2021

Ref. No.: CPC/MB/128/2021-22

The Board of Directors

**Shri Lakshmi Metal Udyog Limited**

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

Dear Sir(s),

**Subject: Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited (“Scheme”) and their respective shareholders and creditors**

**Re: Due Diligence Certificate in adherence to para 3 of Part I of the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021**

**PURPOSE:**

This has reference to our engagement for providing Due Diligence Certificate (“Certificate”) on the accuracy and adequacy of the disclosures made in the Abridged Prospectus by **Shri Lakshmi Metal Udyog Limited** (“the Company”) as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021. The Scheme, under Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Company on February 27, 2021 and shall be effective from the Appointed Date i.e. April 01, 2021 or such other date as may be fixed or approved by the Hon’ble National Company Law Tribunal or any other Appropriate Authority.

The information contained herein and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance of the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021.

**SCOPE AND LIMITATIONS:**

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI’s Master Circular dated November 23, 2021 and hence should not be used for any other purpose or transaction.




- Our due diligence and result are specific to the date of this Certificate and based on information as at December 24, 2021. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company have drawn our attention to all the matters, which they are aware of concerning inter-alia the financial position of the Company, its business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or are likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

**CONCLUSION:**

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated December 24, 2021 is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate.

Yours Faithfully,

For Corporate Professionals Capital Private Limited

  
(Ruchika Sharma)

Associate Partner – M&A and Transactions



**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR  
ABRIDGED PROSPECTUS  
(AS PROVIDED IN PART E OF SCHEDULE VI OF SEBI (ISSUE OF CAPITAL AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)**

The information mentioned hereinafter are in terms of the provisions of SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021 for the Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective shareholders and creditors.

**THIS INFORMATION MEMORANDUM CONTAINS 6 PAGES. PLEASE ENSURE THAT  
YOU HAVE RECEIVED ALL THE PAGES**

**SHRI LAKSHMI METAL UDYOG LIMITED**

The Company was incorporated under the provisions of the Companies Act, 1956  
**Registered Office:** 37, Hargobind Enclave, Vikas Marg, Delhi – 110092  
**Corporate Office:** 36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad, UP – 201010  
**Contact Person:** Mr. Shivam Maheshwari  
**Tel. No.:** +91-20-4041400  
**Fax No.:** +91-20-4041444  
**E-mail:** [shivam@aplapollo.com](mailto:shivam@aplapollo.com)  
**Website:** [www.aplapollo.com](http://www.aplapollo.com)  
**CIN:** U85110DL1994PLC224835

**STATUTORY AUDITORS OF THE COMPANY**

Deloitte Haskins & Sells LLP, Chartered Accountants  
**Address:** 7<sup>th</sup> Floor, Building 10, Tower B, DLF Cyber City Complex,  
 DLF City Phase –II, Gurugram – 122002  
**Tel No.:** +91-24-6792000  
**Fax No.:** +91-24-6792012  
**Website:** [www.deloitte.com](http://www.deloitte.com)

**PROMOTERS OF SHRI LAKSHMI METAL UDYOG LIMITED**

APL Apollo Tubes Limited is the Promoter of Shri Lakshmi Metal Udyog Limited

**PROCEDURE**

Pursuant to the Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited:

- Shareholding of APL Apollo Tubes Limited in Shri Lakshmi Metal Udyog Limited will be cancelled without any consideration
- Shareholding of Shri Lakshmi Metal Udyog Limited in Apollo Tricoat Tubes Limited will be cancelled without any consideration;
- Shares of APL Apollo Tubes Limited will be issued in the ratio of 1:1 to the public shareholders of Apollo Tricoat Tubes Limited.

**DETAILS OF APL APOLLO TUBES LIMITED, I.E. PROMOTER OF SHRI LAKSHMI  
METAL UDYOG LIMITED**

| PARTICULARS               | DETAILS                                               |
|---------------------------|-------------------------------------------------------|
| PAN                       | AAACB0960D                                            |
| Educational Qualification | Not Applicable, as the Promoter is a Corporate entity |





|                                                                |                                                                                                                                                                                                                    |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Experience in business or employment                           | The Company was incorporated in the year 1986 and is primarily engaged in the business of production of ERW steel tubes and GP Coils.                                                                              |
| List of Companies promoted                                     | <ul style="list-style-type: none"> <li>▪ APL Apollo Building Products Private Limited</li> <li>▪ APL Apollo Mart Limited</li> <li>▪ Blue Ocean Projects Private Limited</li> <li>▪ APL Apollo Tubes FZE</li> </ul> |
| List of Companies in which person is Director                  | Not Applicable, as the Promoter is a Corporate entity                                                                                                                                                              |
| No. & % of shares held in Shri Lakshmi Metal Udyog Limited     | 58,95,000 Equity Shares of Rs.10/- each (100%)                                                                                                                                                                     |
| Ultimate Beneficial owners of Shri Lakshmi Metal Udyog Limited | None                                                                                                                                                                                                               |

#### CHANGES IN THE SHAREHOLDING STRUCTURE OF PROMOTERS

| Date                                                                                                                                                                                                                    | Name of the Promoter     | No. of Shares | Shares (%) | Cumulative Shares (%) | Particular of Change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|------------|-----------------------|----------------------|
| 25.04.1994                                                                                                                                                                                                              | Erstwhile Promoters      | 400           | 0.01       | 0.01                  | Subscription to MOA  |
| APL Apollo Tubes Limited acquired 5395000 (91.52%) equity shares of Shri Lakshmi Metal Udyog Limited in April 2008, thus details of change in shareholding structure of promoters prior to April 2008 is not available. |                          |               |            |                       |                      |
| 31.03.2009                                                                                                                                                                                                              | APL Apollo Tubes Limited | 500000        | 8.48       | 100.00                | Preferential Issue   |
| As on date                                                                                                                                                                                                              |                          | 5895000       | 100.00     |                       |                      |

#### BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Shri Lakshmi Metal Udyog Limited is a company incorporated under the Companies Act, 1956 on 25.04.1994. Shri Lakshmi Metal Udyog Limited is engaged in the business of production of ERW steel tubes and GP Coils.

#### BOARD OF DIRECTORS

| Sr. No. | Name            | Designation (Independent/ Whole-time/ Executive/ Nominee) | Experience including current/past position held in other firms<br><br>Add DIN details<br><br>Please provide Qualification, Experience and position of present and past Directorship in other companies                                                                                                                                                                                                                  |
|---------|-----------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Mr. Vinay Gupta | Non-Executive                                             | DIN: 00005149<br><br><ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ Apollo Metalex Private Limited – Managing Director</li> <li>▪ APL Infrastructure Private Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Blue Ocean Projects Private Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> </ul> |



|    |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                  |               | <ul style="list-style-type: none"> <li>▪ SG Air Travel Private Limited – Director</li> <li>▪ Apollo Tricoat Tubes Limited – Director</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2. | Mr. Sanjay Gupta | Non-Executive | <p>DIN: 00233188</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ Apollo Pipes Limited – Chairman</li> <li>▪ Apollo Metalex Private Limited – Director</li> <li>▪ APL Infrastructure Private Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Blue Ocean Projects Private Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> <li>▪ Greenera Farm Villas Private Limited – Director</li> </ul> <p>Resigned from the following company in last 3 years</p> <ul style="list-style-type: none"> <li>▪ SG Air Travel Private Limited – Director- 15/03/2021</li> </ul>                                                                                                                                                                                                                                                                        |
| 3. | Ms. Neeru Abrol  | Independent   | <p>DIN: 01279485</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Independent Director</li> <li>▪ Apollo Metalex Private Limited – Independent Director</li> <li>▪ Apollo Pipes Limited – Independent Director</li> <li>▪ APL Apollo Tubes Limited – Independent Director</li> <li>▪ Apollo Tricoat Tubes Limited – Independent Director</li> <li>▪ TCNS Clothing Co. Limited – Independent Director</li> <li>▪ STECOL International Private Limited – Independent Director</li> </ul> <p>Resigned from the following company in last 3 years</p> <ul style="list-style-type: none"> <li>▪ RDF Power Projects Limited – Independent Director - 05/09/2018</li> <li>▪ Dakshin Dilli Swachh Initiatives Limited – Independent Director -12/09/2018</li> <li>▪ East Delhi Waste Processing Company limited – Independent Director -12/09/2018</li> <li>▪ Jindal United Steel Limited – Independent Director - 20/05/2019</li> </ul> |
| 4. | Ms. Romi Sehgal  | Non-Executive | <p>DIN: 03320454</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Apollo Metalex Private Limited – Director</li> <li>▪ Apollo Tricoat Tubes Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |





### CHANGE IN THE DIRECTORSHIP OF THE COMPANY IN LAST 3 YEARS

| S. No. | Name                                   | Designation (Independent/ Whole-time/ Executive/ Nominee) | Experience including current/past position held in other firms<br><br>Please provide Qualification, Experience and position of present and past Directorship in other companies |
|--------|----------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Ms. Anita Bhatnagar<br>(DIN: 07581512) | Independent Director                                      | Appointed on 03/11/2018 and resigned on 08/11/20219                                                                                                                             |
| 2.     | Ms. Neeru Abrol<br>(DIN: 01279485)     | Independent Director                                      | Appointed on 25/09/2020                                                                                                                                                         |
| 3.     | Shri S.T. Gerela<br>(DIN: 01565534)    | Independent Director                                      | Resigned on 28/09/2019                                                                                                                                                          |

### SHAREHOLDING PATTERN (AS ON DATE)

| S. No.       | Particulars               | Number of Shares   | Percentage holding of pre-scheme |
|--------------|---------------------------|--------------------|----------------------------------|
| 1.           | Promoter & Promoter Group | 58,95,000**        | 100%                             |
| 2.           | Public                    | 0                  | 0.00                             |
| <b>Total</b> |                           | <b>58,95,000**</b> | <b>100%</b>                      |

\*\* Includes 6 nominee shareholders holding 1 equity share each on behalf of APL Apollo Tubes Limited, the holding company.

### CHANGES OF CAPITAL STRUCTURE OF THE COMPANY

| Details of Capital structure |               |       |                            |        |                     |                       |
|------------------------------|---------------|-------|----------------------------|--------|---------------------|-----------------------|
| Date of allotment            | Shares issued |       | Cumulative paid up capital |        | Mode of allotment   | Identity of allottees |
|                              | No.           | %     | No.                        | %      |                     |                       |
| On Incorporation             | 400           | 0.01  | 400                        | 0.01   | Subscription to MOA | Promoter              |
|                              | 5394600*      | 91.51 | 5395000                    | 91.52  | -                   | -                     |
| 31.03.2009                   | 500000        | 8.48  | 5895000                    | 100.00 | Preferential Issue  | Promoter              |

\*It may be noted that APL Apollo Tubes Limited acquired the equity shares of Shri Lakshmi Metal Udyog Limited in April 2008, thus change in capital structure prior to April, 2008 is not available.

### RESTATED AUDITED FINANCIALS

| Particulars                        | (Amount in INR)                         |                              |                              |                              |                              |                              |
|------------------------------------|-----------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                    | For the period as at September 30, 2021 | Audited as on March 31, 2021 | Audited as on March 31, 2020 | Audited as on March 31, 2019 | Audited as on March 31, 2018 | Audited as on March 31, 2017 |
| Total Income from operations       | 511.02                                  | 730.36                       | 679.70                       | 814.46                       | 632.19                       | 518.17                       |
| Net Profit / (Loss) before tax and | 57.75                                   | 62.17                        | 57.48                        | 41.10                        | 58.79                        | 51.66                        |





| Particulars                                           | For the period as at September 30, 2021 | Audited as on March 31, 2021 | Audited as on March 31, 2020 | Audited as on March 31, 2019 | Audited as on March 31, 2018 | Audited as on March 31, 2017 |
|-------------------------------------------------------|-----------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| extraordinary items                                   |                                         |                              |                              |                              |                              |                              |
| Net Profit / (Loss) after tax and extraordinary items | 43.08                                   | 46.05                        | 45.23                        | 26.46                        | 38.23                        | 33.05                        |
| Equity Share Capital                                  | 5.90                                    | 5.90                         | 5.90                         | 5.90                         | 5.90                         | 5.90                         |
| Reserves and Surplus                                  | 253.17                                  | 209.96                       | 163.67                       | 116.56                       | 120.96                       | 116.80                       |
| Net Worth                                             | 259.07                                  | 215.86                       | 169.57                       | 122.46                       | 126.86                       | 122.70                       |
| Basic earnings per share                              | 73.08                                   | 78.12                        | 76.72                        | 44.88                        | 64.85                        | 56.06                        |
| Diluted Earnings per share                            | 73.08                                   | 78.12                        | 76.72                        | 44.88                        | 64.85                        | 56.06                        |
| Return on net worth (%)                               | 16.63                                   | 21.33                        | 26.67                        | 21.61                        | 30.14                        | 26.94                        |
| Net asset value per share                             | 439.10                                  | 365.86                       | 287.41                       | 207.56                       | 215.02                       | 207.97                       |

**Note 1:** Networth = Equity Share Capital + Free Reserves - Miscellaneous Expenditure written off, along with the detailed working

**Note 2:** Return on Net Worth = Net Profit or (Loss) after tax and extraordinary items/ Net Worth \* 100

**Note 3:** EPS = PAT / Equity paid up capital

**Note 4:** Net Asset Value per Share = Assets – Liabilities/ Share outstanding

### RISK FACTORS

- The proposed Scheme is subject to the approval of jurisdictional NCLTs. If the proposed Scheme does not receive the requisite approvals, the objects and benefits mentioned in the proposed Scheme will not be achieved.
- Pandemic like Covid-19 can adversely affect the operations and results of the Company.
- The success of the business being merged into APL Apollo Tubes Limited is largely dependent upon the knowledge and experience of the senior management, key management personnel and skilled manpower and any inability to attract and retain key personnel may adversely impact the business prospects.
- The Amalgamating Companies operate businesses that complement each other and hence the integration is expected to help leverage the resources and capabilities of the amalgamated company and also eliminate administrative costs and compliance resulting from the current group structure. Thus no company specific risk on account of merger is envisaged."

### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company and amount involved: Following two income tax litigations pertaining to disputed demands are pending:

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (net of payment ) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------|----------------|--------------------------------|------------------------------------|--------------------------------------------|---------------------------------------------|
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2016-17                            | 1.21                                       | 0.30                                        |
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2018-19                            | 0.77                                       | -                                           |





- B. Brief details of top 5 material outstanding litigations against the Company and amount involved:  
As mentioned in clause A above.
- C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Promoters: Nil

#### **RATIONALE OF THE SCHEME OF ARRANGEMENT**

The proposed Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited is in the interest of shareholders and creditors on account of following reasons—

- a) Combined business under “APL Apollo” brand resulting in wider product offerings and geographical footprint thereby leading to a stronger market presence which is best suitable for long term growth market;
- b) Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated entity;
- c) The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
- d) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- e) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated entity; and
- f) Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

#### **ANY OTHER IMPORTANT INFORMATION**

Not Applicable

#### **DECLARATION**

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the scheme is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this scheme are true and correct.

**For Shri Lakshmi Metal Udyog Limited**

*Shivam*  
Shivam Maheshwari  
Company Secretary  
Place: Delhi

Date: December 24, 2021



**APL APOLLO TUBES LIMITED**

**Corporate Identity Number: L74899DL1986PLC023443**

**Registered Office: 37, Hargobind Enclave, Vikas Marg, Delhi – 110092**

**Telephone: 91-11-22373437. Fax: 91-11-22373537.**

**Website: [www.aplapollo.com](http://www.aplapollo.com); Email: [investors@aplapollo.com](mailto:investors@aplapollo.com)**

**Notice of Meeting of Unsecured Creditors of APL Apollo Tubes Limited  
scheduled to be held through Video Conferencing / Other Audio Visual Means  
("VC"/ "OAVM") under the supervision of the Hon'ble National Company Law  
Tribunal**

|               |                                                                                                                               |
|---------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Day</b>    | Tuesday                                                                                                                       |
| <b>Date</b>   | 08 February, 2022                                                                                                             |
| <b>Time</b>   | 11:30 A.M. IST                                                                                                                |
| <b>Venue*</b> | Since the meeting is proposed to be held through Video Conferencing, physical venue of the meeting is not relevant/applicable |

*\* Please note that there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of COVID-19 pandemic.*



| <b>S. no.</b> | <b>Contents</b>                                                                                                                                                                                                                                                                                                                      | <b>Page No.</b> |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1.            | Notice of the Meeting of Unsecured Creditors of APL Apollo Tubes Limited (“ <b>the Company</b> ” or “ <b>the Amalgamated Company</b> ”) along with Instructions for attending the meeting through VC/ OAVM                                                                                                                           | 4-14            |
| 2.            | Explanatory Statement under sections 230 and 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any                                                                                                                                     | 15-44           |
| 3.            | <b>Annexure-I</b> - Scheme of Amalgamation and Arrangement between Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited and their respective shareholders and creditors (“ <b>Scheme</b> ”)                                                                                                   | 45-80           |
| 4.            | <b>Annexure-II</b> – Copy of order of the Hon’ble National Company Law Tribunal in pursuance of which the meeting is to be convened                                                                                                                                                                                                  | 81-90           |
| 5.            | <b>Annexure-III</b> - Valuation Report issued by SSPA & Co., Chartered Accountants dated February 27, 2021.                                                                                                                                                                                                                          | 91-101          |
| 6.            | <b>Annexure-IV</b> - Fairness Opinion issued by Fortress Capital Management Services Private Limited dated February 27, 2021.                                                                                                                                                                                                        | 102-108         |
| 7.            | <b>Annexure-V</b> - Complaints Report dated July 07, 2021 submitted to BSE Limited by Amalgamating Company 2 and Amalgamated Company and Complaints Report dated July 22, 2021 submitted to National Stock Exchange of India Limited by Amalgamated Company                                                                          | 109-114         |
| 8.            | <b>Annexure-VI</b> – Observation Letter/No Objection Letter dated August 02, 2021 obtained from BSE Limited and National Stock Exchange of India Limited.                                                                                                                                                                            | 115-120         |
| 9.            | <b>Annexure-VII</b> – Report adopted by the respective Board of Directors Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited under Section 232(2)(c) of the Companies Act, 2013 as per the provisions of Section 232(2)(c) of the Companies Act, 2013.                                      | 121-132         |
| 10.           | <b>Annexure-VIII</b> - Copy of audited financial statements of Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as at March 31, 2021                                                                                                                                                      | 133-271         |
| 11.           | <b>Annexure-IX</b> - Copy of financial statements of Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited (provisional) as at September 30, 2021 subjected to limited review by the Statutory Auditors and management certified financial statements (provisional) of Shri Lakshmi Metal Udyog Limited as on September 30, 2021 | 272-288         |
| 12.           | <b>Annexure-X</b> -Information in the format prescribed for abridged prospectus                                                                                                                                                                                                                                                      | 289-296         |

|  |                                                                                                                                                                                                               |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | pertaining to the unlisted entity i.e., Shri Lakshmi Metal Udyog Limited involved in the Scheme as provided in Part E of Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

Sd/-

Ms. Deepa Krishan, Former Member (Technical) NCLT  
**Chairperson of the meeting of Unsecured Creditors of  
APL Apollo Tubes Limited**

Date: 27<sup>th</sup> day of December, 2021

Place: Delhi

**Form No. CAA 2**

**(Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the  
Companies (Compromises, Arrangements & Amalgamations) Rules, 2016)**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
NEW DELHI BENCH**

**COMPANY APPLICATION NO. CA(A) / 0710102 / 06951 OF 2021**

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the matter of Scheme of Amalgamation and Arrangement between

Shri Lakshmi Metal Udyog Limited (hereinafter  
referred to as “Shri Lakshmi”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: U85110DL1994PLC224835

(Amalgamating Company 1 /  
Applicant Company 1)

**And**

Apollo Tricoat Tubes Limited (hereinafter referred to  
as “Apollo Tricoat”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74900DL1983PLC014972

(Amalgamating Company 2 /  
Applicant Company 2)

**And**

APL Apollo Tubes Limited (hereinafter referred to as  
“APL Apollo”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74899DL1986PLC023443

(Amalgamated Company /  
Applicant Company 3)

**And**

Their Respective Shareholders and Creditors

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS  
OF APL APOLLO TUBES LIMITED**

To,

The Unsecured Creditors of APL Apollo Tubes Limited

Notice is hereby given that the Hon’ble National Company Law Tribunal, New Delhi (“NCLT”) vide its Order dated November 30, 2021 (date of pronouncement), inter alia, has directed for convening of a meeting of Unsecured Creditors of APL Apollo Tubes Limited through VC / OAVM with the facility of E-voting during the meeting in compliance with the General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 22/2020 dated June 15, 2020 read with General Circular No. 33/2020 dated September 28, 2020 read with General Circular No. 39/2020 dated December 31, 2020 read with General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs, Government of India (collectively referred to as “MCA Circulars”), for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation and Arrangement between Shri Lakshmi, Apollo Tricoat and APL Apollo and their respective shareholders and creditors. In the said meeting the following business will be transacted:



In pursuance of the said NCLT Order and as directed therein, further notice is hereby given that a meeting of unsecured creditors of the Amalgamated Company will be held on Tuesday, February 08, 2022 at 11:30 A.M IST by way of VC / OAVM (“**Meeting**”) following the operating procedures (with requisite modifications as may be required) referred to in MCA Circulars and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI Circulars”). At the Meeting, the following resolution will be considered and if thought fit, be passed under section 230 to 232 and other applicable provisions of the Companies Act, 2013 by requisite majority:

“**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and related circulars and notifications thereto as applicable under the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the relevant provisions of any other applicable laws and the clauses of the Memorandum and Articles of Association of APL Apollo Tubes Limited and subject to the approval by the requisite majority of the equity shareholders of APL Apollo Tubes Limited, and subsequent approval of the NCLT and subject to such other consents, approvals, permissions and sanctions being obtained from appropriate authorities to the extent applicable or necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the unsecured creditors be and is hereby accorded to the Scheme.

**RESOLVED FURTHER THAT** Restructuring Committee as constituted by the Board of the Amalgamated Company, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements

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embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT and/or any other authority(ies) while sanctioning the Scheme or by any authority(ies) under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Restructuring Committee may deem fit and proper without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**Take Further Notice** that in pursuance of the said order, a meeting of the unsecured creditors of APL Apollo Tubes Limited is scheduled to be held through VC / OAVM on Tuesday, February 08, 2022 at 11:30 A.M IST, when you are requested to attend.

**TAKE FURTHER NOTICE** that in compliance with the NCLT Order and the provisions of (a) Section 230(4) read with Section 108 of the Companies Act, 2013 and the rules made thereunder; (b) Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (c) Secretarial Standards – 2 issued by the Institute of Company Secretaries of India, the Amalgamated Company has provided the facility of voting through electronic voting system (“**e-voting**”) during the Meeting, so as to enable the unsecured creditors to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by unsecured creditors of the Amalgamated Company to the Scheme shall be carried out through e-voting during the Meeting to be held on Tuesday, February 08, 2022.

**TAKE FURTHER NOTICE** that Central Depository Services (India) Limited (“**CDSL**”) shall be providing the facility of e-voting during the Meeting, and participation in the Meeting through VC/ OAVM.

**TAKE FURTHER NOTICE** that in terms of the said NCLT Order, the voting rights of unsecured creditors shall be in proportion to the principal amount due to them as on *June 30, 2021*, being the cut-off date (“**Cut-off Date**”). The unsecured creditors are requested to read the instructions for e voting during the meeting in the Notes below carefully.

**TAKE FURTHER NOTICE** that since the physical attendance of unsecured creditors has been dispensed with in pursuance to NCLT Order, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by unsecured creditors will not be available for the Meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013 authorized representatives of the unsecured creditors may be appointed for the purpose of participation in the meeting through VC/ OAVM facility and e-voting during the Meeting provided an authority letter/ power of attorney by the Board of Directors or a certified copy of the resolution passed by its Board of Directors or other governing body authorizing such representative to attend and vote at the Meeting through VC/ OAVM on its behalf along with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote is emailed to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com) before the commencement of the Meeting.

A copy of the Scheme, the Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Company viz. [www.aplapollo.com](http://www.aplapollo.com) and will also be available on the website of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

Copies of this Notice which include Scheme and Explanatory Statement under Section 230, 232 and 102 of the Companies Act, 2013 can be obtained free of charge from the Registered Office of the Amalgamated Company and/or from the office of the Advocate at Agarwal Law Associates, 34, FF, Babar Lane, Bengali Market, New Delhi-110001.

NCLT has appointed Ms. Deepa Krishan to act as the Chairperson of the said Meeting including any adjournment(s) thereof.

The Scheme of Amalgamation and Arrangement, if approved at the Meeting, will be subject to the subsequent approval of the NCLT and any other approvals as may be required.

The voting results of the meeting shall be announced by the Chairperson not later than 48 (forty eight) hours of the conclusion of the Meeting upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company [www.aplapollo.com](http://www.aplapollo.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com), being the agency appointed by the Company to provide the voting facility to the unsecured creditors, as aforesaid, as well as on the notice board of the Amalgamated Company at its Registered Office and Corporate Office besides being notified to NSE and BSE, the stock exchanges, where shares of the Amalgamated Company are listed.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the unsecured creditors only if the Scheme is approved by majority of persons representing three-fourth in value of the unsecured creditors, of the Amalgamated Company, voting through e voting facility during the meeting to be conducted through VC/OAVM.

Sd/-

Ms. Deepa Krishan

Former Member (Technical) NCLT

**The Chairperson appointed for the  
Meeting of Unsecured Creditors of  
APL Apollo Tubes Limited**

**Dated: 27<sup>th</sup> day of December, 2021**

**Place: Delhi**



## Notes:

1. In view of the ongoing COVID-19 pandemic, social distancing norms to be followed and pursuant to MCA Circulars and SEBI Circulars, and in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the NCLT Order, this Meeting is being held by VC/ OAVM without physical presence of the Unsecured Creditors at a common venue, as per applicable procedures mentioned in the MCA Circulars, for the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation and Arrangement under the provisions of sections 230 to 232 of the Companies Act, 2013 and rules made thereunder.
2. Explanatory Statement under sections 230, 232 and 102 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 to the Notice, is annexed hereto and forms part of the Notice.
3. Central Depository Services (India) Limited (CDSL) is appointed to provide the facility for convening the meeting through VC and to provide e-voting facility during the meeting; to handle and supervise the entire process of holding the meeting through VC and e-voting during the meeting in a secured manner.
4. Unsecured Creditors will be able to attend the Meeting on Tuesday, February 08, 2022 at 11:30 A.M IST through VC/ OAVM or view the live webcast by logging on to the e-voting website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials.
5. Voting rights shall be reckoned on the basis of the proportion of the principal amount due to Unsecured Creditors as on *June 30, 2021* being the cut-off date (“**Cut-off Date**”).
6. In compliance with the NCLT Order, the attendance of the Unsecured Creditors participating through VC/ OAVM shall be counted for the purpose of reckoning the quorum.
7. In terms of the directions contained in the Order, “the quorum of the meeting shall be 250 Unsecured Creditors of the Amalgamated Company). In case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by half an hour (i.e., 30 minutes) and thereafter, the persons present shall be deemed to constitute the quorum, however, the requirement of Section 230(6) of the Act

shall be complied with regard to the agreement to the scheme by majority of persons representing 75% in value.

8. In terms of the MCA Circulars since the physical attendance of Unsecured Creditors has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Unsecured Creditors will not be available. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the institutional/ corporate Unsecured Creditors may be appointed for the purpose of voting through e-Voting, for participation in the meeting through VC Facility.
9. Institutional/ Corporate Unsecured Creditors (i.e. other than individuals/HUF, NRI, etc) of Amalgamated Company are entitled to appoint an authorized representative for the purpose of participating and / or voting during the Meeting held through VC. Further, such Institutional/ Corporate Unsecured Creditors (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned certified copy (.pdf file) of the relevant resolution/ authority letter / power of attorney together with attested specimen signature of the duly authorized representatives who are authorized to vote, to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) from their registered email address with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com), no later than 48 hours before the scheduled time of the Meeting.
10. The authorized representative of the Unsecured Creditor (in case such Unsecured Creditor is a corporate member) should additionally e-mail copy of their valid and legible identity proof (.pdf file) issued by a statutory authority (i.e. PAN Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the Scrutinizer at [corpsrassociates@gmail.com](mailto:corpsrassociates@gmail.com) from their registered email address with a copy marked to [investors@aplapollo.com](mailto:investors@aplapollo.com) , no later than 48 hours before the scheduled time of the Meeting.
11. Ms. Shruti Rawat, PCS has been appointed by the NCLT, as the Scrutinizer to scrutinize the votes cast through e-voting during the Meeting.
12. The Scrutinizer's decision on the validity of e-voting during the meeting will be final. The Scrutinizer appointed for Voting Process will submit his report to the NCLT appointed Chairman of the meeting or a person authorized by him upon completion of scrutiny, in a fair and transparent manner, of voting not later than forty eight hours from

the conclusion of the voting. The Chairperson or a person authorized by her shall announce the results of e-voting and the results shall be placed on the website of Company and at the Registered Office of the Company. The Resolution, if approved by the requisite majority, shall be deemed to have been passed on February 08, 2022.

13. The Notice convening the meeting, the date of dispatch of the Notice and the Explanatory Statement, amongst others, will be published through advertisement in Delhi editions of “Business Standard” both English and Hindi edition.
  14. The relevant documents referred in the Notice and the Explanatory Statement are open for inspection by the Unsecured Creditors electronically up to the conclusion of the Meeting and physically at the Registered Office of the Amalgamated Company on all working days, except Saturdays and Sundays, between 11:00 A.M. IST and 1:00 P.M. IST up to the date of the Meeting. Those Unsecured Creditors who wish to inspect such documents electronically may write an e-mail to [investors@aplapollo.com](mailto:investors@aplapollo.com).
  15. Unsecured Creditors who would like to express their views at the Meeting may register themselves as a speaker by sending their request from their registered email id mentioning their name, address and PAN at [investors@aplapollo.com](mailto:investors@aplapollo.com) by February 1, 2021. The Unsecured Creditors who do not wish to speak during the Meeting but have queries may send their queries from their registered email id mentioning their name, address and PAN at [investors@aplapollo.com](mailto:investors@aplapollo.com) . These queries will be replied to by the Company suitably by email.
  16. Those Unsecured Creditors who have registered themselves as speakers will only be allowed to express their views/ask questions during the meeting for a maximum time of 3 (three) minutes each, once the floor is open for queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the Meeting.
  17. This Notice is being sent to the Unsecured Creditors by electronic mode to those whose e-mail address are registered with the Company. However, in case a Unsecured Creditor wishes to receive a physical copy of the Notice, he/she is requested to send an e-mail from their registered email ID to [investors@aplapollo.com](mailto:investors@aplapollo.com) or a letter addressed to Mr. Deepak CS, Compliance Officer of the Amalgamated Company, at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 by duly quoting his/her name, address and PAN.
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For Unsecured Creditors whose e-mail address is registered but who have requested for physical copy of the Notice or whose e-mail address is not registered, the physical copy of the Notice is being sent by permitted mode.

18. In compliance with the NCLT Order, the Notice is being sent to all the Unsecured Creditors of the Amalgamated Company as on *June 30, 2021*, i.e. cut-off date for dispatch of Notice. This Notice of the Meeting is also displayed / posted on the website of the Amalgamated Company at [www.aplapollo.com](http://www.aplapollo.com), Stock Exchanges' website ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

19. The Instructions to attend and vote electronically are as under:-

i. Unsecured Creditors should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials (*To be sent separately*), to attend the Meeting on Tuesday, February 08, 2022 at 11:30 A.M IST and vote.

ii. Click on Shareholders/ Members.

iv. Enter your User ID (*To be sent separately*)

v. Next enter the Image Verification as displayed and Click on Login.

vi. Enter your password (*To be sent separately*)

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Select the EVSN of the Company as registered in the e-Voting system ([www.evotingindia.com](http://www.evotingindia.com)) on which you choose to vote.

ix. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



xi. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xiii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai

**Enclosures: as above**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
NEW DELHI BENCH**

**COMPANY APPLICATION NO. CA(A) / 0710102 / 06951 OF 2021**

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the Matter of Sections 230 – 232 and other applicable provisions of the Companies Act,  
2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016

And

In the matter of Scheme of Amalgamation and Arrangement between

Shri Lakshmi Metal Udyog Limited (hereinafter  
referred to as “Shri Lakshmi”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: U85110DL1994PLC224835

(Amalgamating Company 1 /  
Applicant Company 1)

**And**

Apollo Tricoat Tubes Limited (hereinafter referred to  
as “Apollo Tricoat”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74900DL1983PLC014972

(Amalgamating Company 2 /  
Applicant Company 2)

**And**

APL Apollo Tubes Limited (hereinafter referred to as  
“APL Apollo”)

Company registered under the Companies Act, 1956

Having its registered office at:

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

CIN: L74899DL1986PLC023443

(Amalgamated Company /  
Applicant Company 3)

**And**

Their Respective Shareholders and Creditors

**EXPLANATORY STATEMENT UNDER SECTION 230 to 232 AND SECTION 102  
OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES  
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO  
THE NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL CONVENED  
MEETING OF THE UNSECURED CREDITORS OF APL APOLLO TUBES  
LIMITED**

Pursuant to the NCLT Order dated November 30, 2021 (date of pronouncement) in Company Scheme Application No. CA(CAA) -107/(ND)/ 2021 passed by the Hon’ble National Company Law Tribunal, New Delhi Bench (“NCLT”), a meeting of the unsecured creditors of APL Apollo Tubes Limited, is being convened by way of VC/ OAVM on Tuesday, February 08, 2022 at 11:30 A.M IST (“**Meeting**”), for the purpose of considering and if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Amalgamation and Arrangement between Shri Lakshmi, Apollo Tricoat and APL Apollo and their respective members and creditors (“**Scheme**”) for amalgamation of Shri Lakshmi and Apollo Tricoat with APL Apollo. The aforesaid Scheme of Amalgamation and Arrangement is enclosed as **Annexure I**.

The meeting of equity shareholders and secured creditors of the Amalgamated Company is being held on Tuesday, February 08, 2022 at 2:00 P.M IST and 10:30 AM IST respectively for approval of Scheme as per NCLT Order dated November 30, 2021.

This statement explaining the terms of the Scheme is being furnished, inter alia, as required under section 230(3) of the Companies Act, 2013 along with the Notice dated December 27, 2021 of the Meeting.

1. The draft Scheme was placed before the Audit Committee, Committee of Independent Directors, and Board of Directors of the Amalgamated Company at their respective meetings held on February 27, 2021. In accordance with the provisions of Securities and Exchange Board of India (“SEBI”) Circular bearing no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (including amendments thereof), the Audit Committee and Committee of Independent Directors of the Applicant Company 3 vide a resolution passed on February 27, 2021 recommended the Scheme to the Board of Directors of the Amalgamated Company. The Board of Directors of the Amalgamated Company at its meeting held on February 27, 2021, approved the Scheme, inter alia, based on such recommendation of the Audit Committee and Committee of Independent Directors.
  2. List of the companies/parties involved in the Scheme of Amalgamation and Arrangement:
    - A. Shri Lakshmi Metal Udyog Limited
    - B. Apollo Tricoat Tubes Limited
    - C. APL Apollo Tubes Limited
  3. Details of the companies/parties to the Scheme:
    - A. **Shri Lakshmi Metal Udyog Limited**
      - a. Shri Lakshmi Metal Udyog Limited (“**Shri Lakshmi**” or “**Amalgamating Company 1**”) was incorporated on the 25th day of April 1994 under the provisions of the Companies Act, 1956 as a private limited company which was later on converted into public limited company on 13<sup>th</sup> day of January 1995. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamating Company 1 is engaged in the business of production of ERW steel tubes and GP coils.
-



b. The main objects of the Amalgamating Company 1 are set out in the Memorandum of Association which are as under:

i. *“To carry on the business as manufacturers, exporters, importers, commission Agent, buying and selling agents, representatives of manufacturer, sellers and dealers in all kinds and varieties of Iron and Steel, Scraps, Steel converters, Steel tubes, plastic tubes, rollers, ferrous and non ferrous metal founders, fabricators, Sheet metal grinders, P S Tanks, Tubular poles, steel structures, stamping and pressing of sheet metal.”*

c. The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 1 as on September 30, 2021 was as set out below:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 70,00,000 Equity Shares of Rs.10/- each             | 7,00,00,000            |
| <b>Total</b>                                        | <b>7,00,00,000</b>     |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 58,95,000 Equity Shares of Rs.10/- each             | 5,89,50,000            |
| <b>Total</b>                                        | <b>5,89,50,000</b>     |

There is no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 1 subsequent to September 30, 2021.

d. The details of the present promoter(s) and directors of the Amalgamating Company 1 along with their addresses are as follows:

i. **Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                           |
|---------------|----------------------|------------------------------------------|
| 1             | APL Apollo Tubes Ltd | 37, Hargobind Enclave, Vikas Marg, Delhi |

|  |  |          |
|--|--|----------|
|  |  | – 110092 |
|--|--|----------|

ii. **Directors**

| S. No. | Name         | Address                                                            | DIN No.  | Date of Appointment |
|--------|--------------|--------------------------------------------------------------------|----------|---------------------|
| 1      | Sanjay Gupta | G-8, Maharani Bagh, ,<br>Delhi-110065                              | 00233188 | 28/04/2008          |
| 2      | Vinay Gupta  | H-5, Maharani Bagh, ,<br>Delhi-110065                              | 00005149 | 29/09/2009          |
| 3      | Neeru Abrol  | K-3 Lajpat Nagar –III, New<br>Delhi-110024                         | 01279485 | 08/11/2019          |
| 4      | Romi Sehgal  | E-103, The Residency,<br>Ardee City, Sector 5,<br>Gurgaon, Haryana | 03320454 | 24/05/2018          |

- e. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamating Company 1 as on June 30, 2021 is INR 2,34,89,129/- and INR 2,53,76,89,657/-

**B. Apollo Tricoat Tubes Limited**

- a. Apollo Tricoat Tubes Limited (“**Apollo Tricoat**” or “**Amalgamating Company 2**”) was incorporated on the 12<sup>th</sup> day of January 1983 under the provisions of the Companies Act, 1956 as a public limited company. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamating Company 2 is primarily engaged in business of production of steel designer roofing, fencing, steel door-frames, designer hand railing etc.
- b. The equity shares of Amalgamating Company 2 are listed on BSE Limited (“**BSE**”).
- c. The main objects of the Amalgamating Company 2 are set out in the Memorandum of Association which are as under:
- i. *“To manufacture the TriCoat Tubes in three variants SureCoat, DureCoat*

*and SuperCoat with the advanced Galvant Technology and to carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing, factoring, otherwise dealing in iron & steel and ferrous and non-ferrous metals of all qualities, grades, types and kinds, as iron mongers, iron masters, steel makers and steel converters and/or all products made of Iron and Steel, Iron-ore and other alloys including zinc or/ and colour quoted steel, coils, sheets, pipes and tubes and other materials in any variants, using advanced technology, machinery or equipments required for manufacture of such item.*

*ii. To carry on the business as manufacturers of Iron, steel or other metal pipes, seamless pipes, sheets, rods and other products of iron, steel or other metals now known or that may hereafter be invented as also to carry on the business of ironmasters, iron founders, metal workers, steel makers and steel converters and to purchase or otherwise acquire, set up, erect, maintain, reconstruct and adapt any offices, workshops, plant, machinery and other things found necessary or convenient for the purpose of the Company.*

*iii. To provide the technical and management consultancy services, both in India and abroad, for design, application, development, production, fabrication, operation, promotion, marketing and use of products out of stainless steel, aluminum sheets, ceramic, wood, leather, glass, acrylic, plastic, wax and other metal / alloys sheet required and/or used in the house hold / official goods, architectural, construction automobiles, railway transport and other allied sectors.”*

d. The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 2 as on September 30, 2021 was as set out below:

| <b>Particulars</b>                       | <b>Amount (in Rs.)</b> |
|------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>          |                        |
| 7,50,00,000 Equity Shares of Rs.2/- each | 15,00,00,000           |
| <b>Total</b>                             | <b>15,00,00,000</b>    |

|                                                     |                     |
|-----------------------------------------------------|---------------------|
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                     |
| 6,08,00,000 Equity Shares of Rs.2/- each            | 12,16,00,000        |
| <b>Total</b>                                        | <b>12,16,00,000</b> |

There is no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamating Company 2 subsequent to September 30, 2021.

- e. The details of the present promoter(s) and directors of the Amalgamating Company 2 along with their addresses are as follows:

**i. Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>                      | <b>Address</b>                                    |
|---------------|----------------------------------|---------------------------------------------------|
| 1             | Shri Lakshmi Metal Udyog Limited | 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 |
| 2             | Rahul Gupta                      | G-8, Maharani Bagh, Delhi-110065                  |

**ii. Directors**

| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                                            | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|----------------------|-----------------------------------------------------------|----------------|----------------------------|
| 1             | Vinay Gupta          | H-5, Maharani Bagh, Delhi-110065                          | 00005149       | 23/10/2020                 |
| 2             | Bharat Bhushan Sahny | B-22, Dayanand Colony, Lajpat Nagar- 4, New Delhi-110024  | 00014334       | 28/02/2014                 |
| 3             | Neeru Abrol          | K-3, Lajpat Nagar-3, Delhi-110024                         | 01279485       | 20/01/2020                 |
| 4             | Romi Sehgal          | E-103, The Residency, Adree City, Sector 52 Gurgaon122003 | 03320454       | 01/02/2020                 |
| 5             | Anilkumar Bansal     | S-34, Greater Kailash-II, Delhi-110048                    | 06752578       | 11/06/2018                 |



| S. No. | Name        | Address                          | DIN No.  | Date of Appointment |
|--------|-------------|----------------------------------|----------|---------------------|
| 6      | Rahul Gupta | G-8, Maharani Bagh, Delhi-110065 | 07151792 | 04/05/2018          |

- f. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamating Company 2 as on June 30, 2021 is INR 59,04,73,624/- and INR 1,45,59,46,728/-

### C. APL Apollo Tubes Limited

- a. APL Apollo Tubes Limited (“**APL Apollo**” or “**Amalgamated Company**”) was incorporated on the 24th day of February 1986 under the provisions of the Companies Act, 1956 as a private limited company which was later on converted into public limited company on 19<sup>th</sup> day of October 1993. Registered Office of Shri Lakshmi is currently situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Amalgamated Company is primarily engaged in the business of production of ERW steel tubes.
- b. The equity shares of Amalgamated Company are listed on BSE and National Stock Exchange of India Limited (“**NSE**”).
- c. The main objects of the Amalgamated Company are set out in the Memorandum of Association which are as under:
- i. *“To manufacture, fabricate, forging, produce export, import, buy sell, let on hire, exchange, alter, improve, prepare for market and deal in all kinds of steel tubes and pipes.*
  - ii. *To carry on the business of iron masters, steel, makers, steel converters, melters, iron and steel founders and iron manufacturers.*
  - iii. *To carry on the business of manufacture, exporter, importers, buying, selling and dealers in all raw materials used in the manufacture, of all type of steel tube and pipes.*
  - iv. *To acquire and utilize machinery plant and equipment for the manufacture of*

*iron and steel products.”*

- d. The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company as on September 30, 2021 was as set out below:

| <b>Particulars</b>                                  | <b>Amount (in Rs.)</b> |
|-----------------------------------------------------|------------------------|
| <b>Authorised Share Capital</b>                     |                        |
| 37,50,00,000 Equity Shares of Rs.2/- each           | 75,00,00,000           |
| <b>Total</b>                                        | <b>75,00,00,000</b>    |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                        |
| 24,97,92,000 Equity Shares of Rs.2/- each           | 49,95,84,000           |
| <b>Total</b>                                        | <b>49,95,84,000</b>    |

There is no change in the authorised share capital subsequent to September 30, 2021. However, the issued, subscribed and paid-up share capital of the Amalgamated Company has increased to Rs. 50,02,11,000 pursuant to issue of 313500 equity shares of Rs, 2 each to eligible employees under ESOP scheme on November 17, 2021.

- e. The details of the present promoter(s) and directors of the Amalgamated Company along with their addresses are as follows:

**i. Promoter(s) and Promoter Group**

| <b>S. No.</b> | <b>Name</b>                        | <b>Address</b>                                                        |
|---------------|------------------------------------|-----------------------------------------------------------------------|
| 1             | Sanjay Gupta                       | G-8, Maharani Bagh, , Delhi-110065                                    |
| 2             | Veera Gupta                        | C-380, Yojna Vihar, Delhi, 110092, Delhi                              |
| 3             | Rahul Gupta                        | G-8, Maharani Bagh, , Delhi-110065                                    |
| 4             | Rohan Gupta                        | G-8, Maharani Bagh, , Delhi-110065                                    |
| 5             | APL Infrastructure Private Limited | 36, Kaushambi, Near Anand Vihar Terminal behind Wave Cinema Ghaziabad |

|  |  |           |
|--|--|-----------|
|  |  | UP 201010 |
|--|--|-----------|

ii. **Directors**

| <b>S. No.</b> | <b>Name</b>            | <b>Address</b>                                                             | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|------------------------|----------------------------------------------------------------------------|----------------|----------------------------|
| 1             | Sanjay Gupta           | G-8, Maharani Bagh, ,<br>Delhi-110065                                      | 00233188       | 02/09/2003                 |
| 2             | Vinay Gupta            | H-5, Maharani Bagh, Delhi-<br>110065                                       | 00005149       | 16/05/2008                 |
| 3             | Virendra Singh<br>Jain | B-12, 'Saket', 2nd Floor<br>Gyan Bharti School Lane,<br>South Delhi-110017 | 00253196       | 28/01/2017                 |
| 4             | Neeru Abrol            | K-3 Lajpat Nagar –III, New<br>Delhi-110024                                 | 01279485       | 24/03/2015                 |
| 5             | Abhilash Lal           | H. No. C-192, DLF Ph-2,<br>Belvedere Park Towers,<br>Gurgaon-122002        | 03203177       | 12/02/2014                 |
| 6             | Romi Sehgal            | E-103, The Residency,<br>Ardee City, Sector 5,<br>Gurgaon, Haryana         | 03320454       | 13/08/2016                 |
| 7             | Anilkumar<br>Bansal    | S-34, Greater Kailash, New<br>Delhi – 110048                               | 06752578       | 04/08/2014                 |
| 8             | Ashok Kumar<br>Gupta   | C-380, Yojna Vihar, Delhi,<br>110092, Delhi                                | 01722395       | 19/10/2011                 |
| 9             | Ameet Kumar<br>Gupta   | 78-A/1, Friends Colony<br>(East), New Delhi-110065                         | 00002838       | 06/08/2021                 |
| 10            | Rahul Gupta            | G-8, Maharani Bagh, Delhi-<br>110065                                       | 07151792       | 06/08/2021                 |

- f. The amount due to Secured Creditors and Unsecured Creditors of the Amalgamated Company as on June 30, 2021 is INR 2,50,66,99,767/- and INR 10,80,75,19,857/-

#### **4. Relationship subsisting between the companies who are parties to the Scheme**

The Amalgamating Company 1 is wholly-owned subsidiary of the Amalgamated Company. The Amalgamating Company 2 is subsidiary of Amalgamating Company 1 and step down subsidiary of Amalgamated Company.

#### **5. Details of the Board meeting at which the Scheme was approved by the Board of Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company respectively, including the names of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution**

- A. All directors of the Amalgamating Company 1, namely, Mr. Sanjay Gupta, Mr. Vinay Gupta, Mrs. Neeru Abrol and Mr. Romi Sehgal had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme.
- B. All directors of the Amalgamating Company 2 except Shri Vinay Gupta had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme. The directors who attended the meeting are: Mr. Bharat Bhushan Sahny, Ms. Neeru Abrol, Mr. Romi Sehgal, Mr. Anilkumar Bansal and Mr. Rahul Gupta.
- C. All directors of the Amalgamated Company except Shri Vinay Gupta had attended the Board meeting held on February 27, 2021 and had unanimously approved the Scheme. The directors who attended the meeting are: Mr. Sanjay Gupta, Mr. Virendra Singh Jain, Ms. Neeru Abrol, Mr. Abhilash Lal, Mr. Romi Sehgal, Mr. Anilkumar Bansal and Mr. Ashok Kumar Gupta.

#### **6. Salient features / details / extract of the Scheme**

**The salient features / details / extract of the Scheme are, interalia, as under:**

- i. The proposed Scheme is among Shri Lakshmi (Amalgamating Company 1), Apollo Tricoat (Amalgamating Company 2) and APL Apollo (Amalgamated Company) and their respective members and pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.



- ii. The Appointed Date for the purpose of Scheme to be April 01, 2021 or such other date as may be fixed by the Hon'ble Tribunal of Judicature at Delhi or any other Competent authority, as may be applicable.
- iii. The Effective Date means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by the all the companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date"
- iv. The Scheme provides that upon the coming into effect of this Scheme and with effect from Appointed Date, the Amalgamating Company 1 and Amalgamated Company 2 shall, pursuant to the provisions of Sections 230 to 232 of the Act and sanction of this Scheme by NCLT and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Amalgamated Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of the Amalgamating Company 1 and Amalgamating Company 2 along with all the rights, title, interest or obligations of the Amalgamating Company and Amalgamating Company 2 therein become that of the Amalgamated Company.
- v. **Consideration:**

Since the Amalgamating Company 1 is the wholly owned subsidiary of the Amalgamated Company, upon the Scheme becoming effective, all the equity shares held by the Amalgamated Company and its nominees in the Amalgamating Company 1 shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon the Scheme being effective.

Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on

the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-

*“one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) of the Amalgamated Company to be issued and allotted to the Eligible Members of the Amalgamating Company 2 against one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in the Amalgamating Company 2.”*

Upon the Scheme being effective, and in consideration to the Amalgamating Company 1, being shareholder of the Amalgamating Company 2, in terms of the Scheme, 3,39,40,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.

vi. **Accounting treatment:**

**In the books of Amalgamated Company**

Upon the Scheme becoming effective the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 1 and Amalgamating Company 2 in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with ICAI ITFG Clarification.

**In the books of Amalgamating Company 1 and Amalgamating Company 2**

As the Amalgamating Company 1 and Amalgamating Company 2 shall stand dissolved without being wound up upon the Scheme becoming effective as mentioned in clause 23 of the Scheme and all the assets and liabilities shall be transferred to Amalgamated Company, hence there is no accounting treatment prescribed under this Scheme in the books of the Amalgamating Company 1 and Amalgamating Company 2.

vii. **Purpose and Rationale for the Scheme of Amalgamation and Arrangement**

- a. Combined business under “APL Apollo” brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
  - b. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;
  - c. Amalgamating Company 1 and Amalgamating Company 2 operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
  - d. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
  - e. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
  - f. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.
- viii. Scheme coming into effect, the Amalgamating Company 1 and Amalgamating Company 2 shall, without any further act or deed, stand dissolved without winding up.
- ix. As an integral part of the Scheme, the face value of 1 (One) equity share of the Amalgamating Company 1 amounting to INR 10/- (Indian Rupees Ten Only) shall be sub-divided into face value of INR 2/- (Indian Rupees Two only) comprising 5 equity shares of the Amalgamating Company 1; accordingly, authorised share capital of the Amalgamating Company 1 shall be restructured as under:
-

*“The authorised share capital of the Amalgamating Company 1 is INR 7,00,00,000/- (Indian Rupees Seven crore only) divided into 3,50,00,000 (Three Crore Fifty Lacs) equity shares of INR 2 each (Indian Rupees Two only).”*

**x. Valuation report**

Since the Amalgamating Company 1 is wholly-owned subsidiary of the Amalgamated Company, no shares are required to be issued as part of the Scheme. Accordingly, there is no requirement of a Valuation Report with respect to shares of Amalgamating Company 1.

Valuation report for the purpose of valuing equity shares of the Amalgamated Company and Amalgamating Company 2 has been obtained from SSPA & Co., Chartered Accountants (Registered Valuer) dated February 27, 2021.

**xi. Effect of the Scheme**

**A. Directors, Key Managerial Personnel and their Relatives**

The Directors and Key Managerial Personnel (“KMP”) of the Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and their respective relatives do not have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding in the Amalgamated Company, if any, or to the extent the said Directors and KMP(s) are the partners, directors, members and/or beneficiaries of the companies, firms, association of persons, bodies corporate and/or trust, as the case may be, that hold shares in the Amalgamated Company. There will be no adverse effect of the Scheme on the Directors and KMP of the Amalgamated Company.

Details of the Directors and KMP(s) of the Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and their respective equity shareholding as on September 30, 2021 in the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 are as follows:



**a. Amalgamated Company**

| S.No. | Name                | Shareholding as on September 30, 2021 |                        |                     |
|-------|---------------------|---------------------------------------|------------------------|---------------------|
|       |                     | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1     | Sanjay Gupta        | 1*                                    | NIL                    | 3,50,000            |
| 2     | Vinay Gupta         | 1*                                    | NIL                    | NIL                 |
| 3     | Virendra Singh Jain | NIL                                   | 500                    | 520                 |
| 4     | Neeru Abrol         | NIL                                   | NIL                    | NIL                 |
| 5     | Abhilash Lal        | NIL                                   | NIL                    | NIL                 |
| 6     | Romi Sehgal         | NIL                                   | 7,938                  | 1,15,427            |
| 7     | Anilkumar Bansal    | NIL                                   | 1,600                  | 10,000              |
| 8     | Ashok Kumar Gupta   | NIL                                   | NIL                    | NIL                 |
| 9     | Ameet Kumar Gupta   | NIL                                   | NIL                    | NIL                 |
| 10    | Rahul Gupta         | NIL                                   | NIL                    | 30,02,000           |

**b. Amalgamating Company 1**

| S.No. | Name         | Shareholding as on September 30, 2021 |                        |                     |
|-------|--------------|---------------------------------------|------------------------|---------------------|
|       |              | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1     | Sanjay Gupta | 1*                                    | NIL                    | 3,50,000            |
| 2     | Vinay Gupta  | 1*                                    | NIL                    | NIL                 |
| 3     | Neeru Abrol  | NIL                                   | NIL                    | NIL                 |
| 4     | Romi Sehgal  | NIL                                   | 7,938                  | NIL                 |

### c. Amalgamating Company 2

| S.No. | Name                 | Shareholding as on September 30, 2021 |                        |                     |
|-------|----------------------|---------------------------------------|------------------------|---------------------|
|       |                      | Amalgamating Company 1                | Amalgamating Company 2 | Amalgamated Company |
| 1     | Vinay Gupta          | 1*                                    | NIL                    | NIL                 |
| 2     | Bharat Bhushan Sahny | NIL                                   | NIL                    | NIL                 |
| 3     | Neeru Abrol          | NIL                                   | NIL                    | NIL                 |
| 4     | Romi Sehgal          | NIL                                   | 7,938                  | 1,15,427            |
| 5     | Anilkumar Bansal     | NIL                                   | 1,600                  | 10,000              |
| 6     | Rahul Gupta          | NIL                                   | NIL                    | 30,02,000           |

**B. \*Share held in Amalgamating Company 1 in representative capacity Promoter and Non-Promoter Members**

C. The shareholding of promoter and promoter group shall be reduced from 36.84% to 33.26% approximately post issuance of shares as mentioned in the Scheme. Accordingly, public shareholding shall be increased from 63.16% to 66.74% approximately post issuance of shares. **Creditors**

The rights and interests of creditors (secured and unsecured) of the Amalgamated Company are not likely to be prejudicially affected as the Amalgamated Company is a company with high Net Worth and sound financial background. Further, no compromise is offered to any of the creditors of the Amalgamated Company nor their rights are sought to be modified in any manner and the Amalgamated Company undertakes to meet with all such liabilities in the regular course of business.

**D. Employees**

The rights and interest of the Employees of the Amalgamated Company will not be prejudicially affected by the Scheme. The employees of the Amalgamating

Company 1 and Amalgamating Company 2 shall become the employees of the Amalgamated Company upon the Scheme becoming effective.

**E. Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee**

None of the Amalgamating Company 1, Amalgamating Company 2 and the Amalgamated Company has any depositors, debenture holders, deposit trustee or debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme.

**Report of the Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company**

Further a report of the Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company, explaining effect of the Scheme on each class of shareholders, KMP, promoters and non-promoter shareholders, forms part of this Notice and is annexed herewith as **Annexure VII**.

- xii. No investigation proceedings have been instituted or are pending in relation to the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company under the Companies Act, 2013 or erstwhile Companies Act, 1956.
- xiii. **Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending:**

The Amalgamated Company may be required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme such as the concerned Registrar of Companies, Regional Director and will obtain the same at the relevant time.

- xiv. **Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the detailed pre scheme and post scheme (expected) capital structure and shareholding pattern of Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 are given herein below:**

## A. Capital Structure

### a. Pre-scheme & Post-scheme capital structure of Amalgamated Company as on September 30, 2021<sup>1</sup>:

#### Pre-scheme:

| Particulars                                         | Amount (in Rs.)     |
|-----------------------------------------------------|---------------------|
| <b>Authorised Share Capital</b>                     |                     |
| 37,50,00,000 Equity Shares of Rs.2/- each           | 75,00,00,000        |
| <b>Total</b>                                        | <b>75,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                     |
| 24,97,92,000 Equity Shares of Rs.2/- each           | 49,95,84,000        |
| <b>Total</b>                                        | <b>49,95,84,000</b> |

#### Post-scheme:

| Particulars                                         | Amount (in Rs.)     |
|-----------------------------------------------------|---------------------|
| <b>Authorised Share Capital</b>                     |                     |
| 48,50,00,000 Equity Shares of Rs.2/- each           | 97,00,00,000        |
| <b>Total</b>                                        | <b>97,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                     |
| 27,66,52,000 Equity Shares of Rs.2/- each           | 55,33,04,000        |
| <b>Total</b>                                        | <b>55,33,04,000</b> |

### b. Pre-scheme & Post-scheme shareholding pattern of Amalgamated Company as on September 30, 2021:

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| Category of shareholder                                      | No. of shares held  |                     | Total shareholding as a % of total no. of shares |                |
|--------------------------------------------------------------|---------------------|---------------------|--------------------------------------------------|----------------|
|                                                              | Pre-Scheme          | Post-Scheme         | Pre-Scheme                                       | Post-Scheme    |
| <b>Promoter and Promoter Group</b>                           | 9,20,23,870         | 9,20,23,870         | 36.84%                                           | 33.26%         |
| <b>Total shareholding of Promoter and Promoter Group (A)</b> | <b>9,20,23,870</b>  | <b>9,20,23,870</b>  | <b>36.84%</b>                                    | <b>33.26%</b>  |
| <b>Public Shareholding</b>                                   | 15,77,68,130        | 18,46,28,130        | 63.16%                                           | 66.74%         |
| <b>Total Public Shareholding (B)</b>                         | <b>15,77,68,130</b> | <b>18,46,28,130</b> | <b>63.16%</b>                                    | <b>66.74%</b>  |
| <b>Total (A)+(B)</b>                                         | <b>24,97,92,000</b> | <b>27,66,52,000</b> | <b>100.00%</b>                                   | <b>100.00%</b> |

- c. Pre-scheme & Post-scheme capital structure of Amalgamating Company 1 as on September 30, 2021:

**Pre-scheme:**

| Particulars                                         | Amount (in Rs.)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 70,00,000 Equity Shares of INR 10/- each            | 7,00,00,000        |
| <b>Total</b>                                        | <b>7,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |

|                                          |                    |
|------------------------------------------|--------------------|
| 58,95,000 Equity Shares of INR 10/- each | 5,89,50,000        |
| <b>Total</b>                             | <b>5,89,50,000</b> |

**d. Pre-scheme & Post-scheme shareholding pattern of Amalgamating Company 1 as on September 30, 2021:**

**Pre-Scheme:**

| <b>Category of shareholder</b>                               | <b>No. of shares held</b> | <b>Total shareholding as a % of total no. of shares</b> |
|--------------------------------------------------------------|---------------------------|---------------------------------------------------------|
| <b>Promoter and Promoter Group</b>                           | 3,39,40,000               | 55.82%                                                  |
| <b>Total shareholding of Promoter and Promoter Group (A)</b> | <b>3,39,40,000</b>        | <b>55.82%</b>                                           |
| <b>Public Shareholding</b>                                   | 2,68,60,000               | 44.18%                                                  |
| <b>Total Public Shareholding (B)</b>                         | <b>2,68,60,000</b>        | <b>44.18%</b>                                           |
| <b>Total (A)+(B)</b>                                         | <b>60,800,000</b>         | <b>100.00%</b>                                          |

**Post-scheme** capital structure and shareholding pattern of the Amalgamating Company 1 is not applicable, as the Amalgamating Company 1 shall be dissolved upon the Scheme becoming effective.

**e. Pre-scheme & Post-scheme capital structure of Amalgamating Company 2 as on September 30, 2021:**

| <b>Particulars</b>              | <b>Amount (in Rs.)</b> |
|---------------------------------|------------------------|
| <b>Authorised Share Capital</b> |                        |

|                                                     |                     |
|-----------------------------------------------------|---------------------|
| 7,50,00,000 Equity Shares of Rs.2/- each            | 15,00,00,000        |
| <b>Total</b>                                        | <b>15,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                     |
| 6,08,00,000 Equity Shares of Rs.2/- each            | 12,16,00,000        |
| <b>Total</b>                                        | <b>12,16,00,000</b> |

**f. Pre-scheme & Post-scheme shareholding pattern of Amalgamating Company 2 as on September 30, 2021:**

**Pre-Scheme:**

| <b>Category of shareholder</b>                               | <b>No. of shares held</b> | <b>Total shareholding as a % of total no. of shares</b> |
|--------------------------------------------------------------|---------------------------|---------------------------------------------------------|
| <b>Promoter and Promoter Group</b>                           | 3,39,40,000               | 55.82%                                                  |
| <b>Total shareholding of Promoter and Promoter Group (A)</b> | <b>3,39,40,000</b>        | <b>55.82%</b>                                           |
| <b>Public Shareholding</b>                                   | 2,68,60,000               | 44.18%                                                  |
| <b>Total Public Shareholding (B)</b>                         | <b>2,68,60,000</b>        | <b>44.18%</b>                                           |
| <b>Total (A)+(B)</b>                                         | <b>60,80,000</b>          | <b>100.00%</b>                                          |

**Post-scheme** capital structure and shareholding pattern of the Amalgamating Company 2 is not applicable, as the Amalgamating Company 2 shall be dissolved upon the Scheme becoming effective.

7. The copy of Scheme of Amalgamation and Arrangement has been filed with the Registrar of Companies, Delhi.
8. No winding up proceedings or proceedings under the Insolvency and Bankruptcy Code are pending against the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company as on date.
9. The certificate is issued by the Statutory Auditor of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company to the effect that the accounting treatment, proposed in the Scheme is in conformity with the applicable Accounting Standards/Indian Accounting Standards prescribed under the Companies Act, 2013 read with relevant rules thereto. The auditor's certificate stated above is available for inspection.
10. National Stock Exchange of India Limited vide its observation letter issued to Amalgamated Company dated August 02, 2021 had provided, *inter alia*, below comments on the Scheme:-

*“The Company shall ensure that following information pertaining to the promoters of APL Apollo Tubes Limited is brought to the notice of shareholders and Hon’ble NCLT:*

*i. SEBI had vide orders dated June 23, 2020, restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of two years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.”*

It may be noted that the operation of the said SEBI orders have since been stayed by the Hon’ble Securities Appellate Tribunal vide orders dated July 14, 2020 on the respective appeals filed by the above promoters.

11. The following documents will be open for inspection by the unsecured creditors electronically up to the date of the ensuing Meeting and during the Meeting hours and physically at the Registered Office of Amalgamated Company situated at 37, Hargobind



Enclave, Vikas Marg, Delhi – 110092 on all working days except Saturdays and Sundays between 11:00 A.M. IST and 1:00 P.M. IST up to the date of the ensuing Meeting:

**(I) Annexures to this Notice:**

- a. **Annexure-I** - Scheme of Amalgamation and Arrangement between Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited and their respective shareholders and creditors
- b. **Annexure-II** – Copy of order of the Hon'ble National Company Law Tribunal in pursuance of which the meeting is being convened
- c. **Annexure-III** - Valuation Report issued by SSPA & Co., Chartered Accountants dated February 27, 2021
- d. **Annexure-IV** - Fairness Opinion issued by Fortress Capital Management Services Private Limited dated February 27, 2021
- e. **Annexure-V** - Complaints Report dated July 07, 2021 submitted to BSE Limited by Amalgamating Company 2 and Amalgamated Company and Complaints Report dated July 22, 2021 submitted to National Stock Exchange of India Limited by Amalgamated Company
- f. **Annexure-VI** – Observation Letters both dated August 02, 2021 obtained from BSE Limited and National Stock Exchange of India Limited
- g. **Annexure-VII** – Report adopted by the Board of Directors Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as per the provisions of Section 232(2)(c) of the Companies Act, 2013
- h. **Annexure-VIII** - Copy of audited financial statements of Shri Lakshmi Metal Udyog Limited, Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited as at March 31, 2021
- i. **Annexure-IX** - Copy of limited reviewed financial statements of Apollo Tricoat Tubes Limited and APL Apollo Tubes Limited (provisional) as on September

30, 2021 and management certified financial statements (provisional) of Shri Lakshmi Metal Udyog Limited as on September 30, 2021

- j. **Annexure-X** - Information in the format prescribed for abridged prospectus pertaining to the unlisted entity i.e., Shri Lakshmi Metal Udyog Limited involved in the Scheme as provided in Part E of Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

**(II) Other documents:**

- a. Copy of the Statutory Auditors' certificate of Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company to the effect that the accounting treatment in the Scheme of Amalgamation and Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013
- b. Copies of the Memorandum of Association, Articles of Association and Certificate of Incorporation of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company
- c. Copy of Audit Committee Report dated February 27, 2021 of Amalgamated Company recommending Scheme of the Amalgamated Company
- d. Copy of Audit Committee Report dated February 27, 2021 of Amalgamating Company 2 recommending Scheme of the Amalgamating Company
- e. Copy of Committee of Independent Directors Report dated February 27, 2021 of Amalgamated Company recommending Scheme of the Amalgamated Company
- f. Copy of Committee of Independent Directors Report dated February 27, 2021 of Amalgamating Company 2 recommending Scheme of the Amalgamating Company

- g. Copies of the resolutions passed by the respective Board of Directors of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamated Company on February 27, 2021 approving the Scheme
- h. A copy of the Scheme of Amalgamation and Arrangement and Explanatory Statement may also be obtained from the Registered Office of the Amalgamated Company and / or at the office of the Advocate at Agarwal Law Associates, 34, FF, Babar Lane, Bengali Market, New Delhi-110001.

Sd/-

**Ms. Deepa Krishan**

**Former Member (Technical), NCLT**

**The Chairperson for the Meeting**

**Date : 27<sup>th</sup> day of December, 2021**

**Place : Delhi**

**Registered Office:**

37, Hargobind Enclave,

Vikas Marg, Delhi – 110092

India

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**SCHEME OF AMALGAMATION AND ARRANGEMENT**

**OF**

**SHRI LAKSHMI METAL UDYOG LIMITED  
(AMALGAMATING COMPANY 1)**

**AND**

**APOLLO TRICOAT TUBES LIMITED  
(AMALGAMATING COMPANY 2)**

**WITH**

**APL APOLLO TUBES LIMITED  
(AMALGAMATED COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE  
COMPANIES ACT, 2013**



## PREAMBLE

### 1. DESCRIPTION OF THE AMALGAMATING COMPANIES AND THE AMALGAMATED COMPANY

- 1.1. Shri Lakshmi Metal Udyog Limited (**hereinafter referred to as “Shri Lakshmi” or “Amalgamating Company 1”**) was incorporated on the 25<sup>th</sup> day of April 1994 as a company limited by shares. The Corporate Identification Number of Amalgamating Company 1 is U85110DL1994PLC224835.

The Registered Office of Amalgamating Company 1 is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having permanent account number (‘PAN’) as AAHCS9174M. Email id of its authorized representative is comsec@aplapollo.com.

Amalgamating Company 1 is primarily engaged in the business of production of ERW steel tubes and GP coils.

- 1.2. Apollo Tricoat Tubes Limited (**hereinafter referred to as “Apollo Tricoat” or “Amalgamating Company 2”**) was incorporated on the 12<sup>th</sup> day of January 1983 as a company limited by shares. The Corporate Identification Number of Amalgamating Company 2 is L74900DL1983PLC014972. The equity shares of Amalgamating Company 2 are listed on BSE Limited.

The Registered Office of Amalgamating Company 2 is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having PAN as AAFCP5174L. Email id of its authorized representative is surbhiarora@apollotricoat.com.

Amalgamating Company 2 is primarily engaged in business of production of steel designer roofing, fencing, steel door-frames, designer hand railing etc.

- 1.3. APL Apollo Tubes Limited (**hereinafter referred to as “APL Apollo” or “Amalgamated Company”**), was incorporated on the 24<sup>th</sup> day of February 1986 as a company limited by shares. The Corporate Identification Number of Amalgamated Company is L74899DL1986PLC023443. The equity shares of APL Apollo are listed on National Stock Exchange of India Limited (hereinafter called ‘NSE’) and BSE Limited (hereinafter called ‘BSE’)

The Registered Office of Amalgamated Company is situated at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 and having PAN as AAACB0906D. Email id of its authorized representative is comsec@aplapollo.com.

Amalgamated Company is primarily engaged in in the business of production of ERW steel tubes.

## **2. DESCRIPTION OF THE SCHEME**

2.1 This Scheme (as defined hereunder) provides, inter alia, for:

(i) the amalgamation of Amalgamating Companies (as defined hereunder) into Amalgamated Company, by way of merger by absorption and dissolution of Amalgamating Companies without winding up and cancellation of shares in Amalgamating Companies and consequent issuance of Amalgamated Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to Eligible Members (as defined hereunder), in respect of each share of the Amalgamating Company 2 held by them in accordance with this Scheme ("Amalgamation"); and

(ii) various other matters incidental, consequential or otherwise integrally connected therewith, including increase in the share capital of Amalgamating Companies

pursuant to Sections 230 to 232 and other relevant provisions of The Act (as defined hereunder) in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder).

2.2 Amalgamation of Amalgamating Companies into Amalgamated Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the IT Act such that, inter alia:

- (i) all the properties of Amalgamating Companies, immediately before Amalgamation, shall become the properties of Amalgamated Company, by virtue of Amalgamation;
- (ii) all the liabilities of Amalgamating Companies, immediately before Amalgamation, shall become the liabilities of Amalgamated Company, by virtue of Amalgamation; and

- (iii) shareholders holding at least three fourths in value of the shares in Amalgamating Companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, Amalgamated Company or its subsidiary), will become shareholders of Amalgamated Company by virtue of Amalgamation.

### **3. PURPOSE AND RATIONALE FOR THE SCHEME OF AMALGAMATION AND ARRANGEMENT**

This scheme of amalgamation and arrangement (“**Scheme**” or “**the Scheme**” or “**this Scheme**”) provides for amalgamation of Amalgamating Company 1 and Amalgamating Company 2 (**Collectively referred to as “Amalgamating Companies”**) into and with Amalgamated Company in the manner set out in the Scheme, in accordance with sections 230 to 232 and other applicable provisions of The Act (as defined hereunder) and the rules or regulations framed thereunder.

Amalgamating Company 1 is a wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is a subsidiary of Amalgamating Company 1. The Scheme seeks to undertake the amalgamation of Amalgamating Company 1 and Amalgamating Company 2 with Amalgamated Company.

The proposed amalgamation of Amalgamating Companies with Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- (a) Combined business under “APL Apollo” brand resulting in wider product offerings and geographical footprint thereby leading to a stronger market presence which is best suitable for long term growth market;
- (b) Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of Amalgamated Company;
- (c) Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
- (d) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;

- (e) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of Amalgamated Company; and
- (f) Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

The Scheme would, thus, have beneficial results for Amalgamating Companies and Amalgamated Company, their shareholders, and all concerned and will not be prejudicial to the interests of any concerned shareholders or general public at large.

Under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured of Amalgamating Companies and/or Amalgamated Company. No compromise is offered under this Scheme to any of the creditors of Amalgamating Companies and/or Amalgamated Company. The liability of the creditors of Amalgamating Companies and/or Amalgamated Company, under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by Amalgamated Company in its ordinary course of business.

Accordingly, to achieve the above objectives, the Board of Directors of Amalgamating Companies and Amalgamated Company have considered and proposed to make requisite application(s) and/or petition(s) before the NCLT (as defined hereunder), New Delhi under sections 230 to 232 and other applicable provisions of The Act (as defined hereunder) (as may be in force) for the sanction of this Scheme to amalgamate Amalgamating Companies into and with Amalgamated Company.

#### **4. PARTS OF THE SCHEME OF AMALGAMATION AND ARRANGEMENT**

The Scheme is divided into the following parts:

**Part I**, which deals with the definitions and interpretations of the terms used in the Scheme; the Effective Date of the Scheme; and the Share Capital of Amalgamating Companies and Amalgamated Company;

**Part II**, deals with amalgamation of Amalgamating Companies with APL Apollo in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable;



**Part III**, which deals with the consideration, changes in share capital and matters relating to accounting;

**Part IV**, which deals with the general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

## PART – I

### 5. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following words and expressions shall have the following meaning:

- 5.1 **“Act” or “The Act”** means the Companies Act, 2013, to the extent applicable, including the rules and regulations made thereunder and will include circulars, notifications, guidelines and any statutory modifications, re-enactments and / or amendments thereof for the time being in force;
- 5.2 **“Amalgamating Companies”** means Shri Lakshmi and Apollo Tricoat collectively, which are proposed to be amalgamated into APL Apollo;
- 5.3 **“Amalgamating Company 2 Shares”** means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- 5.4 **“Amalgamated Company”** means APL Apollo;
- 5.5 **“Amalgamated Company Shares”** means fully paid up equity shares of Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- 5.6 **“Applicable Laws”** mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;
- 5.7 **“Appointed Date”** means the 1<sup>st</sup> day of April, 2021 or such other date as may be fixed by the Hon’ble NCLT of judicature at Delhi, or such other competent authority, as may be applicable;
- 5.8 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and

Exchange Board of India, Stock Exchanges, Regional Director, Official Liquidator, Registrar of Companies and National Company Law Tribunal;

- 5.9 **“Board of Directors” or “Board”** means the Board of Directors of Amalgamating Companies or Amalgamated Company, as the case may be and includes any committee thereof or persons authorised by the Board or committee thereof;
- 5.10 **“BSE”** means BSE Limited;
- 5.11 **“Effective Date”** means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by Amalgamated Company and Amalgamating Companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";
- 5.12 **“Eligible Member”** shall mean each person (other than Shri Lakshmi) whose name appears in the register of members of Amalgamating Company 2 and/or whose name appears as the beneficial owner of Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time;
- 5.13 **“IT Act”** shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;
- 5.14 **“IND-AS”** means the accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended
- 5.15 **“Intellectual Property Rights”** means rights of any patent, copyright, trademark or service mark, trade secret, trade dress and packaging material and styles, logos, colour schemes, product registrations owned by or licensed to Amalgamating Companies or any other proprietary rights protection legally available under common law or otherwise.
- 5.16 **“NCLT” or “Tribunal”** means the National Company Law Tribunal, New Delhi or any other Bench of the NCLT having jurisdiction in relation to both Amalgamating Companies and Amalgamated Company;
- 5.17 **“NSE”** means the National Stock Exchange of India Limited;

- 5.18 **“Record date”** shall mean the date fixed by the respective Board of Amalgamating Company 2 and Amalgamated Company for the purpose of determining the shareholders of Amalgamating Company 2 to whom Amalgamated Company Shares shall be allotted under this Scheme;
- 5.19 **“Record Time”** means 6:00 pm (Indian Time) on the Record Date;
- 5.20 **“Scheme of Amalgamation and Arrangement”** or **“Scheme”** means this scheme of amalgamation and arrangement involving the amalgamation of Amalgamating Companies with Amalgamated Company as approved, with or without any amendments/modifications;
- 5.21 **“SEBI”** means Securities and Exchange Board of India;
- 5.22 **“SEBI Circular”** means the circular issued by the SEBI, being Circular Ref. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and any amendments thereof or modifications issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI LODR”**);
- 5.23 **“Share Exchange Ratio”** shall have the meaning ascribed to it in Clause 16.2;
- 5.24 **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited.

#### **EXPRESSIONS NOT DEFINED IN THIS SCHEME**

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

#### **6. DATE OF COMING INTO EFFECT**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall come into legal operation from the Appointed Date, but the same shall become effective on and from the Effective Date.



## 7. DETAILS OF SHARE CAPITAL, DIRECTORS AND PROMOTERS

### 7.1 Shri Lakshmi Metal Udyog Limited ('Shri Lakshmi' or 'Amalgamating Company 1')

7.1.1 The share capital of Amalgamating Company 1 as on December 31, 2020 is as under:

| Particulars                                         | (Amount in INR)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 70,00,000 Equity Shares of INR 10/- each            | 7,00,00,000        |
| <b>Total</b>                                        | <b>7,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |
| 58,95,000 Equity Shares of INR 10/- each            | 5,89,50,000        |
| <b>Total</b>                                        | <b>5,89,50,000</b> |

Subsequent to December 31, 2020 and till the date of the Scheme being approved by the Board of Directors of Amalgamating Company 1, there has been no change in the issued, subscribed or paid up capital of Amalgamating Company 1.

The entire paid up share capital of Amalgamating Company 1 is held by Amalgamated Company and its nominees.

### 7.1.2 List of directors as on date

| S. No. | Name         | Address                                                             | DIN No.  | Date of Appointment |
|--------|--------------|---------------------------------------------------------------------|----------|---------------------|
| 1      | Sanjay Gupta | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                    | 00233188 | 28/04/2008          |
| 2      | Vinay Gupta  | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                    | 00005149 | 29/09/2009          |
| 3      | Neeru Abrol  | K-3 Lajpat Nagar –III, New Delhi-110024                             | 01279485 | 08/11/2019          |
| 4      | Romi Sehgal  | E-103, The Residency, Ardee City, Sector 5, Gurgaon, Haryana-122003 | 03320454 | 24/05/2018          |

### 7.1.3 List of promoters as on date

| S. No. | Name                 | Address                                              |
|--------|----------------------|------------------------------------------------------|
| 1      | APL Apollo Tubes Ltd | 37, Hargobind Enclave, Vikas Marg, Delhi –<br>110092 |

## 7.2 Apollo Tricoat Tubes Limited ('Apollo Tricoat' or 'Amalgamating Company 2')

7.2.1 The share capital of Amalgamating Company 2 as on December 31, 2020 is as under:

| Particulars                                         | (Amount in INR)    |
|-----------------------------------------------------|--------------------|
| <b>Authorised Share Capital</b>                     |                    |
| 3,25,00,000 Equity Shares of INR 2/- each           | 6,50,00,000        |
| <b>Total</b>                                        | <b>6,50,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |
| 3,04,00,000 Equity Shares of INR 2/- each           | 6,08,00,000        |
| <b>Total</b>                                        | <b>6,08,00,000</b> |

Subsequent to December 31, 2020 and till date of the Scheme being approved by the Board of Directors of Amalgamating Company 2, there has been no change in the issued, subscribed or paid up capital of Amalgamating Company 2.

Amalgamating Company 1 holds 55.82% in paid up share capital of Amalgamating Company 2.

### 7.2.2 List of directors as on date

| S. No. | Name        | Address                                             | DIN No.  | Date of Appointment |
|--------|-------------|-----------------------------------------------------|----------|---------------------|
| 1      | Rahul Gupta | G-8, Maharani Bagh, Phase I,<br>Delhi-110065        | 07151792 | 04/05/2018          |
| 2      | Vinay Gupta | 106, Hargobind Enclave, Vikas<br>Marg, Delhi 110092 | 00005149 | 23/10/2020          |

| S. No. | Name                 | Address                                                                   | DIN No.  | Date of Appointment |
|--------|----------------------|---------------------------------------------------------------------------|----------|---------------------|
| 3      | Bharat Bhushan Sahny | B-22, Dayanand Colony,<br>Lajpat Nagar- 4, New Delhi-<br>110024           | 00014334 | 28/02/2014          |
| 4      | Neeru Abrol          | K-3, Lajpat Nagar-3, Delhi-<br>110024                                     | 01279485 | 20/01/2020          |
| 5      | Romi Sehgal          | E-103, The Residency, Adree<br>City, Sector 52 Gurgaon,<br>Haryana 122003 | 03320454 | 01/02/2020          |
| 6      | Anilkumar Bansal     | S-34, Greater Kailash-II,<br>Delhi-110048                                 | 06752578 | 11/06/2018          |

### 7.2.3 List of promoters as on date

| S. No. | Name                             | Address                                              |
|--------|----------------------------------|------------------------------------------------------|
| 1      | Shri Lakshmi Metal Udyog Limited | 37, Hargobind Enclave, Vikas Marg, Delhi –<br>110092 |
| 2      | Rahul Gupta                      | G-8, Maharani Bagh, Phase I, Delhi-110065            |

### 7.3 APL Apollo Tubes Ltd (‘APL Apollo’ or ‘Amalgamated Company’)

7.3.1 The share capital of Amalgamated Company as on December 31, 2020 is as under

| Particulars                                          | (Amount in INR)     |
|------------------------------------------------------|---------------------|
| <b>Authorised Share Capital</b>                      |                     |
| 22,50,00,000 Equity Shares of INR 2/- each           | 45,00,00,000        |
| <b>Total</b>                                         | <b>45,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital*</b> |                     |
| 12,47,84,125 Equity Shares of INR 2/- each           | 24,95,68,250        |
| <b>Total</b>                                         | <b>24,95,68,250</b> |

Subsequent to December 31, 2020 and till the date of Scheme being approved by the Board of Directors of Amalgamated Company, there has been no change in the issued, subscribed or paid up capital of Amalgamated Company.

*\* Certain employee stock options granted to the employees of APL Apollo may get exercised before the effectiveness of the Scheme, as the case may be. The details of the unexercised employee stock options (net of cancellation) of employees of APL Apollo as on December 31, 2020 are set out below:*

| <b>Unexercised Employee Stock Options</b>                         | <b>(Amount in INR)</b> |
|-------------------------------------------------------------------|------------------------|
| 5,49,875 options entitling equivalent Equity Shares of INR 2 each | 10,99,750              |
| <b>Total</b>                                                      | <b>10,99,750</b>       |

### 7.3.2 List of directors as on date

| <b>S. No.</b> | <b>Name</b>         | <b>Address</b>                                                       | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|---------------------|----------------------------------------------------------------------|----------------|----------------------------|
| 1             | Sanjay Gupta        | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                     | 00233188       | 02/09/2003                 |
| 2             | Vinay Gupta         | 106, Hargobind Enclave, Vikas Marg, Delhi 110092                     | 00005149       | 16/05/2008                 |
| 3             | Virendra Singh Jain | B-12, 'Saket', 2nd Floor Gyan Bharti School Lane, South Delhi-110017 | 00253196       | 28/01/2017                 |
| 4             | Neeru Abrol         | K-3 Lajpat Nagar –III, New Delhi-110024                              | 01279485       | 24/03/2015                 |
| 5             | Abhilash Lal        | H. No. C-192, DLF Ph-2, Belvedere Park Towers, Gurgaon-122002        | 03203177       | 12/02/2014                 |
| 6             | Romi Sehgal         | E-103, The Residency, Ardee City, Sector 5, Gurgaon,                 | 03320454       | 13/08/2016                 |



| <b>S. No.</b> | <b>Name</b>          | <b>Address</b>                               | <b>DIN No.</b> | <b>Date of Appointment</b> |
|---------------|----------------------|----------------------------------------------|----------------|----------------------------|
|               |                      | Haryana -122003                              |                |                            |
| 7             | Anilkumar Bansal     | S-34, Greater Kailash, New<br>Delhi – 110048 | 06752578       | 04/08/2014                 |
| 8             | Ashok Kumar<br>Gupta | C-380, Yojna Vihar, Delhi,<br>110092         | 01722395       | 19/10/2011                 |

### 7.3.3 List of promoters as on date

| <b>S. No.</b> | <b>Name</b>                        | <b>Address</b>                                                                     |
|---------------|------------------------------------|------------------------------------------------------------------------------------|
| 1             | Sanjay Gupta                       | 106, Hargobind Enclave, Vikas Marg, Delhi 110<br>092                               |
| 2             | Veera Gupta                        | C-380, Yojna Vihar, Delhi, 110092, Delhi                                           |
| 3             | Rahul Gupta                        | G-8, Maharani Bagh, Phase I, Delhi-110065                                          |
| 4             | Rohan Gupta                        | 106, Hargobind Enclave, Vikas Marg, Delhi 110<br>092                               |
| 5             | APL Infrastructure Private Limited | 36, Kaushambi, Near Anand Vihar Terminal<br>behind Wave Cinema Ghaziabad UP 201010 |
| 6             | Ashok Kumar Gupta                  | C-380, Yojna Vihar, Delhi, 110092                                                  |

**PART – II**  
**AMALGAMATION OF SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO**  
**TRICOAT TUBES LIMITED WITH AND INTO**  
**APL APOLLO TUBES LIMITED**

**8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES**

8.1 Upon the coming into effect of this Scheme and with effect from Appointed Date (after giving effect to the clause 8 of this Scheme), Amalgamating Companies shall, pursuant to the provisions of Sections 230 to 232 of the Act and sanction of this Scheme by Tribunal and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in Amalgamated Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of Amalgamating Companies along with all the rights, title, interest or obligations of Amalgamating Companies therein become that of Amalgamated Company.

8.2 Without prejudice to sub-clause 8.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows

(a) All the movable assets including investments, cash in hand, bank balances and deposits any, of Amalgamating Companies capable of being transferred by delivery, shall be handed over by physical delivery to Amalgamated Company along with such other documents as may be necessary towards the end and intent that the property therein passes to Amalgamated Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Amalgamated Company accordingly.

(b) All debts, loans and advances recoverable in cash or in kind or for value to be received, if any, with Government, Customs, Port, local and other authorities and bodies, customers and other persons, outstanding and receivables of Amalgamating Companies other than the movable assets specified in sub-clause (a) above, shall on and from Appointed Date stand transferred to and vested in Amalgamated Company without any notice or other intimation to the debtors (although Amalgamated Company may, if so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in Amalgamated Company), and the

debtors shall be obliged to make payments to Amalgamated Company on and after the Effective Date.

- (c) All immovable properties including land together with the buildings and structures standing thereon or under construction (whether free hold, leasehold, leave and licensed or otherwise, including tenancies in relation to warehouses, office space and guest houses and residential premises occupied by the staff and employees of Amalgamating Companies), and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties of Amalgamating Companies, if any, shall be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in Amalgamated Company and shall belong to Amalgamated Company in the same and like manner as was entitled to Amalgamating Companies. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Amalgamated Company. Any inchoate title or possessory title of Amalgamating Companies shall be deemed to be the title of Amalgamated Company.

For purposes of taking on record the name of Amalgamated Company in the records of the Governmental Authorities in respect of transfer of immovable properties to Amalgamated Company pursuant to this Scheme, the Boards of Directors of Amalgamating Companies and Amalgamated Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license (as the case may be) by Amalgamating Companies in favor of Amalgamated Company.

- (d) All the licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated, Goods and Services Tax Credit, Integrated Goods and Services Tax Credit, Central Goods and Services Tax Credit, State Goods and Services Tax Credit and Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, other tax exemptions and/or deferments, amount of tax deposited under protest, bonds with the custom authorities), concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by Amalgamating Companies and all rights and benefits that have accrued or which may accrue to Amalgamating Companies, whether before or after the Appointed Date,

shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Amalgamated Company so as to become as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives (including Goods and Services Tax, 2017, Integrated Goods and Services Tax, 2017, Central Goods and Services Tax, 2017, State Goods and Services Tax, 2017 and Cenvat credit, service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, concessions, rights, claims, leases, tenancy rights, special status and other benefits or privileges) of Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.

- (e) All assets and properties including memberships, franchises, rights, permissions, quotas, rights, entitlements, licenses, certificate of registrations, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, of Amalgamating Companies as on the Appointed Date, whether or not included in the books of Amalgamating Companies, shall be deemed to be and shall become the assets and properties of Amalgamated Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in Amalgamated Company upon the coming into effect of this Scheme.
- (f) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which Amalgamating Companies are a party or to the benefit of which Amalgamating Companies may be eligible or for the obligations of which Amalgamating Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of Amalgamated Company and may be enforced as fully and effectually as if, instead of Amalgamating Companies, Amalgamated Company had been a party or beneficiary or obligee thereto.
- (g) All debts, liabilities, contingent liabilities, duties, indemnifications given pursuant to any agreement entered into by Amalgamating Companies and obligations of every kind, nature and description of Amalgamating Companies shall also, without any further act, instrument or deed, be transferred to or be deemed to be transferred to Amalgamated Company so as to become as and from Appointed Date the debts, liabilities, contingent



liabilities, duties and obligations of Amalgamated Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties, indemnifications and obligations have arisen, in order to give effect to the provisions of this sub-clause.

- (h) The transfer and vesting of Amalgamating Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of Amalgamating Companies. Provided however that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Amalgamated Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of Amalgamating Companies vested in Amalgamated Company.

Provided further that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Amalgamating Companies which shall vest in Amalgamated Company by virtue of the amalgamation of Amalgamating Companies with Amalgamated Company and Amalgamated Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- (i) Without prejudice to the provisions of the foregoing clauses, Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional registrar of companies to give formal effect to the above provisions, if required.
- (j) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this clause.
- (k) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of

sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

- 8.3 Without prejudice to the other provisions of this Scheme, Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Amalgamating Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Amalgamated Company shall, under the provisions of Clause 8 of this Scheme, be deemed to be authorised to execute any such writings as a successor of Amalgamating Companies and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Companies to be carried out or performed.
- 8.4 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of Amalgamating Companies shall stand transferred to Amalgamated Company as if the same were originally given by, issued to or executed in favour of Amalgamated Company, and Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Amalgamated Company. Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.
- 8.5 Where any of the liabilities and obligations of Amalgamating Companies as on the Appointed Date, deemed to have been transferred to Amalgamated Company have been discharged by Amalgamating Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Amalgamated Company and all loans raised and used and all liabilities and obligations incurred by Amalgamating Companies for the operation of Amalgamating Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of Amalgamated Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, be and shall stand transferred to Amalgamated Company and shall become its liabilities and obligations from such date.

## **9. BUSINESS AND PROPERTY IN TRUST**

Upon the coming into effect of the Scheme and from the Appointed Date and up to and including the Effective Date:

- (a) Amalgamating Companies shall carry on and be deemed to have carried on the business and activities and shall stand possessed of all the assets and properties, in trust for Amalgamated Company and shall account for the same to Amalgamated Company.
- (b) Any income or profit accruing or arising to Amalgamating Companies, as the case may be, and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by Amalgamating Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of Amalgamated Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to Amalgamating Companies shall be deemed to have been exercised by Amalgamating Companies for and on behalf of and as agent for Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Amalgamating Companies that have been undertaken or discharged by Amalgamating Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for Amalgamated Company.
- (d) All the acts done by Amalgamating Companies after the Appointed Date shall be done in trust for and on behalf of Amalgamated Company.

## **10. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE**

10.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) Amalgamating Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto.
- (b) Amalgamating Companies shall not alter or substantially expand the business except with the written concurrence of Amalgamated Company.
- (c) Amalgamating Companies shall not, without the written concurrence of Amalgamated Company, transfer, alienate, charge, mortgage or encumber any of its assets or properties, except in the ordinary course of business or pursuant to any pre-existing

obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Amalgamating Companies.

- (d) Amalgamating Companies shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, save and except, in each case, in the following circumstances:
  - i. If the same is in the ordinary course of business as carried on by Amalgamating Companies as on the date of filing this Scheme with Tribunal; or
  - ii. If the written consent of Amalgamated Company, as the case may be, has been obtained.
  
- (e) Amalgamating Companies shall be entitled, pending the sanction of the Scheme by Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Amalgamated Company may require to own and carry on the business of Amalgamating Companies.

10.2 On the Effective Date but with effect from the Appointed Date, Amalgamated Company shall be authorized to carry on the businesses carried on by Amalgamating Companies

## **11. COMPLIANCE WITH TAX LAWS**

This provisions of this Scheme as they relate to the amalgamation of Amalgamating Companies into and with Amalgamated Company, have been drawn up to comply with the conditions relating to “Amalgamation” as defined under the income-tax laws, specifically section 2(1B) of IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the income-tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments as may become necessary shall vest with the Board of Amalgamated Company, which power shall be exercised reasonably in the best interests of the companies and their stakeholders, and which power can be exercised at any time, whether before or after the Effective Date.



## **12. LEGAL AND TAXATION PROCEEDINGS**

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against Amalgamating Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, Amalgamated Company.
  
- (ii) Amalgamated Company shall have all legal, taxation or other proceedings initiated by or against Amalgamating Companies referred to in Clause 12 (i) above transferred to its name as soon as is reasonably possible after the Appointed Date and to have the same continued, prosecuted and enforced by or against Amalgamated Company, as a successor of Amalgamating Companies.

## **13. CONTRACTS AND DEEDS**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which Amalgamating Companies is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of Amalgamated Company, as the case may be, and may be enforced by or against Amalgamated Company as fully and effectually as if, instead of Amalgamating Companies, Amalgamated Company had been a party thereto. Amalgamated Company may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Amalgamating Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. Amalgamated Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Amalgamating Companies and to implement or carry out all formalities required on the part of Amalgamating Companies to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between Amalgamating Companies and Amalgamated Company, as on the Effective Date shall stand cancelled and cease to operate in Amalgamated Company.

#### **14. STAFF AND EMPLOYEES**

14.1 On the Scheme coming into effect, all staff and employees of Amalgamating Companies in service on such date shall be deemed to have become staff and employees of Amalgamated Company without any break, discontinuance or interruption in their service and on the basis of continuity of service and the terms and conditions of their employment with Amalgamated Company shall not be less favourable than those applicable to them with reference to Amalgamating Companies on the Effective Date.

14.2 Upon the Scheme coming into effect, the existing balances of Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, created by Amalgamating Companies for its employees shall be transferred to Amalgamated Company. Amalgamating Companies shall take all steps necessary for the transfer of balances, where applicable, of the Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, to Amalgamated Company. All obligations of Amalgamating Companies with regard to the said fund or funds as defined in the relevant rules shall be taken over by Amalgamated Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of Amalgamating Companies in relation to such Fund or Funds shall become those of Amalgamated Company and all the rights, duties and benefits of the employees employed in Amalgamating Companies under such Funds shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of Amalgamating Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

#### **15. TREATMENT OF TAXES**

15.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, State Sales Tax laws, Central Sales Tax Act, 1956, Central Excise Act 1944, Service Tax laws, Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017 and Central Goods and Services Tax Act, 2017 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as “Tax Laws”) allocable or related to the business of Amalgamating Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Amalgamated Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, withholding tax, service tax and any tax credit entitlements as on the date immediately preceding the Appointed Date will also be transferred to the account of e Amalgamated Company. Any

refund under the Tax Laws due to Amalgamating Companies consequent to the assessments made on Amalgamating Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Amalgamated Company.

- 15.2 All taxes (including income tax, sales tax, Goods and Services tax, CENVAT, excise, customs duty, service tax, VAT, etc) paid or payable by Amalgamating Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of Amalgamated Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, goods and services tax, custom duty, income tax, service tax, excise, value added tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, by Amalgamating Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.
- 15.3 Amalgamated Company is expressly permitted to file/ revise its income tax, wealth tax, Goods and Services tax, VAT, sales tax, excise, CENVAT and other statutory returns, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. However, upon the Scheme becoming effective subsequently, Amalgamated Company shall have the right to revise and consolidate its financial statements and returns along with prescribed forms, filings and applications/ annexures under the IT Act, indirect taxes and other Tax Laws. Amalgamated Company is expressly permitted to amend TDS/ TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/ duties paid by Amalgamating Companies shall be deemed to be the taxes/ duties paid by Amalgamated Company and Amalgamated Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of Amalgamating Companies.
- 15.4 All tax assessment proceedings / appeals of whatsoever nature by or against Amalgamating Companies pending and/or arising at the Appointed Date and relating to Amalgamating Companies shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against Amalgamated Company in the same manner and to the

same extent as would or might have been continued and enforced by or against Amalgamating Companies.

Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of Amalgamating Companies with Amalgamated Company or anything contained in the Scheme.

Furthermore, on or after the Effective Date, all rights, entitlements and powers to revise returns and filings of Amalgamating Companies under the tax laws, and to claim refunds and/or credits for the taxes paid, etc. and for matters incidental thereto, shall be available to and vest with Amalgamated Company.

- 15.5 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by Amalgamating Companies on or after Appointed Date shall be deemed to be made by Amalgamated Company.



### PART - III

#### 16. CONSIDERATION

- 16.1 Since Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, upon the Scheme becoming effective, all the equity shares held by Amalgamated Company and its nominees in Amalgamating Company 1 shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of Amalgamated Company to the shareholders of Amalgamating Company 1 upon the Scheme being effective.
- 16.2 Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-
- “one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) of the Amalgamated Company to be issued and allotted to the Eligible Members of the Amalgamating Company 2 against one fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in the Amalgamating Company 2.”*
- 16.3 Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in Amalgamated Company shall be made against those 55.82% of the total equity shares of Amalgamating Company 2.
- 16.4 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by Amalgamating Company 1 in Amalgamating Company 2 shall be deemed to be cancelled without any further act or deed for cancellation thereof by Amalgamated Company.
- 16.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of Amalgamating Company 2, the Board of Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date,

in order to remove any difficulties arising to the transferor of the shares in Amalgamating Company 2 and in relation to the shares issued by Amalgamated Company, after the effectiveness of the Scheme. The Board of Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Amalgamated Company on account of difficulties faced in the transaction period.

- 16.6 The issue and allotment of Amalgamated Company Shares by Amalgamated Company to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of The Act and any other applicable provisions of The Act were duly complied with.
- 16.7 Where Amalgamated Company Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of Amalgamating Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Amalgamated Company.
- 16.8 Promptly upon the issuance of Amalgamated Company Shares pursuant to this Clause 16, Amalgamated Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and the Stock Exchanges, for listing of such Amalgamated Company Shares. Immediately upon receipt of such approval, Amalgamated Company shall take all necessary steps to obtain trading approval for Amalgamated Company Shares. Amalgamated Company shall ensure that steps for listing of Amalgamated Company Shares are completed, and trading of Amalgamated Company Shares commences within the period prescribed the time period under the SEBI Circular. Amalgamated Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.
- 16.9 Amalgamated Company Shares to be issued and allotted by Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank pari passu in all respects and shall have the same rights attached to the then existing equity shares of Amalgamated Company.
- 16.10 Amalgamated Company Shares shall be issued in dematerialized form to all Eligible Shareholders holding Amalgamating Company 2 Shares, in accordance with the Applicable Laws.

- 16.11 Amalgamated Company Shares to be issued by Amalgamated Company in respect of Amalgamating Company 2 Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by Amalgamated Company.

## **17. ACCOUNTING TREATMENT**

### **17.1 IN THE BOOKS OF AMALGAMATED COMPANY**

Upon the Scheme becoming effective Amalgamated Company shall account for the amalgamation of Amalgamating Companies in its books of account in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with Institute of Chartered Accountants of India Ind AS Technical Facilitation Group ('ICAI ITFG') Clarification as under:

- 17.1.1 All the assets, and liabilities in the books of Amalgamating Companies shall be recorded by Amalgamated Company in its books of account at their respective carrying amounts as appearing in the books of Amalgamating Companies. No adjustment shall be made to reflect fair values, or recognise any new assets or liabilities.
- 17.1.2 The identity of reserves shall be preserved and shall appear in the financial statements of Amalgamated Company, in the same form, in which they appeared in the financial statements of Amalgamating Companies.
- 17.1.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Amalgamating Companies and the Amalgamated Company as appearing in their books of account, if any, shall stand cancelled.
- 17.1.4 The carrying amount of investments in the equity shares of Amalgamating Company 1 to the extent held by Amalgamated Company and carrying amount of investments in the equity shares of Amalgamating Company 2 to the extent held by Amalgamating Company 1, shall stand cancelled pursuant to Clause 16 of this Scheme and there shall be no further obligation in that behalf.

- 17.1.5 Amalgamated Company shall credit the aggregate face value of equity shares issued by it to the Eligible Members of Amalgamating Company 2 pursuant to Clause 16.2 of this Scheme to the equity share capital account in its books of account.
- 17.1.6 The difference, if any, between the net assets transferred to Amalgamated Company pursuant Clause 17.1.1 as reduced by reserves recorded in Amalgamating Companies pursuant to Clause 17.1.2 and after giving effect to adjustments mentioned in Clause 17.1.3 and Clause 17.1.4 and Clause 17.1.5, shall be adjusted in accordance with Appendix-C of IND-AS 103 (Business Combinations of entities under common control) read with ICAI ITFG Clarification.
- 17.1.7 In case of any differences in the accounting policies between Amalgamating Companies and Amalgamated Company, the impact of the same will be quantified and adjusted in the capital reserves of Amalgamated Company to ensure that the financial statements of Amalgamated Company reflect the true financial position on the basis of consistent accounting policies.
- 17.1.8 On the Scheme becoming effective, the financial statements of Amalgamated Company (including comparative period presented in the financial statements of Amalgamated Company, if required) shall be restated for the accounting impact of Amalgamation, as stated above, as if amalgamation had occurred from the acquisition date (date when common control was established) or beginning of the said comparative period; whichever is later.

## **17.2 IN THE BOOKS OF AMALGAMATING COMPANIES**

- 17.2.1 As Amalgamating Companies shall stand dissolved without being wound up upon the Scheme becoming effective as mentioned in clause 22 of the Scheme and all the assets and liabilities shall be transferred to Amalgamated Company, hence there is no accounting treatment prescribed under this Scheme in the books of Amalgamating Companies.

## **18. SUB-DIVISION OF FACE VALUE OF EQUITY SHARES OF AMALGAMATING COMPANY 1 AND COMBINATION OF AUTHORISED SHARE CAPITAL**

- 18.1. As an integral part of the Scheme, the face value of 1 (One) equity share of Amalgamating Company 1 amounting to INR 10/- (Indian Rupees Ten Only) shall be sub-divided into face value of INR 2/- (Indian Rupees Two only) comprising 5 equity shares of Amalgamating



Company 1; accordingly, authorised share capital of Amalgamating Company 1 shall be restructured as under:

*“The authorised share capital of Amalgamating Company 1 is INR 7,00,00,000/- (Indian Rupees Seven crore only) divided into 3,50,00,000 (Thee Crore Fifty Lacs) equity shares of INR 2 each (Indian Rupees Two only).*

- 18.2. The members of Amalgamating Company 1, on approval of Scheme, shall be deemed to have given approval u/s 61 of the Act and all other applicable provisions of the said act for sub-division of the face value of equity shares and for amendment to the authorised share capital of Amalgamating Company 1 and no separate resolutions will be required to be passed for sub-division of the face value of equity shares of Amalgamating Company 1 and for amendment of authorised share capital of Amalgamating Company 1 under section 61 of the Act and no separate notice will be required to be given to the Registrar of Companies, for intimation of sub-division under section 64 of the Act.
- 18.3. Upon the Scheme becoming effective, the authorised share capital of Amalgamated Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced by the authorised share capital of Amalgamating Companies as on the Effective Date without any further act, instrument or deed on the part of Amalgamated Company and the Memorandum of Association and Articles of Association of Amalgamated Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under section 13, section 14, section 61 and section 232 of The Act and any other applicable provisions of the Act, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorised share capital of Amalgamating Companies shall be set-off against any fees payable by Amalgamated Company on its authorised share capital subsequent to the amalgamation and no fee shall be payable by Amalgamated Company for increase in the authorised share capital to that extent.
- 18.4. The filing fees and stamp duty already paid by Amalgamating Companies on its authorised share capital shall be utilized and applied to increased share capital of Amalgamated Company, and shall be deemed to have been so paid by Amalgamated Company on such combined authorised share capital. Further, Amalgamated Company shall pay the requisite fee, if any, that arises due to the difference in maximum statutory fee as per the Act payable on such combined authorised share capital.

- 18.5. It is hereby clarified that Amalgamated Company through its Board, if required, would be entitled to make appropriate reclassification/ combination of its authorised share capital and provide suitable clarifications to the Registrar of Company with regard to the clubbing of the authorised share capital of Amalgamating Companies with Amalgamated Company.
- 18.6. Pursuant to this Scheme, Amalgamated Company shall file the requisite forms / documents with the Registrar of Companies, Delhi or any other Applicable Authority for such increase of the authorised share capital.

## **PART - IV**

### **19. APPROVAL OF THE SCHEME THROUGH E-VOTING**

The approval of shareholders of Amalgamating Company 2 and Amalgamated Company shall be obtained through e-Voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to this Scheme). The Scheme shall be acted upon only if the votes cast by public shareholders in favour of the resolution are more than the number of votes cast by public shareholders against it in accordance with the SEBI Circular.

### **20. DIVIDENDS**

20.1 Notwithstanding the above clauses of the Scheme, Amalgamating Companies and Amalgamated Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

20.2 The holders of the shares of Amalgamating Companies and Amalgamated Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

20.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards, and subject to the approval, if required, of the shareholders of Amalgamating Companies and Amalgamated Company as the case may be.

### **21. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 8 and the continuance of proceedings by or against Amalgamated Company under Clause 12 shall not affect any transaction or proceedings already concluded by Amalgamating Companies on or before the date when Amalgamating Companies adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that Amalgamated Company accepts and adopts all acts, deeds and things done and executed by Amalgamating Companies in respect thereto as done and executed on behalf of itself.

## **22. DISSOLUTION OF THE AMALGAMATING COMPANIES**

On the Scheme coming into effect, Amalgamating Companies shall, without any further act or deed, stand dissolved without winding up.

## **23. APPLICATIONS TO THE TRIBUNAL/ OTHER AUTHORITY**

23.1 Amalgamating Companies and Amalgamated Company shall, with all reasonable dispatch, make applications to Tribunal, seeking orders for dispensing with or convening, holding and conducting of the meetings of the shareholders and/ or creditors of Amalgamating Companies and Amalgamated Company as may be directed by the Tribunal.

23.2 Amalgamating Companies and Amalgamated Company shall, with all reasonable dispatch, apply to Tribunal for sanctioning the Scheme under the applicable provisions of the Act, and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect.

## **24. CONDITIONALITY OF SCHEME**

The Scheme is conditional upon and subject to:

- (a) Amalgamating Companies and Amalgamated Company filing the Scheme approved by their respective Board of Directors with the designated Stock Exchanges fixed by the Board of Directors of Amalgamating Companies and Amalgamated Company respectively, in terms of the SEBI Circular and receiving a 'no objection' and/or 'observation' letter.
- (b) the Scheme being agreed to by the requisite majority in number and value of such classes of persons including the respective shareholders and secured and unsecured creditors of each of Amalgamating Companies and Amalgamated Company except to the extent exempted by the Tribunal;
- (c) Approval of the shareholders of Amalgamating Companies and Amalgamated Company through e-voting and/or any other mode as may be required under any Applicable Law and the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of Amalgamating Company 2 and Amalgamated Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957;



- (d) The sanction of this Scheme by the NCLT under Sections 230 to 232 of The Act, and other applicable provisions, if any, of The Act in favour of Amalgamating Companies and Amalgamated Company;
- (e) such other sanctions and approvals including sanctions of any statutory or regulatory authority including Stock Exchanges and SEBI, as may be required in respect of the Scheme, being obtained;
- (f) there not being any order from any Appropriate Authority that has the effect of making Amalgamation illegal or otherwise restraining or preventing its consummation;
- (g) there not being any order from any Appropriate Authority that has the effect of making the transfer of the intellectual property being used in relation to Amalgamating Companies' business illegal or otherwise restraining or preventing its transfer; and
- (h) filing of the certified copies of the order of the Tribunal sanctioning the Scheme under the applicable provisions of the Act with the Registrar of Companies, Delhi and Haryana.

## **25. EFFECT OF NON-APPROVALS**

- 25.1 In the event the Scheme is not sanctioned by the Tribunal for any reason whatsoever or for any other reasons the Scheme cannot be implemented, the Scheme shall become null and void and shall be of no effect and in that event no rights and/or liabilities shall accrue to or be incurred *inter-se* by Amalgamating Companies and Amalgamated Company and each of Amalgamating Companies and Amalgamated Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 25.2 It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and Scheme with the remaining component(s) shall be implemented.

**26. AMENDMENT OR MODIFICATION AND OTHER MATTERS PERTAINING TO SCHEME**

The Board of Amalgamating Companies and Amalgamated Company may assent to any modification(s) or amendment(s) in this Scheme which the Tribunal and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and the Board of Amalgamating Companies and Amalgamated Company and after the dissolution of Amalgamating Companies, the Board of Directors of Amalgamated Company be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith. The Board of Amalgamating Companies and Amalgamated Company may assent to withdrawal of the scheme at any stage even after sanctioning of the Scheme.

**27. REVOCATION AND SEVERABILITY**

27.1 In the event of any of the said sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid within such period as may be mutually agreed upon by the respective Board of Amalgamating Companies and Amalgamated Company, this Scheme shall stand revoked, cancelled and be of no effect.

27.2 In the event of any of the conditions that may be imposed by the Tribunal or other authorities and which Amalgamating Companies and Amalgamated Company may find unacceptable for any reason, then Amalgamating Companies and Amalgamated Company are at liberty to withdraw the Scheme.

27.3 The Board of Amalgamating Companies and Amalgamated Company shall be entitled to withdraw, revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Amalgamating Companies and Amalgamated Company.

27.4 In the event of revocation under Clause 27.1, Clause 27.2 and Clause 27.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to Amalgamating Companies

and Amalgamated Company and their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each of Amalgamating Companies and Amalgamated Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

**28. COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Amalgamating Companies and Amalgamated Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by Amalgamated Company.

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT NO. IV, NEW DELHI  
CA (CAA)-107/(ND)/2021**

{Sections 230-232 and Other Applicable Provisions of The Companies Act, 2013 Read with Companies (Compromises, Arrangements, And Arrangements) Rules, 2016}

**IN THE MATTER OF:**

**SCHEME OF AMALGAMATION  
OF**

Shree Lakshmi Metal Udyog Limited  
(Transferor Company No.1/Applicant Company-1)

**AND**

Apollo Tricoat Tubes Limited  
(Transferor Company No.2/ Applicant Company-2)

**WITH**

APL Apollo Tubes Limited  
(Transferee Company No.3/ Applicant Company-3)

**AND**

**THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS**

*ORDER PRONOUNCED ON: 30.11.2021*

**CORAM:**

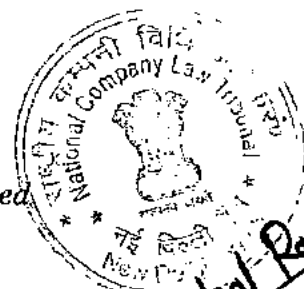
**DR. DEEPTI MUKESH  
HON'BLE MEMBER (JUDICIAL)**

**MS. SUMITA PURKAYASTHA  
HON'BLE MEMBER (TECHNICAL)**

**MEMO OF PARTIES**

*CA (CAA)-107(ND)/2021*

*Shree Laxmi Metal Udhog Limited and APL Apollo Tubes Limited*



*Vishal Rana  
07.12.2021*



**Shri Lakshmi Metal Udhyog Limited**

Having its registered office at:  
37, Hargobind Enclave, Vikas Marg,  
Delhi – 110092.

...Transferor Company No.1/ Applicant Company-1

**AND**

**Apollo Tricoat Tubes Limited**

Having registered office at:  
37, Hargobind Enclave.Vikas Marg,  
Delhi-110092

...Transferor Company No.2/ Applicant Company-2

**WITH**

**APL Apollo Tubes Limited**

Having registered office at:  
37, Hargobind Enclave,Vikas Marg,  
Delhi-110092

...Transferee Company/ Applicant Company-3

**For the Applicants** :Mr. Mahesh Agarwal, Adv.

Mr. Rajeev Kumar, Adv.

**For The OL** : Ms. Hemlata Rawat, Adv.

Mr.Aayushmaan Vatsyayana, Adv.

**ORDER**

**Per- Dr. Deepti Mukesh, Member (Judicial)**

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*



1. This is an application filed by Shri. Lakshmi Steel Metal Udyog (for brevity "Transferor Company No.1"), Apollo Tricoat Tubes Limited (for brevity "Transferor Company No.2") and APL Apollo Tubes Limited (for brevity "Transferee Company"), jointly under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed between the applicants.
2. An affidavit in support of the above application sworn by Mr. Shivam Maheshwari, Mr. Surbhi Arora and Mr. Deepak C S, being the authorized representative of the Transferor Company No.1, Transferor Company No.2 and Transferee Company respectively, who has been authorized vide board resolution dated 27.02.2021 passed at their respective board meetings. The copy of respective board resolutions dated 27.02.2021 have been annexed. It is also represented that the registered office of all the applicant companies is under the domain of Registrar of Companies, NCT of New Delhi & Haryana and within the territorial jurisdiction of this Tribunal.
3. The Transferor No.1 Company is a public limited company incorporated on 25.04.1994 under the provisions of Companies Act, 1986, bearing CIN: U85110DL1994PLC224835 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of "*Estima Investment & Financial Services Private Limited.*" Thereafter on 13.01.1995 the company was converted from private limited company to Public limited company and the name of the company was changed from "*Estima Investment & Financial Services Private Limited*" to "*Estima Investment & Financial Services Limited.*" Again on 16.09.2003, the name of the company was again changed from "*Estima Investment & Financial*

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



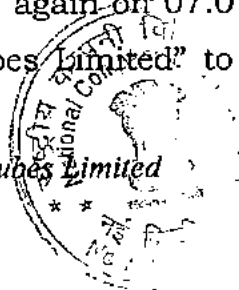
*Services Limited*” to “*Shri Lakshmi Metal Udhyog Limited.*” The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs. 7,00,00,000/- (divided into 70,00,000 Equity Shares of Rs. 10/- each) and the Issued, subscribed and Paid-Up Share Capital is Rs. 5,89,50,000/- (divided into 58,95,000 Equity shares of Rs. 10/- each). The company is engaged in the business of production of ERW steel Tubes and GP coils.

4. The Transferor No.2 Company is a public limited company incorporated on 12.01.1983 under the provisions of Companies Act, 1986, bearing CIN: L74900DL1983PLC014972 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of “*Best Steel Logistics Limited.*” On 21.08.2018 the name of the company was changed to “*Apollo Tricoat Tubes Limited*” On 28.07.2014, the company was listed on BSE limited. The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs. 6,50,00,000/- (divided into 3,25,00,000 Equity Shares of Rs. 2/- each) and the Issued, subscribed and Paid-Up Share Capital is Rs. 6,08,00,000/- (divided into 3,04,00,000 Equity shares of Rs. 2/- each). The company is engaged in the business of production of steel designer roofing, fencing, steel door frames, designer hand railing etc.

5. The Transferee Company is a public limited company, incorporated on 24.02.1986 under the provisions of Companies Act, 1956, bearing CIN: L74899DL1986PLC023443 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi- 110092. The company was initially incorporated in the name and style of “*Bihar Tubes Private Limited*”, on 19.10.1993, the company was converted from Private limited company to Public limited company and the name of the company was changed from “*Bihar Tubes Private limited*” to “*Bihar Tubes limited.*” Thereafter, again on 07.07.2010 the name of the company was changed from “*Bihar Tubes Limited*” to “*APL Apollo Tubes*

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*



Limited.” On 05.12.2011 the shares of the company were listed on BSE limited and on 14.12.2011 the shares of the company were listed on National Stock Exchange of India limited. The fresh certificates of incorporation issued by the Ministry of Corporate Affairs have been annexed. The Authorized Share Capital of the Company is Rs.45,00,00,000 /- (divided into 22,50,00,000 Equity shares of Rs.2/- each) and the Issued, Subscribed and Paid-Up Share Capital is Rs. 24,97,92,000/- (Divided into 12,48,96,000 Equity Share of Rs. 2/- each). The company is engaged in the business of production of EW steels tubes.

6. All the applicant companies have filed their respective Memoranda and Articles of Association inter alia delineating their object clauses, as well as their last Audited Annual Accounts for the year ended 31<sup>st</sup> March 2021 and the provisional balance sheet upto 30<sup>th</sup> June 2021.
7. The Board of Directors of all the Applicant companies vide meeting held on 27<sup>th</sup> February 2021 have unanimously approved the proposed Scheme of amalgamation as contemplated above. Copies of resolutions passed in the said board meetings of all the applicant companies have been placed on record.
8. That all the applicant companies have annexed the certificates from statutory auditors in compliance under Section 133 of the Companies Act, 2013 read with Rule 7 of companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles.
9. That the Transferor No.1 company is not a listed therefore no objection from BSE or NSE is not required. As regards the Transferor No.2 company no objection letter obtained from BSE limited dated 02, August 2021 is annexed and as regards the Transferee Company no objection letters obtained from BSE limited and National Stock Exchange of the India Limited dated 02, August 2021 are annexed.

CA (CAA)-107(ND)/2021

*Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited*





10. It is stated that the Transferor No.1 Company is having Seven Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has one Secured Creditor and 126 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (i) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

11. It is stated that the Transferor No.2 Company is having 25,957 Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has three Secured Creditor and 380 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

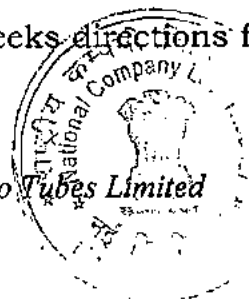
- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (iii) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

12. It is stated that the Transferee Company is having 65,695 Equity Shareholders, certificate from Chartered Accountants certifying list of shareholders is annexed. It is further represented that the Company has Five Secured Creditor and 1076 unsecured creditors, certificate from Chartered Accountants certifying list of secured and unsecured creditors is annexed.

- (i) In relation to the shareholders, it seeks directions for holding/convening of the meetings.

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



- (i) In relation to the secured creditors of the Company, it seeks directions for holding/convening of the meetings.
- (ii) In relation to the unsecured creditors of the Company, it seeks directions for holding/convening of the meetings.

13. The appointed date as specified in the Scheme is 1<sup>st</sup> April, 2021 subject to the directions of this Tribunal.

14. The Transferor No.2 and the Transferee company are public companies limited companies limited by shares and are governed by the rule and regulations of SEBI. Further the book value of assets and turnover of the Applicants do not fall within the definition of "combinations" under the Competition Act, 2002 and therefore, there is no requirement of seeking approval from Competition Commission of India.

15. There are no pending investigation or proceedings against the applicant companies under the provisions of companies act.

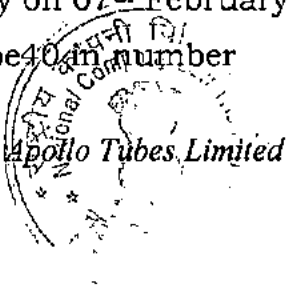
16. Taking into consideration the submissions and the documents filed therewith, we propose to issue the following directions with respect to calling, convening and holding of the meetings of the Shareholders, Secured and Unsecured Creditors of all the applicant companies as follows: -

**A) In relation to the Transferor No.1 Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 07<sup>th</sup> February 2022 at 10:00 A.M. The quorum of the meeting shall be 2 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 07<sup>th</sup> February 2022 at 11:30 A.M. The quorum of the meeting shall be 1 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 07<sup>th</sup> February 2022 at 12:30 P.M. The quorum of the meeting shall be 40 in number

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhog Limited and APL Apollo Tubes Limited



**B) In relation to Transferor No.2 Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 07<sup>th</sup> February 2022 at 4:30 P.M. The quorum of the meeting shall be 5000 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 07<sup>th</sup> February 2022 at 2:30 A.M. The quorum of the meeting shall be 1 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 07<sup>th</sup> February 2022 at 3:30 P.M. The quorum of the meeting shall be 90 in number

**C) In relation to the Transferee Company:**

- (i) **With respect to Equity shareholders:** Meeting of the equity shareholders be convened, virtually on 08<sup>th</sup> February 2022 at 02:00 P.M. The quorum of the meeting shall be 15000 in number
- (ii) **With respect to Secured Creditors:** Meeting of the secured creditors be convened, virtually on 08<sup>th</sup> February 2022 at 10:30 A.M. The quorum of the meeting shall be 2 in number
- (iii) **With respect to Unsecured Creditors:** Meeting of the unsecured Creditor be convened, virtually on 08<sup>th</sup> February 2022 at 11:30 P.M. The quorum of the meeting shall be 250 in number

17. The meetings of the Equity shareholders, secured and unsecured creditors of all the applicant companies shall be convened as directed:

- (i) The chairperson appointed for the meeting is Ms. Deepa Krishnan, Former Member (Technical) NCLT having email id
- (ii) The alternate Chairperson appointed for the meetings is Ms. Swarlipi Deb Roy, Advocate, having contact no. 8510094876 and email id: rkabel\_sdr@yahoo.in

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



- (iii) The observer/Scrutinizer appointed for the meeting is Ms. Shruti Rawat, PCS having contact no. 8377836964
- (iv) The fees for all the appointees above named in addition to meeting their incidental expense shall be as follows:
- a) For the Chairperson: Rs. 2,00,000/-
  - b) For the alternate Chairperson: Rs.1,40,000/-
  - c) For the observer: Rs. 1,15,000/-
- (v) The chairperson will file report within a week from the date of holding of the above said meetings.
- (vi) The notice of the above said meetings shall be sent by both the Applicant companies through registered post or through courier or through email, 30 days in advance before the scheduled date of the meeting , indicating the day, date, the place and the time as aforesaid, together with a proposed scheme of amalgamation, copy of explanatory statement as required to be sent under the companies Act, 2013, the prescribed form of proxy shall also be sent along and in addition to the above and any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- (vii) The Applicant Companies shall publish advertisement in the newspapers namely, "Business Standard" (English, Delhi edition) and "Business Standard" (Hindi, Delhi edition) not less than 30 days before the aforesaid meetings.
- (viii) Voting shall be allowed on the proposed Scheme by voting in person, the chairperson shall be responsible to report the result of the meeting within a period of 3 days of the conclusion of the hearing with details of voting on the proposal scheme.

18. Notice of this application shall also be served on the following Statutory Authorities:

- (i) Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2 Floor, Paryawaran Bhavan, CGO Complex, New Delhi-110003;

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited



18. Notice of this application shall also be served on the following Statutory Authorities:

- (i) Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2 Floor, Paryawaran Bhavan, CGO Complex, New Delhi-110003;
- (ii) Registrar of Companies at 4 floor, IFCI Tower, 61, Nehru Place, New Delhi-110019;
- (iii) Official liquidator, Lok Nayak Bhavan, 8 Floor, Khan Market, New Delhi-110001;
- (iv) Income Tax Department, Income Tax Office, Additional Commissioner of Income Tax, Special Range 4, Central Revenue Building, IP Estate, New Delhi-110002. The notices to Income Tax Authorities shall disclose sufficient details like PAN, ward numbers and assessing officers
- (v) and to such other Sectoral Regulatory Authorities who may govern the working of the respective companies involved in the Scheme.

The application is allowed on the aforesaid terms and stands disposed of.

**SD/-**  
**SUMITA PURKAYASTHA**  
**MEMBER (TECHNICAL)**

**SD/-**  
**DR. DEEPTI MUKESH**  
**MEMBER (JUDICIAL)**

*Vishal Rana*  
*07.12.2021*

*Daud*  
*07/12/2021*

सहायक पंजीयक  
ASSISTANT REGISTRAR  
राष्ट्रीय कम्पनी विधि अधिकरण  
NATIONAL COMPANY LAW TRIBUNAL  
C.G.O. COMPLEX, NEW DELHI-110003

CA (CAA)-107(ND)/2021

Shree Laxmi Metal Udhyog Limited and APL Apollo Tubes Limited

**STRICTLY PRIVATE & CONFIDENTIAL**

February 27, 2021

**The Board of Directors**  
**APL Apollo Tubes Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

**The Board of Directors**  
**Apollo Tricoat Tubes Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

**The Board of Directors**  
**Shri Lakshmi Metal Udyog Limited**  
37, Hargovind Enclave, Vikas Marg,  
Delhi – 110 092

Dear Sir(s) / Madam(s),

**Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Apollo Tricoat Tubes Limited and Shri Lakshmi Metal Udyog Limited into APL Apollo Tubes Limited**

We refer to the engagement letter dated February 05, 2021 whereby we, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Valuer' or 'We') have been appointed by the management of Apollo Tricoat Tubes Limited, Shri Lakshmi Metal Udyog Limited and APL Apollo Tubes Limited (hereinafter collectively referred to as 'the Management') to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of Apollo Tricoat Tubes Limited (hereinafter referred to as 'ATTL' or 'Transferor Company 1) and Shri Lakshmi Metal Udyog Limited (hereinafter referred to as 'SLMUL' or Transferor Company 2) with APL Apollo Tubes Limited (hereinafter referred to as 'APL Apollo' or Transferee Company').

ATTL, SLMUL and APL Apollo are hereinafter collectively referred to as the 'Companies'.

**1. SCOPE AND PURPOSE OF THIS REPORT**

1.1 We have been informed by the Management that they are considering a proposal for amalgamation of ATTL and SLMUL with APL Apollo (hereinafter referred to as the



'Proposed Amalgamation') pursuant to the scheme of amalgamation between the Companies and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'). Subject to necessary approvals, the aforesaid Proposed Amalgamation will be with effect from Appointed Date of April 01, 2021 ('Appointed Date').

- 1.2 In this regards, we have been appointed by the Management to carry out the relative valuation of equity shares of the Companies and to recommend the fair equity share exchange ratio for the Proposed Amalgamation. The report is being furnished by SSPA in the capacity of Registered Valuer under section 247 of the Companies Act, 2013 which would suffice the requirements of Securities Exchange Board of India and Companies Act, 2013.
- 1.3 For the purpose of this valuation, we have carried out relative valuations of the Companies and the valuation is based on 'going concern' premise.
- 1.4 The report sets out our recommendation of the fair equity share exchange ratio and discusses the methodologies and approach considered for arriving at relative value of the equity shares of the APL Apollo and ATTL for the purpose of recommendation of share exchange ratio.

## **2. BRIEF BACKGROUND**

### **2.1. APL APOLLO TUBES LIMITED**

APL Apollo is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The company is the largest producer of Electric Resistance Welded (ERW) Steel Pipes and Sections in India, with a capacity to produce 2.5 Million Tonnes per annum. The company caters extensively to the region and exports to over 20 countries globally. The company's vast distribution network is spread across India, with warehouses and branch offices in 29 cities. The company has four manufacturing units, one at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh and one at Murbad, Maharashtra.

The equity shares of the company are listed on The BSE Limited (BSE) and the The National Stock Exchange of India Limited (NSE).

APL Apollo holds 100% equity stake in SLMUL and in turn SLMUL holds ~55.82% in ATTL.





The issued, subscribed and fully paid up equity share capital of the Transferee Company as on March 31, 2020 is INR 24.87 crores comprising of 2,48,69,015 equity shares of INR 10 each fully paid up.

**2.2. APOLLO TRICOAT TUBES LIMITED**

ATTL (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The company has two manufacturing unit one at Malur Bangalore, and second at Ghaziabad Uttar Pradesh. The registered office of the Company is in New Delhi. The shares of the company are listed on the BSE. ATTL was acquired by APL Apollo through its subsidiary in FY 2018-19.

The issued, subscribed and fully paid up equity share capital of the Transferor Company 1 as on March 31, 2020 is INR 6.08 crores comprising of 3,04,00,000 equity shares of INR 2 each fully paid up.

**2.3. SHRI LAKSHMI METAL UDYOG LIMITED**

SLMUL is an unlisted public company incorporated on April 25, 1994 under the provisions of the Companies Act, 1956 as a private limited company with the name and style of Estima Investment & Financial Services Private Limited. Then, on January 13, 1995, the constitution of company changed from private limited company to public limited company and the name changed to 'Estima Investment & Financial Services Limited' and subsequently on September 16, 2003 the name changed to Shri Lakshmi Metal Udyog Limited. SLMUL is engaged in the business of manufacturing of steel tubes and pipes.

SLMUL is a wholly owned Subsidiary ('WoS') of APL Apollo.

The issued, subscribed and fully paid up equity share capital of the Transferor Company 2 as on March 31, 2020 is INR 5.90 crores comprising of 58,95,000 equity shares of INR 10 each fully paid up.

Since, SLMUL is a WoS of APL Apollo, on amalgamation all equity shares held by APL Apollo in SLMUL shall stand cancelled and no shares shall be issued to the shareholders of SLMUL upon its amalgamation with APL Apollo.

**3. REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS**

SSPA & Co., Chartered Accountants, is a partnership firm, located at 1st Floor, Arjun Building, Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is





engaged in providing various corporate consultancy services.

SSPA is a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). SSPA is also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

#### **4. SOURCES OF INFORMATION**

The valuation exercise is based on the following information which has been received from the Management and any information available in the public domain:

- (a) Annual Report of ATTL and APL Apollo for financial year ('FY') 2019-20.
- (b) Management certified financial statements of ATTL for 9 months period ended December 31, 2020 ('9ME Dec20').
- (c) Management certified consolidated balance sheet and profit and loss account of APL Apollo (excluding ATTL) for 9ME Dec20.
- (d) Financial projections of ATTL from FY 2020-21 to FY 2024-25.
- (e) Consolidated financial projections of APL Apollo (excluding ATTL) from FY 2020-21 to FY 2024-25.
- (f) Draft Scheme of Amalgamation.
- (g) Discussions with the Management on various issues relevant to valuation including prospects and outlook of the business, expected growth rate and other relevant information relating to future expected profitability, etc.
- (h) Such other information and explanations as we required and which have been provided by the Management including Management Representations.

#### **5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

- 5.1. This report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report on recommendation of fair equity share exchange ratio for the proposed amalgamation of ATTL and SLMUL with APL Apollo is in accordance with ICAI VS 2018 issued by The Institute of Chartered Accountants of India.



- 5.2. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 5.3. The report assumes that the Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.
- 5.4. The draft of the present report was circulated to the Management (excluding the recommended fair equity share exchange ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 5.5. Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report and is as per agreed terms of our engagement.
- 5.6. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies / auditors / consultants, is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/conclusions.
- 5.7. Our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided





to us by the Companies through broad inquiry, analysis and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

- 5.8. Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate and taking into account the current economic scenario and business disruptions caused on account of spread of COVID-19 pandemic. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 5.9. We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 5.10. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.



- 5.11. We are independent of the Companies and have no current or expected interest in the Companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 5.12. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.
- 5.13. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 5.14. The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 5.15. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.16. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. We owe responsibility to only to the Companies that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.





**6. VALUATION APPROACH AND METHODOLOGIES**

6.1. For the purpose of valuation, generally following approaches can be considered, viz,

- (a) the 'Market' approach;
- (b) the 'Income' approach; and
- (c) the 'Asset' approach

6.2. Under the Asset approach, the Net Asset Value ('NAV') method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, inter alia, value of surplus / non-operating assets.

In the present case, the business of APL Apollo and ATTL are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Asset approach is not adopted for the present valuation exercise.

6.3. Considering the above, we have thought fit to consider a combination of 'Market' approach and 'Income' approach for valuation of equity shares of APL Apollo and ATTL. The report date is the valuation date.

**6.4. MARKET APPROACH**

In the present case, the equity shares of APL Apollo and ATTL are listed and frequently traded on recognized stock exchanges. Therefore, we have thought fit to use Market Price ('MP') Method for valuation of equity shares of APL Apollo and ATTL under Market Approach.

**6.4.1. MARKET PRICE METHOD**

The market price of an equity share, as quoted on a stock exchange, is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

As mentioned above, the equity shares of APL Apollo and ATTL are listed on recognized stock exchanges. The value of equity shares of APL Apollo and ATTL under this method is determined considering the share prices of APL Apollo and ATTL on NSE and BSE respectively over an appropriate period.

**6.5. INCOME APPROACH**

6.5.1. Under the 'Income' approach, equity shares of APL Apollo and ATTL are valued using 'Discounted Cash Flow' ('DCF') Method.



- 6.5.2. Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- 6.5.3. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) interest on loans, if any, (ii) depreciation and amortizations (non-cash charge), and (iii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.
- 6.5.4. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of the company's cost of equity and debt.
- 6.5.5. To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, value of investments, cash and cash equivalents and cash inflow on account of exercise of employee stock options (ESOPs) post December 31, 2020, after considering the tax impact wherever applicable to arrive at the equity value.
- 6.5.6. The value as arrived above is divided by the diluted number of equity shares to arrive at the value per equity share of APL Apollo and ATTL.

## **7. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO**

- 7.1. The fair basis of amalgamation of APL Apollo and ATTL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different methods, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of APL Apollo and ATTL. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of APL Apollo and ATTL to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.
- 7.2. As mentioned above, we have considered MP method under 'Market' approach and DCF method under 'Income' approach for arriving at the value per share of APL Apollo





and ATTL. The values under each of the approaches is given in the table below:

| Valuation Approach                               | APL APOLLO            |             | ATTL                  |             |
|--------------------------------------------------|-----------------------|-------------|-----------------------|-------------|
|                                                  | Value per Share (INR) | Weights     | Value per Share (INR) | Weights     |
| Asset Approach *                                 | NA                    | NA          | NA                    | NA          |
| Income Approach                                  | 994.59                | 50%         | 1,014.62              | 50%         |
| Market Approach - MP Method                      | 878.53                | 50%         | 855.81                | 50%         |
| <b>Fair Value per Equity Share</b>               | <b>936.56</b>         | <b>100%</b> | <b>935.22</b>         | <b>100%</b> |
| <b>Equity share exchange ratio (Rounded off)</b> | <b>1:1</b>            |             |                       |             |

NA = Not Applied / Not Applicable

\* Since, the business of APL Apollo and ATTL are both intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Asset Approach is not adopted for the present valuation exercise.

- 7.3. The fair equity share exchange ratio has been arrived on the basis of a relative valuation of shares of APL Apollo and ATTL based on the approaches explained herein earlier and various qualitative factors relevant to the APL Apollo and ATTL and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.
- 7.4. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation*



*possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

- 7.5. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, the fair equity share exchange ratio for the Proposed Amalgamation of ATTL with APL Apollo is as under:

**1 (One) equity share of APL Apollo of INR 2 each fully paid up for every 1 (One) equity share of ATTL of INR 2 each fully paid up.**

Thanking you,  
Yours faithfully,

**For SSPA & CO.**

**Chartered Accountants**

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126



**Vikram Jain, Partner**

ICAI Membership No. 114613

UDIN: 21114613AAAAAI5783

Place: Mumbai





**STRICTLY PRIVATE & CONFIDENTIAL**

February 27, 2021

To,

**The Board of Directors**  
**APL Apollo Tubes Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**The Board of Directors**  
**Apollo Tricoat Tubes Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**The Board of Directors**  
**Shri Laxmi Metal Udyog Limited**  
37 Hargovind Enclave, Vikas Marg,  
Delhi - 110 092

**Sub: Fairness Opinion on share exchange ratio in connection with the proposed amalgamation of Apollo Tricoat Tubes Limited and Shri Laxmi Metal Udyog Limited. with APL Apollo Tubes Limited under a Scheme of Amalgamation.**

Dear Sir(s),

We refer to our engagement letter dated February 22, 2021 and discussion wherein the management of APL Apollo Tubes Limited (hereinafter referred to as “APL Apollo” or “Company”), Apollo Tricoat Tubes Limited (hereinafter referred to as “ATTL”) and Shri Laxmi Metal Udyog Limited (hereinafter referred to as “SLMUL”) (hereinafter collectively referred to as the ‘Management’) has requested Fortress Capital Management Services Private Limited (hereinafter referred to as “Fortress”), a SEBI Registered Category I Merchant Banker to give a fairness opinion on the Share Exchange Ratio recommended by SSPA & Co., Chartered Accountants (hereinafter referred to as “Valuer”) in connection with the amalgamation of ATTL and SLMUL with APL Apollo under a Scheme of Amalgamation. ATTL, SLMUL and APL are hereinafter collectively referred to as the “Companies”.

Page 1 of 7

**Fortress Capital Management Services Pvt. Ltd.** CIN - U67120MH2004PTC145815

Corporate office - 204, Lotus Park, 2nd Floor, Road No 16, Wagle Estate, Thane (W) 400 604, India. Tel : +91 (22) 6288 7900

Registered office - Daryanagar House, 2nd Floor, 69 Mahanishi Karve Road, Marine Lines, Mumbai 400 002, India. Tel : +91 (22) 2200 7973



## 1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

- 1.1 We have been informed by the Management that they are considering the proposal of amalgamation of ATTL and SLMUL with APL Apollo (hereinafter referred to as the “Amalgamation” or “Proposed Transaction”) pursuant to the scheme of amalgamation (hereinafter referred to as “Scheme”) between the Companies in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder. Subject to necessary approvals, ATTL and SLMUL would amalgamate with APL Apollo, with effect from appointed date of April 1, 2021 (hereinafter referred to as the “Appointed Date”). As a consideration for the Proposed Transaction, shareholders of ATTL would be issued equity shares of APL Apollo.
- 1.2 Pursuant to the Scheme of Amalgamation, since SLMUL is a wholly owned subsidiary of APL Apollo, no shares of APL Apollo are proposed to be allotted to shareholders of SLMUL on amalgamation of SLMUL into APL Apollo.

### 1.3 APL Apollo Tubes Limited

APL Apollo is a public limited Company incorporated in India on February 24, 1986 with its registered office in Delhi, India. The company is the largest producer of Electric Resistance Welded (ERW) Steel Pipes and Sections in India, with a capacity to produce 2.5 Million Tonnes per annum. The company caters extensively to the region and exports to over 20 countries globally. The company’s vast distribution network is spread across India, with warehouses and branch offices in 29 cities. The company has four manufacturing units, one at Sikanderabad, Uttar Pradesh, one at Hosur, Tamilnadu, one at Raipur, Chhattisgarh and one at Murbad, Maharashtra.

The equity shares of the company are listed on The BSE Limited (BSE) and the The National Stock Exchange of India Limited (NSE).

APL Apollo holds 100% equity stake in SLMUL and in turn SLMUL holds ~55.82% in ATTL.



The issued, subscribed and fully paid up equity share capital of the APL Apollo as on March 31, 2020 is INR 24.87 crores comprising of 2,48,69,015 equity shares of INR 10 each fully paid up.

#### 1.4 **Apollo Tricoat Tubes Limited**

ATTL (formerly known as Best Steel Logistics Limited) incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The company has two manufacturing unit one at Malur Bangalore, and second at Ghaziabad Uttar Pradesh. The registered office of the Company is in New Delhi. The shares of the company are listed on the BSE. ATTL was acquired by APL Apollo through its subsidiary in FY 2018-19.

The issued, subscribed and fully paid up equity share capital of the ATTL as on March 31, 2020 is INR 6.08 crores comprising of 3,04,00,000 equity shares of INR 2 each fully paid up.

#### 1.5 **Shri Laxmi Metal Udyog Limited**

SLMUL is an unlisted public company incorporated on April 25, 1994 under the provisions of the Companies Act, 1956 as a private limited company with the name and style of Estima Investment & Financial Services Private Limited. Then, on January 13, 1995, the constitution of company changed from private limited company to public limited company and the name changed to 'Estima Investment & Financial Services Limited' and subsequently on September 16, 2003 the name changed to Shri Lakshmi Metal Udyog Limited. SLMUL is engaged in the business of manufacturing of steel tubes and pipes.

SLMUL is a wholly owned Subsidiary ('WoS') of APL Apollo.

The issued, subscribed and fully paid up equity share capital of the SLMUL as on March 31, 2020 is INR 5.90 crores comprising of 58,95,000 equity shares of INR 10 each fully paid up.

Since, SLMUL is a WoS of APL Apollo, on amalgamation all equity shares held by APL Apollo in SLMUL shall stand cancelled and no shares shall be issued to the shareholders of SLMUL upon its amalgamation with APL Apollo.



- 1.6 In this regard Valuer was appointed to recommend the share exchange ratio in connection with the proposed amalgamation of ATTL and SLMUL with APL Apollo under a Scheme of Amalgamation.
- 1.7 Accordingly, we have been appointed in the capacity of SEBI Registered Category I Merchant Banker to give a fairness opinion on the share exchange ratio recommended by Valuer in connection with the proposed amalgamation of ATTL and SLMUL with APL Apollo under the Scheme of Amalgamation to comply with SEBI Guidelines.
- 1.8 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

## 2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- (a) Draft Scheme of Amalgamation between ATTL, SLMUL and APL Apollo under section 230 to 232 of the Companies Act, 2013.
- (b) Annual Reports of ATTL and APL Apollo for Financial year 2019 - 20
- (c) Management Certified Financial Statements of ATTL for 9 months period ended December 31, 2020
- (d) Management certified consolidated balance sheet and profit and loss account of APL Apollo (excluding ATTL) for 9 months period ended December 31, 2020
- (e) Financial projections of ATTL from FY 2020-21 to FY 2024-25.
- (f) Consolidated financial projections of APL Apollo (excluding ATTL) from FY 2020-21 to FY 2024-25.
- (g) Report dated February 27, 2021 issued by Valuer.





(h) Such other information and explanations as we required and which have been provided by the management including Management Representations of APL Apollo, ATTL, SLMUL and Valuer.

### **3. EXCLUSIONS AND LIMITATIONS**

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects.
- 3.2 We have been represented by the Management of the Companies that the Companies have clear and valid title of assets. No investigation on Companies claim to title of their assets has been made and their claim to such rights has been assumed to be valid.
- 3.3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 The fee for the engagement and this report is not contingent upon the results reported.
- 3.6 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement.
- 3.7 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.8 Any person / party intending to provide finance / divest / invest in the shares / convertible instruments / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.



- 3.9 This Fairness Opinion (“Opinion”) is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on the Opinion including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this Opinion may affect the opinion and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion.
- 3.10 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion.
- 3.11 This Fairness Opinion has been issued for the sole purpose to facilitate the Companies to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 it shall not be valid for any other purpose and should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available..
- 3.12 Fortress nor its directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the fairness opinion is provided. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the fairness opinion.

#### **4. VALUATION METHODOLOGY ADOPTED BY VALUER**

For the purposes Valuation and recommending the share exchange ratio, the Valuer has adopted “Discounted Cashflow Method” under Income Approach and “Market Price Method” under Market Approach for ATTL and APL Apollo.



## 5. CONCLUSION

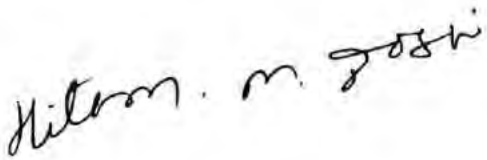
5.1 We have reviewed methodology as mentioned above used by the Valuer for arriving at the valuation of the equity shares of the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending share

5.2 **On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the share exchange ratio for the proposed amalgamation of ATTL with APL Apollo of 1 (One) Equity Share of APL Apollo of INR 2 each fully paid up for every 1 (One) Equity share of ATTL of INR 2 each fully paid up recommended by Valuer is fair and reasonable**

Thanking you,

Yours faithfully,

**For Fortress Capital Management Services Pvt. Ltd.**



**Authorized Signatory**

Place: Mumbai

SEBI Registration No.: INM000011146



**Apollo TriCoat**

THREE STEPS AHEAD

REF: 128798

07.07.2021

The General Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai - 400 001

BSE Scrip Code: 538566

Dear Sir/Madam,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. 128798 ("Application") placed on the website of the BSE Limited on 15 June 2021 with respect to the Scheme of amalgamation and arrangement between APL Apollo Tubes Limited and Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited and their respective shareholders and creditors ("Scheme").

In this regard, we are enclosing 'Report of Complaints' in the prescribed format indicating 'Nil' complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 16.06.2021 to 07.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For Apollo Tricoat Tubes Limited

Surbhi Arora



(Company Secretary & Compliance Officer)

Apollo TriCoat Tubes Limited

CIN: L74900DL1983PLC014972

Corp. Office: 36, Kaushambi, Near Anand Vihar Terminal, Delhi - NCR 201010, India Tel: +91-120-4041400 Fax: +91-120-4041444

Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-22373437 Fax: +91-11-22373537

Unit-I: Plot No. 53, Part-I, 4th Phase, Industrial Area, Sy. No. 28-33, Kurandahalli Village, Kasaba Hobli, Malur, Taluk, Distt. Kolar - 563101 Karnataka, India

Unit-II: Village Bisnoli, Khasra No. 527 To 530 & 569, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh - 203207, India

E-mail: info@apollotriccoat.com | Website: www.apollotriccoat.com





## Complaints Report:

### Part A

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NA     |
| 5.      | Number of complaints pending                            | NIL    |

### Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NA                |                           |



Surbhi Arora  
(Company Secretary & Compliance Officer)

Date: 07.07.2021



Sudesh Group



07.07.2021

REF: 128426

The General Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

**BSE Scrip Code: 533758**

Dear Sir/Madam,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. 128426 (“Application”) placed on the website of the BSE Limited on 15 June 2021 with respect to the Scheme of amalgamation and arrangement between APL Apollo Tubes Limited And Shri Lakshmi Metal Udyog Limited And Apollo Tricoat Tubes Limited and their respective shareholders and creditors (“Scheme”).

In this regard, we are enclosing ‘Report of Complaints’ in the prescribed format indicating ‘Nil’ complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 16.06.2021 to 07.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For APL Apollo Tubes Limited

Deepak C S

(Company Secretary & Compliance Officer)

**APL Apollo Tubes Limited** (CIN:L74899 DL 1986PLC023443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1: A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urala Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com

**Complaints Report:**

**Part A**

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NA     |
| 5.      | Number of complaints pending                            | NIL    |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NA                |                           |



Deepak C S  
(Company Secretary & Compliance Officer)

Date: 07.07.2021

**APL Apollo Tubes Limited** (CIN-L74899 DL 1986PLC023443)

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perendapolli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com



Sudesh Group



22.07.2021

REF: NSE/LIST/26639

The Manager,  
National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
5<sup>th</sup> Floor, Plot No. C/1, G Block,  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

NSE Scrip Code: APLAPOLLO

Dear Sir,

**SUB: SUBMISSION OF REPORT OF COMPLAINTS WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN APL APOLLO TUBES LIMITED AND SHRI LAKSHMI METAL UDYOG LIMITED AND APOLLO TRICOAT TUBES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This is with reference to the Application No. NSE/LIST/26639 (“Application”) placed on the website of the National Stock Exchange of India Limited on 24 June 2021 with respect to Scheme of amalgamation and arrangement between APL Apollo Tubes Limited And Shri Lakshmi Metal Udyog Limited And Apollo Tricoat Tubes Limited and their respective shareholders and creditors (“Scheme”).

In this regard, we are enclosing Report of Complaints in the prescribed format indicating Nil complaints pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 for period commencing from 25.06.2021 to 15.07.2021.

We request you to take the same on record and provide us the in-principle approval/ No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For APL Apollo Tubes Limited

Deepak C S

(Company Secretary & Compliance Officer)

**APL Apollo Tubes Limited** [CIN-L74899 DL 1986PLC023443]

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 | Fax : +91-11-2237 3537

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh - 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapolli, Hosur, Tamilnadu -635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane -421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplapollo.com Web : www.aplapollo.com



**Complaints Report:**

**Part A**

| Sr. No. | Particulars                                             | Number |
|---------|---------------------------------------------------------|--------|
| 1.      | Number of complaints received directly                  | NIL    |
| 2.      | Number of complaints forwarded by Stock Exchange / SEBI | NIL    |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL    |
| 4.      | Number of complaints resolved                           | NIL    |
| 5.      | Number of complaints pending                            | NIL    |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      |                     | NIL               |                           |
| 2.      |                     | NIL               |                           |
| 3.      |                     | NIL               |                           |



(Company Secretary & Compliance Officer)

Date: 22.07.2021

**DCS/AMAL/PB/R37/2020/2021-22**

**“E-Letter”**

**August 02, 2021**

The Company Secretary,  
**Apollo Tricoat Tubes Ltd.**  
37, Hargobind Enclave, Vikas Marg,  
New Delhi, Delhi - 110092  
Sir,

**Sub: Observation letter regarding Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective Shareholders and Creditors.**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of Apollo Tricoat Tubes Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 09, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **Company shall ensure that SEBI had vide orders dated June 23, 2020 restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of 2 years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of fraudulent and unfair Trade Practices relating to Securities Market) Regulations, 2003.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon'ble NCLT.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

**Sabah Vaze**  
**Manager**

DCS/AMAL/PB/R37/2019/2021-22

“E-Letter”

August 02, 2021

The Company Secretary,  
**APL APOLLO TUBES LTD.**  
37, Hargobind Enclave, Vikas Marg,  
New Delhi, Delhi – 110092

Sir,

**Sub: Observation letter regarding Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective Shareholders and Creditors.**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of APL Apollo Tubes Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 09, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **Company shall ensure that SEBI had vide orders dated June 23, 2020 restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of 2 years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of fraudulent and unfair Trade Practices relating to Securities Market) Regulations, 2003.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon'ble NCLT.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.



Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

**Sabah Vaze**  
**Manager**

**National Stock Exchange Of India Limited**

Ref: NSE/LIST/26639\_II

August 02, 2021

The Company Secretary  
APL Apollo Tubes Limited  
37, Hargobind Enclave,  
Vikas Marg, Delhi - 110092

**Kind Attn.: Mr. Deepak C S**

Dear Sir,

**Sub: Observation Letter for Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective shareholders and creditors**

We are in receipt of the Draft Scheme of Amalgamation and Arrangement of Shri Lakshmi Metal Udyog Limited (Amalgamating Company 1) and Apollo Tricoat Tubes Limited (Amalgamating Company 2) with APL Apollo Tubes Limited (Amalgamated Company) and their respective shareholders and creditors vide application dated April 03, 2021.

Based on our letter reference no Ref: NSE/LIST/26639 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure that following information pertaining to the promoters of APL Apollo Tubes Limited is brought to the notice of shareholders and Hon'ble NCLT:*
  - i. *SEBI had vide orders dated June 23, 2020, restrained APL Infrastructure Private Limited, Promoter of APL Apollo Tubes Limited, and Sanjay Gupta, Director and Promoter of APL Apollo Tubes Limited, from accessing the securities market for a period of two years from the date of order for alleged contravention of provisions relating to SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.*
- b. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company shall ensure that the financials of the companies involved in the scheme are not more than 6 months old, before filing the same with the Hon'ble National Company Law Tribunal (NCLT).*

- e. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*
- f. *It is to be noted that the petitions are being filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from August 02, 2021 within which the scheme shall be submitted to NCLT.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path:  
NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Harshad Dharod  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>



**REPORT ADOPTED BY BOARD OF DIRECTORS OF SHRI LAKSHMI METAL UDYOG LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI- 201010**

**1. Background**

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as 'Amalgamating Companies' and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as 'Companies'.*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

**2. Rationale of the Scheme**

The proposed amalgamation of Amalgamating Companies with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;



**Shri Lakshmi Metal Udyog Limited** (CIN-U85110DL1994PLC224835)

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Works : 9 to 11, KIADB Industrial Area, balagaranahalli, Ankal Taluk Attibele, Bangalore - 542 107, India Tel: +91-80-27820018/68, 27870912

Telefax : +91-80-27820058 (Off.) +91-80-41145168 E-mail : slmul@apltubes.com/lakshmitubes@yahoo.com Website : www.laksh mipipes.com



- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

Since, the Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Amalgamated Company either by itself or through its subsidiaries / nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon coming into effect of the Scheme. The investments in the shares of the Amalgamating Companies, appearing in the books of account of Amalgamated Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for Amalgamating Company 1.

### 4. Effect of the Scheme on the stakeholders of Shri Lakshmi Metal Udyog Limited

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                   |
|------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | Under the Scheme, with effect from the Effective Date, the Amalgamating Company 1 would stand dissolved without winding up. In the circumstances, the key managerial personnel of the Amalgamating Company 1 will cease to be the key managerial personnel of the Amalgamating Company 1 |
| 2.   | Shareholders                         | Not applicable.                                                                                                                                                                                                                                                                          |
| 3.   | Promoter Shareholders                | No effect. Amalgamating Company 1 is a wholly owned subsidiary of the Amalgamated Company. Accordingly, upon the Scheme becoming effective, the entire share capital of the Amalgamating Company 1 shall stand cancelled                                                                 |



| S.No | Particulars         | Effect                                                                                                                                                                                              |
|------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.   | Employees           | No effect. The present employees shall continue to act as the employees of the Amalgamated Company post the Scheme becomes effective.                                                               |
| 5.   | Secured Creditors   | No effect. As per Clause 3 of the Scheme, liability of secured creditors of Amalgamating Company 1 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.   |
| 6.   | Unsecured Creditors | No effect. As per Clause 3 of the Scheme, liability of unsecured creditors of Amalgamating Company 1 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business. |

**5. Adoption of the report by board of directors of Shri Lakshmi Metal Udyog Limited**

The board of directors of Shri Lakshmi Metal Udyog Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**

For and on behalf of Shri Lakshmi Metal Udyog Limited

Sanjay Gupta  
Director  
DIN: 00233188



Date: 27 February 2021





**REPORT ADOPTED BY BOARD OF DIRECTORS OF APOLLO TRICOAT TUBES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI-NCR – 201010**

## 1. Background

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as "Amalgamating Companies" and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as "Companies".*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ("Board") vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

## 2. Rationale of the Scheme

The proposed amalgamation of Amalgamating Company 1 and Amalgamating Company 2 (collectively called as "Amalgamating Companies") with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;





- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

- 3.1. Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.
- 3.2. In terms of the Scheme and based on Valuation Report issued by issued by Mr. Vikram Jain (Partner SSPA & Co, Chartered Accountants) dated 27 February 2021 Registered Valuer with Registration No. IBBI/RV E/06/2020/126 and Fairness Opinion provided by Fortress Capital Management Services Pvt Ltd, Category-I SEBI Registered Merchant Banker (Reg No. INM000011146), following would be the share entitlement ratio for Eligible Members (as defined in the Scheme) of Amalgamating Company 2:

*"I fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."*

3.3. No special valuation difficulties were reported by the valuers.

3.4. In terms of the Scheme:





- i. Clause 5.3 of the Scheme defines “Amalgamating Company 2 Shares” means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- ii. Clause 5.5 of the Scheme defines “Amalgamated Company Shares” means fully paid up equity shares of the Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share; and
- iii. Clause 5.12 of the Scheme defines ‘Eligible Member’ shall mean *each person (other than Shri Lakshmi Metal Udyog Limited) whose name appears in the register of members of the Amalgamating Company 2 and/or whose name appears as the beneficial owner of the Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time*

**4. Effect of the Scheme on the stakeholders of Apollo Tricoat Tubes Limited**

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | Under the Scheme, with effect from the Effective Date, the Amalgamating Company 2 would stand dissolved without winding up. In the circumstances, the key managerial personnel of the Amalgamating Company 2 will cease to be the key managerial personnel of the Amalgamating Company 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2.   | Shareholders                         | <p>The stake held by Amalgamating Company 1 in Amalgamating Company 2 shall stand cancelled Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-</p> <p><i>“1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2.”</i></p> <p>The Amalgamated Company Shares to be issued and allotted by Amalgamated Company to Eligible Members of Amalgamating Company 2 in terms of the Scheme shall rank pari passu in all aspects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company.</p> |



| S.No | Particulars         | Effect                                                                                                                                                                                                                         |
|------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.   | Promoters           | Upon the Scheme being effective, Amalgamating Company 1 being the promoter of Amalgamating Company 2 is being amalgamated and shall stand dissolved without winding up. Accordingly, the promoter stake shall stand cancelled. |
| 4.   | Employees           | No effect. As per Clause 14, the present employees shall continue to act as the employees of the Amalgamated Company post the Scheme becomes effective.                                                                        |
| 5.   | Secured Creditors   | No effect. As per Clause 3 of the Scheme, liability of secured creditors of Amalgamating Company 2 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.                              |
| 6.   | Unsecured Creditors | No effect. As per Clause 3 of the Scheme, liability of unsecured creditors of Amalgamating Company 2 shall be assumed and discharged by the Amalgamated Company in its ordinary course of business.                            |

**5. Adoption of the report by board of directors of Apollo Tricoat Tubes Limited**

The board of directors of Apollo Tricoat Tubes Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**

For and on behalf of Apollo Tricoat Tubes Limited

  
Rabin Gupta  
Managing Director  
DIN: 07151792



Date: 27 February 2021



**REPORT ADOPTED BY BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 IN ITS MEETING HELD ON SATURDAY, THE 27TH DAY OF FEBRUARY, 2021 AT 36, KAUSHAMBI, NEAR ANAND VIHAR TERMINAL, GHAZIABAD DELHI-NCR – 201010**

## 1. Background

- 1.1. The proposed scheme of amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Shri Lakshmi Metal Udyog Limited ('Amalgamating Company 1') and Apollo Tricoat Tubes Limited ('Amalgamating Company 2') with APL Apollo Tubes Limited ('Amalgamated Company') on a going concern basis.

*For the sake of convenience, Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as 'Amalgamating Companies' and the Amalgamated Company and Amalgamating Companies are hereinafter referred to as 'Companies'.*

- 1.2. Amalgamating Company 1 is the direct wholly owned subsidiary of Amalgamated Company and Amalgamating Company 2 is the step-down subsidiary of Amalgamated Company.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Directors / Key Managerial Personnel, Promoter / Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders / creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on February 27, 2021, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

## 2. Rationale of the Scheme

The proposed amalgamation of Amalgamating Companies with the Amalgamated Company is in the interest of shareholders and creditors on account of following reasons:

- 2.1. Combined business under 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market;
- 2.2. Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated Company;



APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)

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Corp. Office : Tapasya Corporate Heights, 4th Floor, Tower A, Sector 126, Noida, Uttar Pradesh 201303, India Tel: +91-120 4742 700/701

Unit - 1 : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205 India Unit - 2 : 332-338, Alur Village, Perandapali, Hosur, Tamilnadu-635109 India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-428011, India Unit - 4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh -493661, India

E-mail : info@aplapollo.com Web: www.aplapollo.com



- 2.3. The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- 2.4. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- 2.5. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated Company; and
- 2.6. Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

### 3. Consideration

- 3.1. Since, the Amalgamating Company 1 is the wholly owned subsidiary of Amalgamated Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Amalgamated Company either by itself or through its subsidiaries / nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Amalgamated Company to the shareholders of the Amalgamating Company 1 upon coming into effect of the Scheme. The investments in the shares of the Amalgamating Companies, appearing in the books of account of Amalgamated Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for the Scheme in respect of Amalgamating Company 1
- 3.2. Upon the Scheme being effective, and in consideration to Amalgamating Company 1, being shareholder of Amalgamating Company 2, in terms of the Scheme, 1,69,70,000 equity shares held by the Amalgamating Company 1 i.e. approximately 55.82% of the total equity shares of the Amalgamating Company 2, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Amalgamated Company shall be made against those 55.82% of the total equity shares of the Amalgamating Company 2.
- 3.3. In terms of the Scheme and based on Valuation Report issued by issued by Mr. Vikram Jain (Partner SSPA & Co, Chartered Accountants) dated 27 February 2021 Registered Valuer with Registration No. IBBI/RV-E/06/2020/126 and Fairness Opinion provided by Fortress Capital Management Services Pvt Ltd, Category-I SEBI Registered Merchant Banker (Reg No INM000011146), following would be the share entitlement ratio for Eligible Members (as defined in the Scheme) of Amalgamating Company 2:





*"1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."*

3.4. No special valuation difficulties were reported by the valuers.

3.5. In terms of the Scheme:

- i. Clause 5.3 of the Scheme defines "Amalgamating Company 2 Shares" means fully paid up equity shares of Amalgamating Company 2, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share;
- ii. Clause 5.5 of the Scheme defines "Amalgamated Company Shares" means fully paid up equity shares of the Amalgamating Company, each having a face value of INR 2 (Indian Rupees Two only) and one vote per equity share; and
- iii. Clause 5.12 of the Scheme defines 'Eligible Member' shall mean *each person (other than Shri Lakshmi Metal Udyog Limited) whose name appears in the register of members of the Amalgamating Company 2 and/or whose name appears as the beneficial owner of the Amalgamating Company 2 Shares in the record of depositories on the Record Date at the Record Time*

#### 4. Effect of the Scheme on the stakeholders of APL Apollo Tubes Limited

| S.No | Particulars                          | Effect                                                                                                                                                                                                                                                                                                                                          |
|------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Directors / Key Managerial Personnel | <p><b>On amalgamation of Amalgamating Company 1</b><br/>No effect. There will be no change in the Directors / KMP of the Amalgamated Company pursuant to the Scheme</p> <p><b>On amalgamation of Amalgamating Company 2</b><br/>No effect. There will be no change in the Directors / KMP of the Amalgamated Company pursuant to the Scheme</p> |



| S.No | Particulars  | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.   | Shareholders | <p><b>On amalgamation of Amalgamating Company 1</b><br/>No effect. Amalgamating Company 1 is a wholly owned subsidiary of the Amalgamated Company. Accordingly, upon the Scheme becoming effective, the entire share capital of the Amalgamating Company 1 shall stand cancelled.</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <ul style="list-style-type: none"> <li>- The stake held by Amalgamating Company 1 in Amalgamating Company 2 shall stand cancelled Upon this Scheme becoming effective Amalgamated Company shall, without any further application, act or deed, issue and allot equity shares to the Eligible Members of Amalgamating Company 2 whose names appear in the register of its members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as Share Exchange Ratio):-</li> </ul> <p><i>"1 fully paid up equity shares of face value of INR 2/- (Indian Rupees Two) of Amalgamated Company to be issued and allotted to the Eligible Members of Amalgamating Company 2 against 1 fully paid up equity share of face value of INR 2/- (Indian Rupees Two) each held in Amalgamating Company 2."</i></p> <ul style="list-style-type: none"> <li>- The Amalgamated Company Shares to be issued and allotted by Amalgamated Company to Eligible Members of Amalgamating Company 2 in terms of the Scheme shall rank pari passu in all aspects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company</li> <li>- Promoters stake is expected to be diluted by 3.6% on issuance of 1,34,30,000 equity shares to public shareholders of Amalgamating Company 2 which in turn will increase the public float by 3.6% resulting in higher trading stock of the Amalgamated Company</li> </ul> |
| 3.   | Promoters    | <p>Please refer to Point No 1 above for details regarding the effect to shareholders.</p> <p>The Promoters of the Amalgamated Company shall continue to be Promoters, post the effectiveness of the Scheme.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



| S.No | Particulars         | Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.   | Employees           | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>Under the Scheme, no rights of the staff and employees of Amalgamated Company are being affected</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>Under the Scheme, no rights of the staff and employees of Amalgamated Company are being affected</p>                                                                                                                                                                                                                               |
| 5.   | Secured Creditors   | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p>   |
| 6.   | Unsecured Creditors | <p><b>On amalgamation of Amalgamating Company 1</b></p> <p>No effect, the Scheme will not have any adverse effect on the unsecured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> <p><b>On amalgamation of Amalgamating Company 2</b></p> <p>No effect, the Scheme will not have any adverse effect on the secured creditors and after the Scheme becoming effective, the assets of the Amalgamated Company will be sufficient to discharge its liabilities</p> |

#### 5. Adoption of the report by board of directors of APL Apollo Tubes Limited

The board of directors of APL Apollo Tubes Limited has adopted this report after noting and considering the information set forth in this report.

**By the order of the Board of Directors**  
For and on behalf of APL Apollo Tubes Limited

Sanjay Gupta  
Chairman  
DIN: 0233188



Date: 27 February 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH, 2021**



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHRI LAKSHMI METAL UDYOG LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of **SHRI LAKSHMI METAL UDYOG LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 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, 2021, 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 financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 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 financial statements.

#### 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 Board's report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'



**Management's Responsibility for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

#### **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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 financial statements (Refer Note no. 33 (a) of the financial statements).

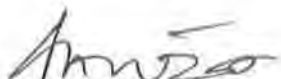


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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no. 33 (b) (2) of the financial statements).
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note no. 33 (c) of the financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021



**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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SHRI LAKSHMI METAL UDYOG LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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



*Rashim Tandon*  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets (Property, Plant and Equipment)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed asset to cover all items once in 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, fixed assets were physically verified by the Management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings whose title deeds/conveyance deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations received by the Company from lenders/custodians.
- (ii) As explained to us, the inventories (other than inventories in transit and inventories lying with third party) were physically verified during the year by the Management at reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans. In case of inventories lying with the third party, confirmation have been received by the Management for the stock held at year end and no material discrepancies was noted in respect of such confirmation.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Custom Duty and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable. The operations of the Company didn't give rise to Excise duty Also refer to the note 33 (a) (2) to the financial statements regarding management assessment on certain matters relating to the provident fund.
- (b) Details of dues of Income-tax, which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (net of payment ) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------|----------------|--------------------------------|------------------------------------|--------------------------------------------|---------------------------------------------|
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2016-17                            | 1.21                                       | 0.30                                        |
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2018-19                            | 0.77                                       | -                                           |

We have been informed that there are no dues of Value added tax, Excise duty, Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2021 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



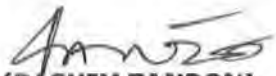


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- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAABJ6329)

Place: New Delhi  
Date: June 02, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**

| Particulars                                                     | Notes | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------|-------------------------|-------------------------|
|                                                                 |       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>I. ASSETS</b>                                                |       |                         |                         |
| <b>(1) Non-current assets</b>                                   |       |                         |                         |
| (a) Property, plant and equipment                               | 2(a)  | 42.53                   | 44.50                   |
| (b) Capital work-in-progress                                    | 2(b)  | 0.35                    | 0.78                    |
| (c) Investment in subsidiary                                    | 3     | 252.38                  | 206.18                  |
| (d) Financial assets                                            |       |                         |                         |
| (i) Other financial assets                                      | 4     | 0.72                    | 0.72                    |
| (e) Non-current tax assets (net)                                | 5     | 0.12                    | 0.12                    |
| (f) Other non current assets                                    | 6     | 0.31                    | 1.12                    |
| <b>Total non-current assets</b>                                 |       | <b>296.41</b>           | <b>253.42</b>           |
| <b>(2) Current assets</b>                                       |       |                         |                         |
| (a) Inventories                                                 | 7     | 39.35                   | 35.03                   |
| (b) Financial assets                                            |       |                         |                         |
| (i) Trade receivables                                           | 8     | 24.97                   | 92.29                   |
| (ii) Cash and cash equivalents                                  | 9     | 1.28                    | 0.23                    |
| (iii) Loans                                                     | 10    | 0.03                    | 0.02                    |
| (iv) Other financial assets                                     | 11    | 0.49                    | 4.99                    |
| (c) Other current assets                                        | 12    | 3.31                    | 1.09                    |
| <b>Total current assets</b>                                     |       | <b>69.43</b>            | <b>133.65</b>           |
| <b>Total Assets</b>                                             |       | <b>365.84</b>           | <b>387.07</b>           |
| <b>II. EQUITY AND LIABILITIES</b>                               |       |                         |                         |
| <b>(1) Equity</b>                                               |       |                         |                         |
| (a) Equity share capital                                        | 13(a) | 5.90                    | 5.90                    |
| (b) Other equity                                                | 13(b) | 209.96                  | 163.67                  |
| <b>Total equity</b>                                             |       | <b>215.86</b>           | <b>169.57</b>           |
| <b>(2) Non-current liabilities</b>                              |       |                         |                         |
| (a) Financial liabilities                                       |       |                         |                         |
| (i) Borrowings                                                  | 14    | 100.00                  | 115.00                  |
| (b) Provisions                                                  | 15    | 1.07                    | 1.00                    |
| (c) Deferred tax liabilities (net)                              | 16    | 4.48                    | 4.68                    |
| <b>Total non-current liabilities</b>                            |       | <b>105.55</b>           | <b>120.68</b>           |
| <b>(3) Current liabilities</b>                                  |       |                         |                         |
| (a) Financial liabilities:                                      |       |                         |                         |
| (i) Borrowings                                                  | 17    | -                       | 17.28                   |
| (ii) Trade payables                                             | 18    |                         |                         |
| - total outstanding dues of micro and small enterprises         |       | 0.32                    | 0.11                    |
| - total outstanding dues other than micro and small enterprises |       | 36.02                   | 59.95                   |
| (iii) Other financial liabilities                               | 19    | 2.46                    | 12.04                   |
| (b) Other current liabilities                                   | 20    | 4.21                    | 3.65                    |
| (c) Provisions                                                  | 21    | 0.02                    | 0.32                    |
| (d) Current tax liabilities (net)                               | 22    | 1.40                    | 3.47                    |
| <b>Total current liabilities</b>                                |       | <b>44.43</b>            | <b>96.82</b>            |
| <b>Total equity and liabilities</b>                             |       | <b>365.84</b>           | <b>387.07</b>           |

See accompanying notes to the financial statements 1-41

In terms of our report attached.

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

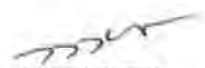
  
**RASHIM TANDON**  
Partner  
Membership No. 95540



Place: New Delhi  
Date: June 2, 2021

For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467




Place: Ghaziabad  
Date: June 2, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                         | Notes | (Rupees in crore)            |                              |
|-------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                     |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>I</b> Revenue from operations                                                    | 23    | 730.36                       | 679.70                       |
| <b>II</b> Other income                                                              | 24    | 0.11                         | 1.36                         |
| <b>III Total income (I +II)</b>                                                     |       | <b>730.47</b>                | <b>681.06</b>                |
| <b>IV Expenses</b>                                                                  |       |                              |                              |
| (a) Cost of materials consumed                                                      | 25    | 555.23                       | 502.23                       |
| (b) Purchase of stock-in-trade                                                      |       | 57.20                        | 72.87                        |
| (c) Changes in inventories of finished goods, work-in-progress, rejection and scrap | 26    | (6.25)                       | (17.64)                      |
| (d) Employee benefits expense                                                       | 27    | 6.91                         | 7.42                         |
| (e) Finance costs                                                                   | 28    | 12.29                        | 16.15                        |
| (f) Depreciation expense                                                            | 2     | 3.51                         | 3.69                         |
| (g) Other expenses                                                                  | 29    | 39.41                        | 38.86                        |
| <b>Total expenses</b>                                                               |       | <b>668.30</b>                | <b>623.58</b>                |
| <b>V Profit before tax (III - IV)</b>                                               |       | <b>62.17</b>                 | <b>57.48</b>                 |
| <b>VI Tax expense:</b>                                                              |       |                              |                              |
| (a) Current tax                                                                     |       | 16.40                        | 14.62                        |
| (b) Deferred tax (credit) (net)                                                     | 16    | (0.28)                       | (2.45)                       |
| (c) Income tax expense of earlier year                                              | 36    | -                            | 0.09                         |
| <b>Total tax expense</b>                                                            | 36    | <b>16.12</b>                 | <b>12.26</b>                 |
| <b>VII Profit for the year (V-VI)</b>                                               |       | <b>46.05</b>                 | <b>45.23</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                           |       | -                            | 2.20                         |
| (b) Remeasurement of post employment benefit obligation                             |       | 0.32                         | (0.33)                       |
| (c) Income tax relating to (b) above                                                |       | (0.08)                       | 0.08                         |
| <b>Other comprehensive income for the year</b>                                      |       | <b>0.24</b>                  | <b>1.95</b>                  |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                        |       | <b>46.29</b>                 | <b>47.18</b>                 |
| <b>X Earnings per equity share of Rupees 10 each</b>                                |       |                              |                              |
| (a) Basic (in rupees)                                                               | 32    | 78.12                        | 76.72                        |
| (b) Diluted (in rupees)                                                             | 32    | 78.12                        | 76.72                        |
| See accompanying notes to the financial statements                                  | 1-41  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner  
Membership No. 95540



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467



Place: New Delhi  
Date: June 2, 2021

Place: Ghaziabad  
Date: June 2, 2021



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

**a) Equity share capital**

| Particulars                               | [Rupees in crore]<br>Amount |
|-------------------------------------------|-----------------------------|
| Balance as at April 1, 2019               | 5.90                        |
| Changes during the year ended March, 2020 | -                           |
| <b>Balance as at March 31, 2020</b>       | <b>5.90</b>                 |
| Changes during the year ended March, 2021 | -                           |
| <b>Balance as at March 31, 2021</b>       | <b>5.90</b>                 |

**b) Other equity**

| Particulars                                         | Reserves and surplus |                 |                   | Items of other comprehensive income                   | Total         |
|-----------------------------------------------------|----------------------|-----------------|-------------------|-------------------------------------------------------|---------------|
|                                                     | Securities premium   | General Reserve | Retained earnings | Equity Instruments through other comprehensive income |               |
| Balance as at April 1, 2019                         | 7.40                 | 2.85            | 97.41             | 8.90                                                  | 116.56        |
| Profit for the year ended March 31, 2020            | -                    | -               | 45.23             | -                                                     | 45.23         |
| Other comprehensive income for the year, net of tax | -                    | -               | (0.25)            | 2.20                                                  | 1.95          |
| <b>Total comprehensive income for the year</b>      | <b>-</b>             | <b>-</b>        | <b>44.98</b>      | <b>2.20</b>                                           | <b>47.18</b>  |
| <b>Allocations/Appropriations:</b>                  |                      |                 |                   |                                                       |               |
| Dividend distribution tax                           | -                    | -               | (0.07)            | -                                                     | (0.07)        |
| Transferred (to)/from General Reserve               | -                    | 11.10           | -                 | (11.10)                                               | -             |
|                                                     | -                    | 11.10           | (0.07)            | (11.10)                                               | (0.07)        |
| <b>Balance as at March 31, 2020</b>                 | <b>7.40</b>          | <b>13.95</b>    | <b>142.32</b>     | <b>-</b>                                              | <b>163.67</b> |
| Profit for the year ended March 31, 2021            | -                    | -               | 46.05             | -                                                     | 46.05         |
| Other comprehensive income for the year, net of tax | -                    | -               | 0.24              | -                                                     | 0.24          |
| <b>Total comprehensive income for the year</b>      | <b>-</b>             | <b>-</b>        | <b>46.29</b>      | <b>-</b>                                              | <b>46.29</b>  |
| <b>Balance as at March 31, 2021</b>                 | <b>7.40</b>          | <b>13.95</b>    | <b>188.61</b>     | <b>-</b>                                              | <b>209.96</b> |

See accompanying notes to the financial statements

1-41

In terms of our report attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

*Rashim Tandon*  
**RASHIM TANDON**  
 Partner  
 Membership No. 95540



**For and on behalf of the Board of Directors of  
 SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gurta*  
**VINAY GURTA**  
 Director  
 DIN : 00005149

*Sanjay Gupta*  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

*Shivam Maheshwari*  
**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

Place: Ghazalabad  
 Date: June 2, 2021



Place: New Delhi  
 Date: June 2, 2021



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                      | (Rupees in crore)            |                              |
|----------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>A. Cash flow from operating activities</b>                                    |                              |                              |
| Profit before tax                                                                | 62.17                        | 57.48                        |
| <u>Adjustments for:</u>                                                          |                              |                              |
| Depreciation and amortisation expense                                            | 3.51                         | 3.69                         |
| Loss /(Profit) on sale of property, plant and equipment (net)                    | 0.15                         | (0.04)                       |
| Finance costs                                                                    | 12.29                        | 16.15                        |
| Share based expenses                                                             | 0.02                         | 0.07                         |
| Interest income on fixed deposits                                                | (0.05)                       | -                            |
| Provision for slow moving inventory of spares & consumables                      | 0.02                         | 0.02                         |
| <b>Operating profit before working capital changes</b>                           | <b>78.11</b>                 | <b>77.37</b>                 |
| <u>Changes in working capital:</u>                                               |                              |                              |
| Adjustments for (increase) / decrease in operating assets:                       |                              |                              |
| Inventories                                                                      | (4.34)                       | 6.23                         |
| Trade receivables                                                                | 67.32                        | (24.08)                      |
| Current financial assets                                                         | 4.48                         | (3.78)                       |
| Other non current assets                                                         | -                            | (0.21)                       |
| Other current assets                                                             | (2.22)                       | 0.71                         |
| Adjustments for Increase / (decrease) in operating liabilities:                  |                              |                              |
| Trade payables                                                                   | (23.75)                      | (0.71)                       |
| Other current liabilities                                                        | 0.56                         | (38.14)                      |
| Provision (current & non-current)                                                | 0.09                         | 0.19                         |
| <b>Cash generated from operations</b>                                            | <b>120.25</b>                | <b>17.58</b>                 |
| Net income tax paid                                                              | (18.48)                      | (11.46)                      |
| <b>Net cash flow from operating activities (A)</b>                               | <b>101.77</b>                | <b>6.12</b>                  |
| <b>B. Cash flow from investing activities</b>                                    |                              |                              |
| Capital expenditure on property, plant and equipment, including capital advances | (0.65)                       | (1.96)                       |
| Proceeds from sale of property, plant and equipment                              | 0.04                         | 0.14                         |
| Purchase of equity shares of Apollo Tricoat Tubes Limited                        | (46.20)                      | (137.77)                     |
| Interest received                                                                |                              |                              |
| - Others                                                                         | 0.05                         | -                            |
| <b>Net cash flow (used in) investing activities (B)</b>                          | <b>(46.76)</b>               | <b>(139.59)</b>              |
| <b>C. Cash flow from financing activities</b>                                    |                              |                              |
| Repayment of non-current borrowings                                              | (70.00)                      | (75.00)                      |
| Proceeds of non-current borrowings                                               | 45.00                        | 200.00                       |
| Proceeds from current borrowings (net)                                           | -                            | 0.95                         |
| Repayment of current borrowings (net)                                            | (17.28)                      | -                            |
| Finance costs paid                                                               | (11.68)                      | (14.92)                      |
| Payment of dividend distribution tax                                             | -                            | (0.07)                       |
| <b>Net cash flow from / (used in) financing activities (C)</b>                   | <b>(53.96)</b>               | <b>110.96</b>                |
| <b>Net (decrease) / increase in Cash and cash equivalents (A+B+C)</b>            | <b>1.05</b>                  | <b>(22.51)</b>               |
| Cash and cash equivalents at the beginning of the year                           | 0.23                         | 22.74                        |
| <b>Cash and cash equivalents at the end of the year</b>                          | <b>1.28</b>                  | <b>0.23</b>                  |

See accompanying notes to the financial statements

1-41

In terms of our report attached.

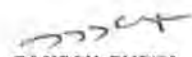
**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018


  
**RASHIM TANDON**  
Partner  
Membership No. 95540



**For and on behalf of the Board of Directors of**  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**SANJAY GUPTA**  
Director  
DIN : 00233188

  
**SHIVAM MAHESHWARI**  
Company Secretary  
ICSI Membership No. : A38467

Place: Ghaziabad  
Date: June 2, 2021



Place: New Delhi  
Date: June 2, 2021



**1(i) Company background**

Shri Lakshmi Metal Udyog Limited, the Company was incorporated on 25 April 1994. The registered office the Company is situated at 37, Hargobind Enclave, Vikas Marg, Delhi-110092, India. The Company is a wholly owned subsidiary of APL Apollo Tubes Limited (the Holding Company) and is engaged in the business of production of ERW steel tubes and GP Coils. The Company has one manufacturing unit at Bengaluru, Karnataka.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 2, 2021.

The Company holds 55.82% (March 31, 2020 : 50.86%) equity shares of Apollo Tricoat Tubes Limited ('ATTL'), a Company engaged in the business of manufacturing of steel pipes. (See note 3)

**1(ii) Impact of the Initial application of new and amended Ind ASs that are effective for the current year**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2020.

**Amendments to Ind AS-1 and Ind AS-8 – Definition of 'material'.**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on disclosures or on the amounts reported in these financial statements.

**1(iii) 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 financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

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.

**Going Concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**(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.

**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 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 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.

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

Post the outbreak of COVID-19, the Company has made an assessment of the likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non current assets including property, plant and equipment and other financial exposure. The Company has also evaluated its liability to meet the financial commitments towards its lenders etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

**(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**

The revenue is recognised once the entity satisfied that performance obligation & control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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.

**(g) 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid where applicable in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(h) 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.

**As a lessee**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) 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 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 the principal item of the relevant assets.

**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, 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 50 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.

**(m) 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.

**(n) 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.

**(o) 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 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.

**(p) 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 services 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, 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.

**(g) 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.

**(r) 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.

**(s) 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")
- 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.

**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 investment in one entity which is not held for trading. The Company has elected the FVTOCI irrevocable option for this investment (see note 3). Fair value is determined in the manner described in note 36.

**(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 37 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.

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.

**(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.



**(t) 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.

**(u) 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.

**(v) 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 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 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(iv) Recent Accounting Developments**

**Balance Sheet:**

- (a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Specified format for disclosure of shareholding of promoters.
- (d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.
- (b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.





**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**2(a) Property, Plant and Equipment**

|                                   | (Rupees in crore)    |                 |                            |                          |                      |                               |                  |              |              |
|-----------------------------------|----------------------|-----------------|----------------------------|--------------------------|----------------------|-------------------------------|------------------|--------------|--------------|
|                                   | As at March 31, 2021 |                 |                            |                          | As at March 31, 2020 |                               |                  |              |              |
| <b>Carryings amounts of :</b>     |                      |                 |                            |                          |                      |                               |                  |              |              |
| Freehold land                     |                      |                 |                            |                          |                      |                               |                  | 7.90         | 7.90         |
| Building                          |                      |                 |                            |                          |                      |                               |                  | 8.33         | 8.48         |
| Plant and machinery               |                      |                 |                            |                          |                      |                               |                  | 25.73        | 27.44        |
| Office equipments                 |                      |                 |                            |                          |                      |                               |                  | 0.02         | 0.02         |
| Vehicles                          |                      |                 |                            |                          |                      |                               |                  | 0.43         | 0.52         |
| Furniture and fixtures            |                      |                 |                            |                          |                      |                               |                  | 0.11         | 0.13         |
| Computers                         |                      |                 |                            |                          |                      |                               |                  | 0.01         | 0.01         |
|                                   |                      |                 |                            |                          |                      |                               |                  | <b>42.53</b> | <b>44.50</b> |
|                                   | <b>Freehold land</b> | <b>Building</b> | <b>Plant and machinery</b> | <b>Office equipments</b> | <b>Vehicles</b>      | <b>Furniture and fixtures</b> | <b>Computers</b> | <b>Total</b> |              |
| <b>Deemed cost</b>                |                      |                 |                            |                          |                      |                               |                  |              |              |
| As at April 1, 2019               | 7.90                 | 8.89            | 36.25                      | 0.04                     | 0.88                 | 0.17                          | 0.02             | 54.15        |              |
| Additions                         | -                    | 0.22            | 0.43                       | -                        | -                    | -                             | 0.01             | 0.66         |              |
| Sales during the year             | -                    | (0.07)          | (0.37)                     | -                        | -                    | -                             | -                | (0.44)       |              |
| <b>Balance at March 31, 2020</b>  | <b>7.90</b>          | <b>9.04</b>     | <b>36.31</b>               | <b>0.04</b>              | <b>0.88</b>          | <b>0.17</b>                   | <b>0.03</b>      | <b>54.37</b> |              |
| Additions                         | -                    | 0.30            | 1.45                       | -                        | -                    | -                             | 0.01             | 1.76         |              |
| Sales during the year             | -                    | -               | (0.37)                     | -                        | -                    | -                             | -                | (0.37)       |              |
| <b>Balance at March 31, 2021</b>  | <b>7.90</b>          | <b>9.34</b>     | <b>37.39</b>               | <b>0.04</b>              | <b>0.88</b>          | <b>0.17</b>                   | <b>0.04</b>      | <b>55.76</b> |              |
| <b>Accumulated depreciation</b>   |                      |                 |                            |                          |                      |                               |                  |              |              |
| As at April 1, 2019               | -                    | 0.13            | 5.97                       | 0.02                     | 0.27                 | 0.02                          | 0.01             | 6.42         |              |
| Elimination on disposal of assets | -                    | -               | (0.24)                     | -                        | -                    | -                             | -                | (0.24)       |              |
| Depreciation expense              | -                    | 0.43            | 3.14                       | -                        | 0.09                 | 0.02                          | 0.01             | 3.69         |              |
| <b>Balance at March 31, 2020</b>  | <b>-</b>             | <b>0.56</b>     | <b>8.87</b>                | <b>0.02</b>              | <b>0.36</b>          | <b>0.04</b>                   | <b>0.02</b>      | <b>9.87</b>  |              |
| Elimination on disposal of assets | -                    | -               | (0.15)                     | -                        | -                    | -                             | -                | (0.15)       |              |
| Depreciation expense              | -                    | 0.45            | 2.94                       | -                        | 0.09                 | 0.02                          | 0.01             | 3.51         |              |
| <b>Balance at March 31, 2021</b>  | <b>-</b>             | <b>1.01</b>     | <b>11.66</b>               | <b>0.02</b>              | <b>0.45</b>          | <b>0.06</b>                   | <b>0.03</b>      | <b>13.23</b> |              |
| <b>Net carrying value</b>         |                      |                 |                            |                          |                      |                               |                  |              |              |
| Balance at March 31, 2020         | 7.90                 | 8.48            | 27.44                      | 0.02                     | 0.52                 | 0.13                          | 0.01             | 44.50        |              |
| Balance at March 31, 2021         | 7.90                 | 8.33            | 25.73                      | 0.02                     | 0.43                 | 0.11                          | 0.01             | 42.53        |              |

**Note :**

(1) Property, plant and equipment as detailed in note 2 have been pledged as security for term loans taken as at March 31, 2021. See note 14 and 17 for loans taken against which these assets are pledged.



**2(b) Capital work in progress**

| Particulars                                                      | (Rupees in crore) |             |
|------------------------------------------------------------------|-------------------|-------------|
|                                                                  | Plant & machinery | Total       |
| As at April 1, 2019                                              | 0.16              | 0.16        |
| Add : Additions during the year                                  | 1.05              | 1.05        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (0.43)            | (0.43)      |
| <b>Closing balance as at March 31, 2020</b>                      | <b>0.78</b>       | <b>0.78</b> |
| Add : Additions during the year                                  | 1.02              | 1.02        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (1.45)            | (1.45)      |
| <b>Closing balance as at March 31, 2021</b>                      | <b>0.35</b>       | <b>0.35</b> |

**3 Investment (Non-current)**

| Particulars                                                                                                                                                 | (Rupees in crore)       |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Investment in subsidiary - (quoted, fully paid) :</b>                                                                                                    |                         |                         |
| (i) 16,970,000 equity shares of Rupees 10 each fully paid up in Apollo Tricoat Tubes Limited (March 31, 2020 : 15,460,000 equity shares) - (see note below) | 252.38                  | 206.18                  |
| <b>Total</b>                                                                                                                                                | <b>252.38</b>           | <b>206.18</b>           |
| <b>Market value of quoted Investment</b>                                                                                                                    | <b>2,036.40</b>         | <b>420.98</b>           |

**Note :**

The Company holds 55.82% (March 31, 2020 : 50.86%) equity shares of Apollo Tricoat Tubes Limited ('ATTL'), a Company engaged in the business of manufacturing of steel pipes.

In previous year, the Board of Directors of Apl Apollo Tubes Limited (the Holding Company) in their meeting held on October 18, 2018 considered and approved the acquisition / investment by Shri Lakshmi Metal Udyog Limited ('SLMUL'), by way of entering into a Share Purchase Agreement ('Agreement') for the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited ('Target Entity', unrelated party). Investment by SLMUL in Target Entity was approved by Shareholders via Special resolution dated October 18, 2018.

Pursuant to the said Agreement, SLMUL made an open offer, which got completed on February 1, 2019 and SLMUL became promoter of Target Entity in compliance with the provisions of Regulation 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. During the offer period, SLMUL acquired 1,325,000 Equity Shares from open market and 1,536,209 Equity Shares were tendered under open offer, aggregating to 2,861,209 Equity Shares, representing 10.33 % of the paid up share capital of Apollo Tricoat Tubes Limited as on March 31, 2019.

During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 15,191,239 equity shares representing 50.56% of paid up share capital of the target entity. Accordingly, Target Entity became a subsidiary of SLMUL with effect from June 17, 2019.

Subsequently, SLMUL further acquired 268,761 equity shares and held 15,460,000 equity shares representing 50.86% of paid up share capital of Apollo Tricoat Tubes Limited as at March 31, 2020.

In current year, SLMUL further acquired 1,510,000 equity shares and as at year end March 31, 2021, SLMUL holds 16,970,000 equity shares representing 55.82% of paid up share capital of Apollo Tricoat Tubes Limited.

**4 Other financial assets (Non-current)**  
(Unsecured, considered good)

| Particulars          | (Rupees in crore)       |                         |
|----------------------|-------------------------|-------------------------|
|                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Security deposit | 0.72                    | 0.72                    |
| <b>Total</b>         | <b>0.72</b>             | <b>0.72</b>             |

**5 Non-current tax assets (net)**

| Particulars                                                                                                  | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Advance income tax (net of Provision of tax for Rupees 14.98 crore, March 31, 2020 : Rupees 14.98 crore) | 0.12                    | 0.12                    |
| <b>Total</b>                                                                                                 | <b>0.12</b>             | <b>0.12</b>             |

**6 Other non current assets**  
(Unsecured, considered good)

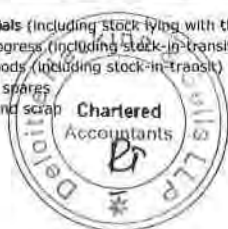
| Particulars                                | (Rupees in crore)       |                         |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Capital advances                       | 0.01                    | 0.82                    |
| (b) Payment under protest (see note below) |                         |                         |
| (i) Income tax                             | 0.30                    | 0.30                    |
| <b>Total</b>                               | <b>0.31</b>             | <b>1.12</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 financial statements. The Company does not expect the outcome of these proceedings to have a materially effect on its financial statements.

**7 Inventories**

| Particulars                                                | (Rupees in crore)       |                         |
|------------------------------------------------------------|-------------------------|-------------------------|
|                                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Raw materials (including stock lying with third party) | 5.05                    | 6.86                    |
| (b) Work in progress (including stock-in-transit)          | 21.28                   | 15.81                   |
| (c) Finished goods (including stock-in-transit)            | 10.01                   | 10.26                   |
| (d) Stores and spares                                      | 1.06                    | 1.18                    |
| (e) Rejection and scrap                                    | 1.95                    | 0.92                    |
| <b>Total</b>                                               | <b>39.35</b>            | <b>35.03</b>            |



**Notes :**

- (i) Cost of inventory (including stores & spares) recognised as expense during the year amounted to Rupees 611.96 crore (March 31, 2020 : Rupees 564.59 crore).

|                                    |                                           | (Rupees in crore)       |                         |
|------------------------------------|-------------------------------------------|-------------------------|-------------------------|
| <b>Details of stock-in-transit</b> |                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (ii)                               | Raw material                              | 0.23                    | -                       |
|                                    | Finished goods                            | 5.44                    | 0.20                    |
|                                    | Work in progress                          | 1.90                    | -                       |
| (iii)                              | Raw material stock lying with third party | 0.45                    | 5.04                    |

- (iv) The Company has created a provision for slow moving inventory of stores & spares of Rupees 0.02 crores (March 31, 2020 : Rupees 0.02 crores).

- (v) The mode of valuation of inventories has been stated in note 1(ii)(k) of significant accounting policies.

- (vi) Inventories have been pledged as security towards Company's borrowings from banks.

**B Trade receivables (Current)**  
(Unsecured)

|                    |                                 | (Rupees in crore)       |                         |
|--------------------|---------------------------------|-------------------------|-------------------------|
| <b>Particulars</b> |                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a)                | Considered good                 |                         |                         |
|                    | (i) Related parties             | 18.50                   | 25.89                   |
|                    | (ii) Other than related parties | 6.47                    | 66.40                   |
|                    | <b>Total</b>                    | <b>24.97</b>            | <b>92.29</b>            |

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. There are no customers who represent more than 10% of the total balance of trade receivables except as follows :-

|                    |                              | (Rupees in crore)       |              |
|--------------------|------------------------------|-------------------------|--------------|
| <b>Particulars</b> |                              | As at<br>March 31, 2021 |              |
|                    | Customer C                   |                         | 18.24        |
|                    | Customer A                   |                         | 3.27         |
|                    |                              |                         | <b>21.51</b> |
|                    | % of total trade receivables |                         | 86.14%       |

|                    |                              | (Rupees in crore)       |              |
|--------------------|------------------------------|-------------------------|--------------|
| <b>Particulars</b> |                              | As at<br>March 31, 2020 |              |
|                    | Customer A                   |                         | 28.97        |
|                    | Customer B                   |                         | 16.82        |
|                    | Customer C                   |                         | 9.07         |
|                    |                              |                         | <b>54.86</b> |
|                    | % of total trade receivables |                         | 59.44%       |

- (1) Ageing of trade receivables and credit risk arising there from is as below :

|                            |                   | (Rupees in crore)           |                 |  |
|----------------------------|-------------------|-----------------------------|-----------------|--|
|                            |                   | As at March 31, 2021        |                 |  |
| <b>Particulars</b>         | Gross credit risk | Allowance for credit losses | Net credit risk |  |
| Amounts not yet due        | 24.97             | -                           | 24.97           |  |
| 0-90 days overdue          | -                 | -                           | -               |  |
| 91-180 days overdue        | -                 | -                           | -               |  |
| 181-270 days overdue       | -                 | -                           | -               |  |
| 271-365 days overdue       | -                 | -                           | -               |  |
| More than 365 days overdue | -                 | -                           | -               |  |
|                            | <b>24.97</b>      | <b>-</b>                    | <b>24.97</b>    |  |

|                            |                   | (Rupees in crore)           |                 |  |
|----------------------------|-------------------|-----------------------------|-----------------|--|
|                            |                   | As at March 31, 2020        |                 |  |
| <b>Particulars</b>         | Gross credit risk | Allowance for credit losses | Net credit risk |  |
| Amounts not yet due        | 74.13             | -                           | 74.13           |  |
| 0-90 days overdue          | 18.15             | -                           | 18.15           |  |
| 91-180 days overdue        | -                 | -                           | -               |  |
| 181-270 days overdue       | 0.01              | -                           | 0.01            |  |
| 271-365 days overdue       | -                 | -                           | -               |  |
| More than 365 days overdue | -                 | -                           | -               |  |
|                            | <b>92.29</b>      | <b>-</b>                    | <b>92.29</b>    |  |

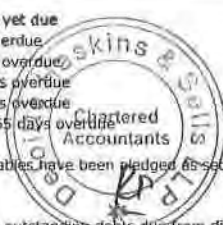
- (2) Ageing wise % of expected credit loss

|                            |  | (Rupees in crore)       |                         |
|----------------------------|--|-------------------------|-------------------------|
| <b>Particulars</b>         |  | As at March 31,<br>2021 | As at March 31,<br>2020 |
| Amounts not yet due        |  | 100%                    | 100%                    |
| 0-90 days overdue          |  | -                       | -                       |
| 91-180 days overdue        |  | -                       | -                       |
| 181-270 days overdue       |  | -                       | -                       |
| 271-365 days overdue       |  | -                       | -                       |
| More than 365 days overdue |  | -                       | -                       |

- (3) 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.





**9 Cash and cash equivalents**

|                                                              |                         | (Rupees in crore)       |  |
|--------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Cash on hand                                             | 0.02                    | 0.02                    |  |
| (b) Balances with banks                                      |                         |                         |  |
| - in current accounts                                        | 0.03                    | 0.21                    |  |
| - in cash credit accounts (see note 17 for security details) | 1.23                    | -                       |  |
| <b>Total</b>                                                 | <b>1.28</b>             | <b>0.23</b>             |  |

**10 Loans (Current)**  
(Unsecured, considered good)

|                        |                         | (Rupees in crore)       |  |
|------------------------|-------------------------|-------------------------|--|
| Particulars            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Loans to employees | 0.03                    | 0.02                    |  |
| <b>Total</b>           | <b>0.03</b>             | <b>0.02</b>             |  |

**11 Other financial assets (Current)**  
(Unsecured, considered good)

|                            |                         | (Rupees in crore)       |  |
|----------------------------|-------------------------|-------------------------|--|
| Particulars                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Other claim receivable | 0.49                    | 4.99                    |  |
| <b>Total</b>               | <b>0.49</b>             | <b>4.99</b>             |  |

**12 Other current assets**  
(Unsecured, considered good)

|                          |                         | (Rupees in crore)       |  |
|--------------------------|-------------------------|-------------------------|--|
| Particulars              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Advance to suppliers | 3.28                    | 0.98                    |  |
| (b) Prepaid expenses     | 0.03                    | 0.11                    |  |
| <b>Total</b>             | <b>3.31</b>             | <b>1.09</b>             |  |





**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

| Particulars                                        | (Rupees in crore, except otherwise stated) |             |                      |             |
|----------------------------------------------------|--------------------------------------------|-------------|----------------------|-------------|
|                                                    | As at March 31, 2021                       |             | As at March 31, 2020 |             |
|                                                    | Number of Shares                           | Amount      | Number of Shares     | Amount      |
| <b>13 Equity</b>                                   |                                            |             |                      |             |
| <b>13(a) Equity share capital</b>                  |                                            |             |                      |             |
| (i) <b>Authorised capital</b>                      |                                            |             |                      |             |
| Equity shares of Rupees 10 each with voting rights | 70,00,000                                  | 7.00        | 70,00,000            | 7.00        |
|                                                    | <b>70,00,000</b>                           | <b>7.00</b> | <b>70,00,000</b>     | <b>7.00</b> |
| (ii) <b>Issued capital</b>                         |                                            |             |                      |             |
| Equity shares of Rupees 10 each with voting rights | 58,95,000                                  | 5.90        | 58,95,000            | 5.90        |
|                                                    | <b>58,95,000</b>                           | <b>5.90</b> | <b>58,95,000</b>     | <b>5.90</b> |
| (iii) <b>Subscribed and fully paid up capital</b>  |                                            |             |                      |             |
| Equity shares of Rupees 10 each with voting rights | 58,95,000                                  | 5.90        | 58,95,000            | 5.90        |
|                                                    | <b>58,95,000</b>                           | <b>5.90</b> | <b>58,95,000</b>     | <b>5.90</b> |

**(1) Reconciliation of the number of shares and amount outstanding as at March 31, 2021 and March 31, 2020**

| Particulars                                     | Number of shares |                  | Amount            |                   |
|-------------------------------------------------|------------------|------------------|-------------------|-------------------|
|                                                 | As at            | As at            | As at             | As at             |
|                                                 | March 31, 2021   | March 31, 2020   | March 31, 2021    | March 31, 2020    |
|                                                 |                  |                  | (Rupees in crore) | (Rupees in crore) |
| <b>Equity share capital</b>                     |                  |                  |                   |                   |
| <b>Outstanding at the beginning of the year</b> | 58,95,000        | 58,95,000        | 5.90              | 5.90              |
| Add: Issued during the year                     | -                | -                | -                 | -                 |
| <b>Outstanding at the end of the year</b>       | <b>58,95,000</b> | <b>58,95,000</b> | <b>5.90</b>       | <b>5.90</b>       |

**(2) Rights, Preferences and restrictions attached to equity shares**

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

**(3) Details of shares held by the holding Company :**

| Particulars               | Number of shares |                |
|---------------------------|------------------|----------------|
|                           | As at            | As at          |
|                           | March 31, 2021   | March 31, 2020 |
| APL Apollo Tubes Limited* | 58,95,000        | 58,95,000      |

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

| Name of shareholder                     | As at                 |           | As at                 |           |
|-----------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                         | March 31, 2021        |           | March 31, 2020        |           |
|                                         | Number of shares held | % holding | Number of shares held | % holding |
| <b>Equity shares with voting rights</b> |                       |           |                       |           |
| APL Apollo Tubes Limited*               | 58,95,000             | 100%      | 58,95,000             | 100%      |

\* Out of total 5,895,000 equity shares, 5,894,994 equity shares are held by APL Apollo Tubes Limited (the holding Company) and remaining 6 shares are held by Mr. Sanjay Gupta, Mr. Vinay Gupta, Mr. Sameer Gupta, Mrs. Neera Gupta, Mrs. Vandana Gupta & Mrs. Meenakshi Gupta (each holding 1 share) as nominee/representatives.



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

**13(b) Other equity**

| Particulars                                                             | (Rupees in crore)                            |                                              |
|-------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                                         | As at<br>March 31, 2021                      | As at<br>March 31, 2020                      |
| Securities premium                                                      | 7.40                                         | 7.40                                         |
| General reserve                                                         | 13.95                                        | 13.95                                        |
| Retained earnings                                                       | 188.61                                       | 142.32                                       |
| <b>Total</b>                                                            | <b>209.96</b>                                | <b>163.67</b>                                |
|                                                                         | As at<br>March 31, 2021<br>(Rupees in crore) | As at<br>March 31, 2020<br>(Rupees in crore) |
| <b>(1) Security premium</b>                                             |                                              |                                              |
| Balance at the beginning of the year                                    | 7.40                                         | 7.40                                         |
| Add: Additions                                                          | -                                            | -                                            |
| Balance at the end of the year                                          | <b>7.40</b>                                  | <b>7.40</b>                                  |
| <b>(2) General reserve</b>                                              |                                              |                                              |
| Balance at the beginning of the year                                    | 13.95                                        | 2.85                                         |
| Add: Transferred from items of other comprehensive income               | -                                            | 11.10                                        |
| Balance at the end of the year                                          | <b>13.95</b>                                 | <b>13.95</b>                                 |
| <b>(3) Retained earnings</b>                                            |                                              |                                              |
| Balance at the beginning of the year                                    | 142.32                                       | 97.41                                        |
| Add: Total comprehensive income for the year                            | 46.29                                        | 44.98                                        |
| Less: Tax on dividend paid                                              | -                                            | (0.07)                                       |
| Balance at the end of the year                                          | <b>188.61</b>                                | <b>142.32</b>                                |
| <b>(4) Items of other comprehensive income</b>                          |                                              |                                              |
| Balance at the beginning of the year                                    | -                                            | 8.90                                         |
| Add: Equity Instruments through other comprehensive Income (see note 3) | -                                            | 2.20                                         |
| Less: Transfer to general reserve                                       | -                                            | (11.10)                                      |
| Balance at the end of the year                                          | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total</b>                                                            | <b>209.96</b>                                | <b>163.67</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) 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.

**(iv) Items of other comprehensive income :** This represents gain on fair valuation of investments in Apollo Tricoat Tubes Limited ('ATTL') which are carried at fair value through the other comprehensive income. During the previous year, the Company had acquired 50.86% stake in ATTL and on completion of acquisition, the balance was transferred to general reserve.



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**Notes to the financial statements for the year ended March 31, 2021**

**14 Borrowings (Non-current)**

| Particulars                                                                          | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Term Loan:</b>                                                                |                         |                         |
| - From others                                                                        |                         |                         |
| (i) Secured (see note (i) below)                                                     | -                       | 40.00                   |
| <b>(b) Borrowings from APL Apollo Tubes Limited (Unsecured, see note (ii) below)</b> | 100.00                  | 75.00                   |
| <b>Total</b>                                                                         | <b>100.00</b>           | <b>115.00</b>           |

**(i) Term loan from others are as follows:**

Term Loan facility is secured by first pari passu charge on entire present and future movable and immovable fixed assets of the Company situated at KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore and 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 and corporate guarantee of APL Apollo Tubes Limited. The loan outstanding was repayable in 20 quarterly instalments commencing from May 2020 and ending in February 2025. Applicable rate of interest was 9.50% . During the current financial year, loan has been fully repaid.

**(ii) Borrowings from APL Apollo Tubes Limited is as follows :**

During the year, the Company has taken Rupees 40.00 crores additional unsecured loan from APL Apollo Tubes Limited, the holding Company, repayable in 5 years as and when funds are available with Company. The loan is taken for the purpose of meeting its operational requirements. During the year, loan amount to Rupees 20.00 crore was repaid. Applicable rate of interest is 8.50% (March 31, 2020 : 10.00 %.)

| As at March 31, 2021   |                                              | As at March 31, 2020   |                                              |
|------------------------|----------------------------------------------|------------------------|----------------------------------------------|
| Non-current borrowings | Current Maturities of non-current borrowings | Non-current borrowings | Current Maturities of non-current borrowings |
| -                      | -                                            | 40.00                  | 10.00                                        |
| 100.00                 | -                                            | 75.00                  | -                                            |
| <b>100.00</b>          | <b>-</b>                                     | <b>115.00</b>          | <b>10.00</b>                                 |

**15 Provisions (Non-current)**

| Particulars                                     | (Rupees in crore)       |                         |
|-------------------------------------------------|-------------------------|-------------------------|
|                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Provision for compensated absences</b>   | 0.29                    | 0.26                    |
| <b>(b) Provision for gratuity (see note 34)</b> | 0.78                    | 0.74                    |
| <b>Total</b>                                    | <b>1.07</b>             | <b>1.00</b>             |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

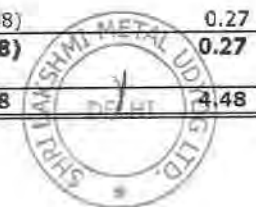
**16 Deferred Tax Liabilities (net)**

**(a) Component of deferred tax assets and liabilities are :-**

| Particulars                                              | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------|----------------------|----------------------|
| (Rupees in crore)                                        |                      |                      |
| (i) <b>Deferred Tax Liabilities on account of :</b>      |                      |                      |
| Property, plant and equipments                           | 4.75                 | 5.10                 |
| <b>Total deferred tax liabilities (A)</b>                | <b>4.75</b>          | <b>5.10</b>          |
| (ii) <b>Deferred Tax Assets on account of :</b>          |                      |                      |
| Provision for employee benefit expenses                  | 0.27                 | 0.42                 |
| <b>Total deferred tax assets (B)</b>                     | <b>0.27</b>          | <b>0.42</b>          |
| <b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b> | <b>4.48</b>          | <b>4.68</b>          |

| (b) Movement in deferred tax liabilities / asset | As at April 1, 2019 | (Profit) / Loss Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2020 |
|--------------------------------------------------|---------------------|----------------------------------------------|------------------------------------------|----------------------|
| <b>Deferred Tax Liabilities (A)</b>              |                     |                                              |                                          |                      |
| Property, plant and equipments                   | 7.53                | (2.43)                                       | -                                        | 5.10                 |
| <b>Total</b>                                     | <b>7.53</b>         | <b>(2.43)</b>                                | <b>-</b>                                 | <b>5.10</b>          |
| <b>Deferred Tax Assets (B)</b>                   |                     |                                              |                                          |                      |
| Provision for employee benefit expenses          | 0.29                | 0.05                                         | 0.08                                     | 0.42                 |
| Financial Assets (Transaction cost on loans)     | 0.03                | (0.03)                                       | -                                        | -                    |
| <b>Total</b>                                     | <b>0.32</b>         | <b>0.02</b>                                  | <b>0.08</b>                              | <b>0.42</b>          |
| <b>Deferred tax liabilities (Net - A-B)</b>      | <b>7.21</b>         | <b>(2.45)</b>                                | <b>(0.08)</b>                            | <b>4.68</b>          |

| Movement in deferred tax liabilities / asset | As at April 1, 2020 | (Profit) / Loss Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2021 |
|----------------------------------------------|---------------------|----------------------------------------------|------------------------------------------|----------------------|
| <b>Deferred Tax Liabilities (A)</b>          |                     |                                              |                                          |                      |
| Property, plant and equipments               | 5.10                | (0.35)                                       | -                                        | 4.75                 |
| <b>Total</b>                                 | <b>5.10</b>         | <b>(0.35)</b>                                | <b>-</b>                                 | <b>4.75</b>          |
| <b>Deferred Tax Assets (B)</b>               |                     |                                              |                                          |                      |
| Provision for employee benefit expenses      | 0.42                | (0.07)                                       | (0.08)                                   | 0.27                 |
| <b>Total</b>                                 | <b>0.42</b>         | <b>(0.07)</b>                                | <b>(0.08)</b>                            | <b>0.27</b>          |
| <b>Deferred tax liabilities (Net - A-B)</b>  | <b>4.68</b>         | <b>(0.28)</b>                                | <b>0.08</b>                              | <b>4.48</b>          |





**17 Borrowings (Current)**

| Particulars                                         | (Rupees in crore)       |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Loan repayable on demand                        |                         |                         |
| - From banks (secured)                              |                         |                         |
| (i) Working capital facilities (see note (i) below) | -                       | 17.28                   |
| <b>Total</b>                                        | <b>-</b>                | <b>17.28</b>            |

**Nature of security:**

(i) 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 KIADB Industrial Area, Plot No. 9-11, Balagaranahalli Village, Attibele, Anekal Taluk, Bangalore. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited.

**18 Trade payables (Current)**

| Particulars                                                       | (Rupees in crore)       |                         |
|-------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Total outstanding dues of micro and small enterprises         | 0.32                    | 0.11                    |
| (b) Total outstanding dues other than micro and small enterprises | 36.02                   | 59.95                   |
| <b>Total</b>                                                      | <b>36.34</b>            | <b>60.06</b>            |

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                                                                                                                                                                                                        | (Rupees in crore)       |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                    | 0.32                    | 0.11                    |
| (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 by 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                                                                                | -                       | -                       |

**19 Other financial liabilities (Current)**

| Particulars                                                    | (Rupees in crore)       |                         |
|----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Current maturities of non-current borrowings (see note 14) | -                       | 10.00                   |
| (b) Payable on purchase of property, plant and equipment       | -                       | 0.19                    |
| (c) Interest accrued and due on borrowings                     | 2.46                    | 1.85                    |
| <b>Total</b>                                                   | <b>2.46</b>             | <b>12.04</b>            |

**20 Other current liabilities**

| Particulars                | (Rupees in crore)       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Statutory remittances  | 3.64                    | 3.51                    |
| (b) Advance from customers | 0.57                    | 0.14                    |
| <b>Total</b>               | <b>4.21</b>             | <b>3.65</b>             |

**21 Provisions (Current)**

| Particulars                              | (Rupees in crore)       |                         |
|------------------------------------------|-------------------------|-------------------------|
|                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for compensated absences   | 0.01                    | 0.10                    |
| (b) Provision for gratuity (see note 34) | 0.01                    | 0.22                    |
| <b>Total</b>                             | <b>0.02</b>             | <b>0.32</b>             |

**22 Current tax liabilities (net)**

| Particulars                                                                                        | (Rupees in crore)       |                         |
|----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for tax (net of advance tax Rupees 68.72 crores, March 31, 2020 Rupees 50.13 crores) | 1.40                    | 3.47                    |
|                                                                                                    | <b>1.40</b>             | <b>3.47</b>             |



**23 Revenue from operations**

|                                                   |                              | (Rupees in crore)            |  |
|---------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Sale of products (see note (i) below)         | 718.39                       | 666.49                       |  |
| (b) Other operating revenue (see note (ii) below) | 11.97                        | 13.21                        |  |
| <b>Total</b>                                      | <b>730.36</b>                | <b>679.70</b>                |  |

Notes :

(i) Reconciliation of revenue recognised with contract price :

|                                |                              | (Rupees in crore)            |  |
|--------------------------------|------------------------------|------------------------------|--|
| Particulars                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Contract price                 | 735.83                       | 684.04                       |  |
| Adjustments for:               |                              |                              |  |
| Discount & Incentives          | (17.44)                      | (17.55)                      |  |
| <b>Revenue from operations</b> | <b>718.39</b>                | <b>666.49</b>                |  |

(ii) Other operating revenue comprises

|               |              |              |  |
|---------------|--------------|--------------|--|
| Sale of scrap | 11.97        | 13.21        |  |
| <b>Total</b>  | <b>11.97</b> | <b>13.21</b> |  |

**24 Other Income**

|                                                           |                              | (Rupees in crore)            |  |
|-----------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Interest income on fixed deposit                      | 0.05                         | -                            |  |
| (b) Gain on foreign currency transactions (net)           | 0.06                         | -                            |  |
| (c) Interest Income on others (see note 35)               | -                            | 0.95                         |  |
| (d) Profit on sale of property, plant and equipment (net) | -                            | 0.04                         |  |
| (e) Miscellaneous Income                                  | -                            | 0.37                         |  |
| <b>Total</b>                                              | <b>0.11</b>                  | <b>1.36</b>                  |  |

**25 Cost of material consumed**

|                                                             |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Inventories of raw material at the beginning of the year    | 6.86                         | 30.89                        |  |
| Add: Purchases during the year                              | 553.42                       | 478.20                       |  |
| Less: Inventories of raw material as at the end of the year | 5.05                         | 6.86                         |  |
| <b>Total</b>                                                | <b>555.23</b>                | <b>502.23</b>                |  |

**26 Change in Inventories**

|                                                  |                              | (Rupees in crore)            |  |
|--------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| <b>Inventories at the end of the year:</b>       |                              |                              |  |
| (a) Finished goods                               | 10.01                        | 10.26                        |  |
| (b) Work in progress                             | 21.28                        | 15.81                        |  |
| (c) Rejection and scrap                          | 1.95                         | 0.92                         |  |
|                                                  | <b>33.24</b>                 | <b>26.99</b>                 |  |
| <b>Inventories at the beginning of the year:</b> |                              |                              |  |
| (a) Finished goods                               | 10.26                        | 5.21                         |  |
| (b) Work in progress                             | 15.81                        | 3.35                         |  |
| (c) Rejection and scrap                          | 0.92                         | 0.79                         |  |
|                                                  | <b>26.99</b>                 | <b>9.35</b>                  |  |
| <b>Total</b>                                     | <b>(6.25)</b>                | <b>(17.64)</b>               |  |

**27 Employee benefits expense**

|                                                          |                              | (Rupees in crore)            |  |
|----------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                              | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Salaries and wages                                   | 6.23                         | 7.33                         |  |
| (b) Contribution to provident fund (see note 34)         | 0.32                         | 0.31                         |  |
| (c) Gratuity expense (see note 34)                       | 0.18                         | 0.17                         |  |
| (d) Share-based payments to employees (see note (31)(b)) | 0.02                         | 0.07                         |  |
| (e) Staff welfare expenses                               | 0.16                         | 0.17                         |  |
| <b>Total</b>                                             | <b>6.91</b>                  | <b>7.42</b>                  |  |

During the year, the Company recognised an amount of Rupees Nil (Year ended March 31, 2020 Rupees 1.72 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :

|                                                                    |             |             |
|--------------------------------------------------------------------|-------------|-------------|
| (i) Short term employee benefits                                   | -           | 1.42        |
| (ii) Post employment benefits (Gratuity expense)                   | -           | 0.20        |
| (iii) Other long term employee benefits (Leave encashment expense) | -           | 0.10        |
|                                                                    | <b>0.00</b> | <b>1.72</b> |





**28 Finance costs**

| Particulars                         | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Interest expense on:            |                              |                              |
| (i) working capital facilities      | 0.91                         | 4.03                         |
| (ii) borrowings from related party  | 10.96                        | 11.66                        |
| (iii) delayed payment of Income tax | 0.13                         | 0.16                         |
| (b) Other borrowing cost            | 0.29                         | 0.30                         |
| <b>Total</b>                        | <b>12.29</b>                 | <b>16.15</b>                 |

**29 Other expenses**

| Particulars                                                  | (Rupees in crore)            |                              |
|--------------------------------------------------------------|------------------------------|------------------------------|
|                                                              | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Consumption of stores and spare parts                    | 5.78                         | 7.12                         |
| (b) Power and fuel                                           | 11.25                        | 12.53                        |
| (c) Security charges                                         | 0.11                         | 0.12                         |
| (d) Repair and maintenance:                                  |                              |                              |
| (i) Building                                                 | 0.07                         | 0.01                         |
| (ii) Plant and machinery                                     | 0.26                         | 0.33                         |
| (iii) Others                                                 | 0.01                         | -                            |
| (e) Rates and taxes                                          | 0.07                         | 0.22                         |
| (f) Travelling and conveyance                                | 0.04                         | 0.12                         |
| (g) Legal and professional charges (see note (i) below)      | 0.37                         | 0.38                         |
| (h) Loss on sale of property, plant and equipment (net)      | 0.15                         | -                            |
| (i) Freight outward                                          | 15.63                        | 11.55                        |
| (j) Provision for slow moving inventory of stores and spares | 0.02                         | 0.02                         |
| (k) Advertisement and sales promotion                        | -                            | 1.90                         |
| (l) Corporate Social Responsibility                          | 1.05                         | -                            |
| (m) Insurance                                                | 0.04                         | 0.03                         |
| (n) Management Support Services (see note 31(a))             | 4.11                         | 5.90                         |
| (o) Miscellaneous expenses                                   | 0.45                         | 0.38                         |
|                                                              | <b>39.41</b>                 | <b>40.61</b>                 |
| Less : Allocation of common expenses (see note 31(a))        | -                            | (1.75)                       |
| <b>Total</b>                                                 | <b>39.41</b>                 | <b>38.86</b>                 |

**Note :-**

(i) Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows :

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| (a) To statutory auditors           |             |             |
| For audit                           | 0.15        | 0.18        |
| For other services                  | -           | 0.02        |
| <b>Total</b>                        | <b>0.15</b> | <b>0.20</b> |
| (b) To cost auditors for cost audit | 0.01        | 0.01        |
| <b>Total</b>                        | <b>0.01</b> | <b>0.01</b> |

**30 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                                                              | (Rupees in crore)            |                               |              |
|--------------------------------------------------------------------------|------------------------------|-------------------------------|--------------|
|                                                                          | Year ended<br>March 31, 2021 |                               |              |
| a) Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                               | 1.05         |
| <b>Particulars</b>                                                       | <b>In Cash</b>               | <b>Yet to be paid in cash</b> | <b>Total</b> |
| b) Amount spent during the year out of the above :                       |                              |                               |              |
| 1) Construction / acquisition of any asset                               | -                            | -                             | -            |
| 2) On purposes other than(1) above                                       | 0.55                         | 0.50                          | 1.05         |
|                                                                          | <b>0.55</b>                  | <b>0.50</b>                   | <b>1.05</b>  |

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the Company has subsequent to balance sheet date has deposited amount of Rupees 0.50 crore to a separate bank account.

| Particulars                                        | Year ended<br>March 31, 2020                                             |                               |              |
|----------------------------------------------------|--------------------------------------------------------------------------|-------------------------------|--------------|
|                                                    | a) Amount required to be spent as per section 135 of Companies Act, 2013 |                               |              |
| <b>Particulars</b>                                 | <b>In Cash</b>                                                           | <b>Yet to be paid in cash</b> | <b>Total</b> |
| b) Amount spent during the year out of the above : |                                                                          |                               |              |
| 1) Construction / acquisition of any asset         | -                                                                        | -                             | -            |
| 2) On purposes other than(1) above                 | -                                                                        | -                             | -            |



**31 Allocation of common expenses**

- (a) During the year, the parent Company / Company has charged back the common expenses incurred by it on behalf of group companies on cost i.e. cost to cost basis. The allocation of common expenses has been carried out on the basis of turnover of respective companies, as per latest financial statements / results.
- (b) The employees of the Company covered under APL Apollo Tubes Limited (Holding Company) "Employee Stock Option Scheme 2015" (ESOS 2015) are granted an option to purchase shares of holding Company in accordance with the terms and conditions of the scheme as approved by shareholders from time to time. Each Option entitles the holder thereof to apply for and be allotted One Ordinary Shares of holding Company of Rupees 2.00 each after giving effect of share split upon payment of the exercise price during the exercise period.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as equity settled share based payment scheme in accordance with Ind AS 102 - Share Based Payment. The fair value of options granted is recognized as employee benefits expense, net of reimbursements, if any. The total cost recognized during the year ended March 31, 2021 amounted to Rupees 0.02 crore (March 31, 2020 : Rupees 0.07 crore). The Company consider these amounts as not material and accordingly has not provided for the disclosures. (See note 27(d))





**32 Earnings per Equity share**

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

| Particulars                                                                                                            | (Rupees in crore, unless otherwise stated) |                           |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------|
|                                                                                                                        | Year ended March 31, 2021                  | Year ended March 31, 2020 |
| Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share | 46.05                                      | 45.23                     |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share   | 58,95,000                                  | 58,95,000                 |
| (a) Basic earnings per share in Rupees                                                                                 | 78.12                                      | 76.72                     |
| (b) Diluted earnings per share in Rupees                                                                               | 78.12                                      | 76.72                     |

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

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (Rupees in crore)    |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | As at March 31, 2021 | As at March 31, 2020 |
| <b>(a) Contingent liabilities (for pending litigations)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |                      |
| (1) Disputed claims/levies in respect of Income tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2.28                 | 1.51                 |
| (2) Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -                    | -                    |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>2.28</b>          | <b>1.51</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 financial statements. The Company does not expect the outcome of these proceedings to have a material effect on its financial statements.                                                                                                                                                                                                                                                                            |                      |                      |
| <b>(b) Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                      |
| (1) Estimated amount of contracts remaining to be executed on capital account and not provided for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                      |
| - Property, plant and equipment (net of capital advance)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0.03                 | 2.80                 |
| (2) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.                                                                                                                                                                                                                                                              |                      |                      |
| (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                      |

**34 Employee benefits obligations**

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2021 |             |             |
|                                           | Current              | Non-current | Total       |
| <b>Gratuity</b>                           |                      |             |             |
| Present value of obligation               | 0.01                 | 0.78        | 0.79        |
| <b>Total employee benefit obligations</b> | <b>0.01</b>          | <b>0.78</b> | <b>0.79</b> |

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2020 |             |             |
|                                           | Current              | Non-current | Total       |
| <b>Gratuity</b>                           |                      |             |             |
| Present value of obligation               | 0.22                 | 0.74        | 0.96        |
| <b>Total employee benefit obligations</b> | <b>0.22</b>          | <b>0.74</b> | <b>0.96</b> |

**(a) Defined benefit plans**

**a) Gratuity**

The Company has an unfunded defined benefit gratuity plan. The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of Rupees 0.20 crores. Vesting occurs upon completion of 5 years of service.

**(b) Defined contribution plans**

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rupees 0.32 crores (Year ended March 31, 2020 Rupees 0.31 crores) 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.



**(c) 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 :

|                                                              | (Rupees in crore) |
|--------------------------------------------------------------|-------------------|
| <b>Particulars</b>                                           | <b>Gratuity</b>   |
| Opening balance as at April 1, 2019                          | 0.51              |
| Current service cost                                         | 0.13              |
| Interest expense/(Income)                                    | 0.04              |
| <b>Total amount recognised in profit or loss</b>             | <b>0.17</b>       |
| <i>Remeasurements</i>                                        |                   |
| effect of change in financial assumptions                    | 0.21              |
| effect of experience adjustments                             | 0.12              |
| <b>Total amount recognised in other comprehensive income</b> | <b>0.33</b>       |
| Employer contributions : Benefit payments                    | (0.05)            |
| <b>Balance as at March 31, 2020</b>                          | <b>0.96</b>       |
| Balance as at March 31, 2020                                 | 0.96              |
| Current service cost                                         | 0.11              |
| Interest expense/(Income)                                    | 0.07              |
| <b>Total amount recognised in profit or loss</b>             | <b>0.18</b>       |
| <i>Remeasurements</i>                                        |                   |
| Loss due to experience                                       | (0.26)            |
| Loss due to change in financial assumptions                  | (0.04)            |
| <b>Total amount recognised in other comprehensive income</b> | <b>(0.32)</b>     |
| Employer contributions : Benefit payments                    | (0.03)            |
| <b>Balance as at March 31, 2021</b>                          | <b>0.79</b>       |

**(d) Post-Employment benefits**

The significant actuarial assumptions were as follows:

| Particulars        | Year ended<br>March 31, 2021                 | Year ended<br>March 31, 2020                 |
|--------------------|----------------------------------------------|----------------------------------------------|
| Discount rate      | 7.09%                                        | 6.77%                                        |
| Salary growth rate | 8.00%                                        | 8.00%                                        |
| Retirement age     | 60 Years                                     | 60 Years                                     |
| Mortality          | Indian Assured<br>Lives Mortality<br>2012-14 | Indian Assured<br>Lives Mortality<br>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.

**(e) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                         | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Increase by 1%               |                              |
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (increase by 1%)      | (0.11)                       | (0.11)                       |
| Salary growth rate (increase by 1%) | 0.13                         | 0.14                         |
|                                     |                              |                              |
| Particulars                         | Decrease by 1%               |                              |
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|                                     |                              |                              |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (decrease by 1%)      | 0.14                         | 0.14                         |
| Salary growth rate (decrease by 1%) | (0.11)                       | (0.11)                       |

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.

**(f) 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.

**(g) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 16.95 years (Year ended March 31, 2020 17.20 years). The expected maturity analysis of undiscounted gratuity is as follows:

|                     | (Rupees in crore)            |                              |
|---------------------|------------------------------|------------------------------|
| <b>Particulars</b>  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 0.02                         | 0.22                         |
| Between 1 - 1 years | 0.02                         | 0.01                         |
| Between 2 - 3 years | 0.08                         | 0.02                         |
| Between 3 - 4 years | 0.03                         | 0.09                         |
| Between 4 - 5 years | 0.03                         | 0.04                         |
| Beyond 5 years      | 0.40                         | 0.41                         |
| <b>Total</b>        | <b>0.58</b>                  | <b>0.79</b>                  |





35 Related party transactions

(a) Details of related parties:

| Name of related parties                                                                                                       | Name of related parties                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Holding Company                                                                                                           | APL Apollo Tubes Limited                                                                                                                                                                                                                                              |
| (ii) Fellow Subsidiaries                                                                                                      | Apollo Metalex Private Limited<br>Blue Ocean Projects Private Limited<br>APL Apollo Building Products Private Limited<br>APL Apollo Tubes FZE                                                                                                                         |
| (iii) Subsidiary                                                                                                              | Apollo Tricoat Tubes Limited w.e.f June 17, 2019                                                                                                                                                                                                                      |
| (iv) Key Management Personnel (KMP) (with whom transactions have taken place during the year)                                 | Mr. Sanjay Gupta (Director)<br>Mr. Vinay Gupta (Director)<br>Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)<br>Mr. Romil Sehgal (Whole Time Director) (w.e.f July 1, 2018 and till February 1, 2020)<br>Mr. Romil Sehgal (Non Executive Director) (w.e.f February 1, 2020) |
| (v) Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year) | Apollo Tricoat Tubes Limited (till June 16, 2019)<br>APL Infrastructure Private Limited<br>Apollo Pipes Limited                                                                                                                                                       |

(b) Details of related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021:

| Particulars                                                             | (Rupees in crore) |                     |              |                                                                 |                                              |          |
|-------------------------------------------------------------------------|-------------------|---------------------|--------------|-----------------------------------------------------------------|----------------------------------------------|----------|
|                                                                         | Holding Company   | Fellow Subsidiaries | Subsidiaries | Enterprises significantly influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total    |
| <b>Purchase of raw material &amp; stock in trade (net of discounts)</b> |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 48.91             | -                   | -            | -                                                               | -                                            | 48.91    |
|                                                                         | (34.58)           | (-)                 | (-)          | (-)                                                             | (-)                                          | (34.58)  |
| Apollo Metalex Private Limited                                          | -                 | 0.15                | -            | -                                                               | -                                            | 0.15     |
|                                                                         | (-)               | (1.22)              | (-)          | (-)                                                             | (-)                                          | (1.22)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 55.34        | -                                                               | -                                            | 55.34    |
|                                                                         | (-)               | (-)                 | (16.33)      | (3.27)                                                          | (-)                                          | (19.60)  |
|                                                                         | 48.91             | 0.15                | 55.34        | -                                                               | -                                            | 104.40   |
|                                                                         | (34.58)           | (1.22)              | (16.33)      | (3.27)                                                          | (-)                                          | (55.40)  |
| <b>Job work expense</b>                                                 |                   |                     |              |                                                                 |                                              |          |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 20.11        | -                                                               | -                                            | 20.11    |
|                                                                         | (-)               | (-)                 | (3.66)       | (-)                                                             | (-)                                          | (3.66)   |
|                                                                         | (-)               | (-)                 | 20.11        | (-)                                                             | (-)                                          | 20.11    |
|                                                                         | (-)               | (-)                 | (3.66)       | (-)                                                             | (-)                                          | (3.66)   |
| <b>Sale of goods (net of discounts)</b>                                 |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 143.68            | -                   | -            | -                                                               | -                                            | 143.68   |
|                                                                         | (50.93)           | (-)                 | (-)          | (-)                                                             | (-)                                          | (50.93)  |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 7.99         | -                                                               | -                                            | 7.99     |
|                                                                         | (-)               | (-)                 | (54.97)      | (21.39)                                                         | (-)                                          | (76.36)  |
|                                                                         | 143.68            | -                   | 7.99         | -                                                               | -                                            | 151.67   |
|                                                                         | (50.93)           | (-)                 | (54.97)      | (21.39)                                                         | (-)                                          | (127.29) |
| <b>Sale of property, plant and equipment</b>                            |                   |                     |              |                                                                 |                                              |          |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.11)       | (-)                                                             | (-)                                          | (0.11)   |
|                                                                         | (-)               | (-)                 | (0.11)       | (-)                                                             | (-)                                          | (0.11)   |
| <b>Sale of scrap (other operating income)</b>                           |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 1.92              | -                   | -            | -                                                               | -                                            | 1.92     |
|                                                                         | (3.16)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (3.16)   |
|                                                                         | 1.92              | -                   | -            | -                                                               | -                                            | 1.92     |
|                                                                         | (3.16)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (3.16)   |
| <b>Purchase of store and spares</b>                                     |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 0.02              | -                   | -            | -                                                               | -                                            | 0.02     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 0.03         | -                                                               | -                                            | 0.03     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
|                                                                         | 0.02              | -                   | 0.03         | -                                                               | -                                            | 0.05     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
| <b>Allocation of common expense</b>                                     |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | 4.07              | -                   | -            | -                                                               | -                                            | 4.07     |
|                                                                         | (5.90)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (5.90)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | 0.04         | -                                                               | -                                            | 0.04     |
|                                                                         | (-)               | (-)                 | (-)          | (-)                                                             | (-)                                          | (-)      |
|                                                                         | 4.07              | -                   | 0.04         | -                                                               | -                                            | 4.11     |
|                                                                         | (5.90)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (5.90)   |
| <b>Expenses incurred by Company on behalf of:</b>                       |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (1.35)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (1.35)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.13)       | (-)                                                             | (-)                                          | (0.13)   |
| Apollo Metalex Private Limited                                          | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (0.27)              | (-)          | (-)                                                             | (-)                                          | (0.27)   |
|                                                                         | (1.35)            | (0.27)              | (0.13)       | (-)                                                             | (-)                                          | (1.75)   |
| <b>Employee benefit expense incurred by Company on behalf of:</b>       |                   |                     |              |                                                                 |                                              |          |
| APL Apollo Tubes Limited                                                | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (0.48)            | (-)                 | (-)          | (-)                                                             | (-)                                          | (0.48)   |
| Apollo Tricoat Tubes Limited                                            | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (-)                 | (0.05)       | (-)                                                             | (-)                                          | (0.05)   |
| Apollo Metalex Private Limited                                          | -                 | -                   | -            | -                                                               | -                                            | -        |
|                                                                         | (-)               | (0.10)              | (-)          | (-)                                                             | (-)                                          | (0.10)   |
|                                                                         | (0.48)            | (0.10)              | (0.05)       | (-)                                                             | (-)                                          | (0.63)   |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
Notes to the financial statements for the year ended March 31, 2021

| (Rupees in crore)                        |                                                      |                     |                              |                                                                 |                                              |                                                      |
|------------------------------------------|------------------------------------------------------|---------------------|------------------------------|-----------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
| Particulars                              | Holding Company                                      | Fellow Subsidiaries | Subsidiaries                 | Enterprises significantly Influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total                                                |
| <b>Allocation of share based expense</b> |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 0.02<br>(0.07)<br><b>0.02</b><br><b>(0.07)</b>       | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 0.02<br>(0.07)<br><b>0.02</b><br><b>(0.07)</b>       |
| <b>Salary paid</b>                       |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Mr. Romil Sehgal                         | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>(1.72)<br><b>(1.72)</b>                 | -<br>-<br><b>(1.72)</b>                              |
| <b>Interest Income</b>                   |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Apollo Tricoat Tubes Limited             | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>(0.77)<br><b>(0.77)</b> | -<br>(0.18)<br><b>(0.18)</b>                                    | -<br>-<br>-                                  | -<br>(0.95)<br><b>(0.95)</b>                         |
| <b>Interest expense</b>                  |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 10.23<br>(8.42)<br><b>10.23</b><br><b>(8.42)</b>     | -<br>-<br>-<br>-    | -<br>-<br>-<br>(0.10)        | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 10.23<br>(8.42)<br><b>10.23</b><br><b>(8.52)</b>     |
| Apollo Tricoat Tubes Limited             | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>-<br>-                                  | -<br>-<br><b>(-)</b>                                 |
| <b>Loans received</b>                    |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 45.00<br>(150.00)<br><b>45.00</b><br><b>(150.00)</b> | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 45.00<br>(150.00)<br><b>45.00</b><br><b>(150.00)</b> |
| <b>Loans repaid</b>                      |                                                      |                     |                              |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                 | 20.00<br>(75.00)<br><b>20.00</b><br><b>(75.00)</b>   | -<br>-<br>-<br>-    | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 20.00<br>(75.00)<br><b>20.00</b><br><b>(75.00)</b>   |
| <b>Loan given received back</b>          |                                                      |                     |                              |                                                                 |                                              |                                                      |
| Mr. Romil Sehgal*                        | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-         | -<br>-<br>-                  | -<br>-<br>-                                                     | -<br>(9.27)<br><b>(9.27)</b>                 | -<br>-<br><b>(0.27)</b>                              |

\*During the previous year loan of Rs 0.27 crore has been transferred to Apollo Tricoat Tubes Limited.

| (Rupees in crore)                                  |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
|----------------------------------------------------|------------------------------------------------------|------------------------------|--------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
| Particulars                                        | Holding Company                                      | Fellow Subsidiaries          | Subsidiaries                                     | Enterprises significantly Influenced by KMP and their relatives | Key Managerial Personnel and their Relatives | Total                                                |
| <b>Balances outstanding at the end of the year</b> |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| <b>Trade receivables</b>                           |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 18.24<br>(9.07)<br><b>18.24</b><br><b>(9.07)</b>     | -<br>-<br>-<br>-             | -<br>-<br>-<br>(16.82)                           | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 18.24<br>(9.07)<br><b>18.50</b><br><b>(25.89)</b>    |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-                  | 0.26<br>(16.82)<br><b>0.26</b><br><b>(16.82)</b> | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.26<br>(16.82)<br><b>0.26</b><br><b>(16.82)</b>     |
| <b>Loans received from related party</b>           |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 100.00<br>(75.00)<br><b>100.00</b><br><b>(75.00)</b> | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 100.00<br>(75.00)<br><b>100.00</b><br><b>(75.00)</b> |
| <b>Claim receivables</b>                           |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 0.48<br>(3.37)<br><b>0.48</b><br><b>(3.37)</b>       | -<br>-<br>-<br>-             | -<br>-<br>-<br>(1.15)                            | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 0.48<br>(3.37)<br><b>0.49</b><br><b>(4.91)</b>       |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-                  | 0.01<br>(1.15)<br><b>0.01</b><br><b>(1.15)</b>   | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.01<br>(1.15)<br><b>0.01</b><br><b>(1.15)</b>       |
| Apollo Metalex Private Limited                     | -<br>-<br><b>(-)</b>                                 | -<br>(0.39)<br><b>(0.39)</b> | -<br>-<br>-                                      | -<br>-<br>-                                                     | -<br>-<br>-                                  | -<br>(0.39)<br><b>(0.39)</b>                         |
| <b>Expenses payable</b>                            |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 1.41<br>(1.06)<br><b>1.41</b><br><b>(1.06)</b>       | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 1.41<br>(1.06)<br><b>1.79</b><br><b>(1.06)</b>       |
| Apollo Tricoat Tubes Limited                       | -<br>-<br><b>(-)</b>                                 | -<br>-<br>-                  | 0.38<br>(-)<br><b>0.38</b><br><b>(-)</b>         | -<br>-<br>-                                                     | -<br>-<br>-                                  | 0.38<br>(-)<br><b>0.38</b><br><b>(-)</b>             |
| <b>Interest payable</b>                            |                                                      |                              |                                                  |                                                                 |                                              |                                                      |
| APL Apollo Tubes Limited                           | 2.44<br>(1.65)<br><b>2.44</b><br><b>(1.65)</b>       | -<br>-<br>-<br>-             | -<br>-<br>-<br>-                                 | -<br>-<br>-<br>-                                                | -<br>-<br>-<br>-                             | 2.44<br>(1.65)<br><b>2.44</b><br><b>(1.65)</b>       |

**Notes:**

- (i) APL Apollo Tubes Limited is the Holding Company has also given corporate guarantee for term loan and other credit facilities taken by the Company from banks. (see note 14 and 17 for credit facilities from bank outstanding as at March 31, 2021 Rupees Nil (March 31, 2020 Rupees 67.28 crore).
- (ii) 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 (see note 14 and 17).
- (iii) Amount of expense of gratuity and compensated absences is taken on actuarial basis.
- (iv) Figures in bracket relates to previous year ended March 31, 2020.



**36 Income tax expense**

The reconciliation of estimated income tax to income tax expense is as below :-

| Particulars                                                                                             | (Rupees in crore)            |                              |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                         | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Profit before tax as per statement of profit and loss                                                   | 62.17                        | 57.48                        |
| Income tax expenses calculated as per tax rates of Income tax act of 25.166% (March 31, 2020 : 25.168%) | 15.65                        | 14.47                        |
| (i) Items not deductible                                                                                | 0.47                         | (0.27)                       |
| (ii) Reversal of deferred tax liabilities as at March 31, 2019 (see note below)                         | -                            | (2.02)                       |
| (iii) Tax related to previous years                                                                     | -                            | 0.09                         |
| <b>Tax expense as reported</b>                                                                          | <b>16.12</b>                 | <b>12.26</b>                 |

**Note:**

During the previous year, the Company elected to be assessed at lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 2.02 crores on account of remeasurement of deferred tax liability as at March 31, 2019.

**37 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, 2021 and March 31, 2020.

| Particulars                                | (Rupees in crore)    |        |                |                      |        |                |
|--------------------------------------------|----------------------|--------|----------------|----------------------|--------|----------------|
|                                            | As at March 31, 2021 |        |                | As at March 31, 2020 |        |                |
|                                            | FVTPL                | FVTOCI | Amortised cost | FVTPL                | FVTOCI | Amortised cost |
| <b>Financial assets - Non Current</b>      |                      |        |                |                      |        |                |
| Security deposit                           | -                    | -      | 0.72           | -                    | -      | 0.72           |
| <b>Financial assets - Current</b>          |                      |        |                |                      |        |                |
| Loans to employees                         | -                    | -      | 0.03           | -                    | -      | 0.02           |
| Trade receivables                          | -                    | -      | 24.97          | -                    | -      | 92.29          |
| Cash and cash equivalents                  | -                    | -      | 0.02           | -                    | -      | 0.02           |
| Balances with banks                        | -                    | -      | 1.26           | -                    | -      | 0.21           |
| Claim receivable (net of provision)        | -                    | -      | 0.49           | -                    | -      | 4.99           |
| <b>Total financial assets</b>              | -                    | -      | <b>27.49</b>   | -                    | -      | <b>98.25</b>   |
| <b>Financial liabilities - Non Current</b> |                      |        |                |                      |        |                |
| Borrowings                                 | -                    | -      | 100.00         | -                    | -      | 115.00         |
| <b>Financial liabilities - Current</b>     |                      |        |                |                      |        |                |
| Borrowings                                 | -                    | -      | -              | -                    | -      | 27.28          |
| Trade payable                              | -                    | -      | 36.34          | -                    | -      | 60.25          |
| Interest accrued but not due on borrowings | -                    | -      | 2.46           | -                    | -      | 1.85           |
| <b>Total financial liabilities</b>         | -                    | -      | <b>138.80</b>  | -                    | -      | <b>204.38</b>  |

**(a) 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.

**(b) 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.

**38 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. Company 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.

**(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 in Indian Rupees (INR). The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's the costs of imports, primarily in relation to raw material. 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'a 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. In respect of imports and other payables, the Company hedges its payable as when the exposure arises.



**Details on derivative instruments and unhedged foreign currency exposures**

- (1) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                             | As at March 31,<br>2021 | As at March 31,<br>2020 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Advance paid to vendors:</b>      |                         |                         |
| EURO                                 | -                       | 86,000                  |
| Equivalent amount in Rupees in crore | -                       | 0.71                    |

- (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 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.

| Particulars              | (Rupees in Crore)       |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at March 31,<br>2021 | As at March 31,<br>2020 |
| Variable rate borrowings | -                       | 67.28                   |
| Fixed rate borrowings    | 100.00                  | 75.00                   |
| <b>Total borrowings</b>  | <b>100.00</b>           | <b>142.28</b>           |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                              | Balance | % of total loans |
|------------------------------------------|---------|------------------|
| <b>As at March 31, 2021</b>              |         |                  |
| Bank overdrafts, bank loans, Cash Credit | -       | 0%               |
| <b>As at March 31, 2020</b>              |         |                  |
| Bank overdrafts, bank loans, Cash Credit | 67.28   | 47%              |

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                           | (Rupees in crore)            |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | Year ended March<br>31, 2021 | Year ended<br>March 31, 2020 |
|                                                       |                              | Impact on profit after tax   |
| Interest rates – increase by 50 basis points (50 bps) | -                            | (0.25)                       |
| Interest rates – decrease by 50 basis points (50 bps) | -                            | 0.25                         |

- (b) **Credit risk**

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

The Company's trade receivables are generally categorized into following categories

1. Institutional customers
2. Dealers

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, the 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.

In current year ended March 31, 2021, revenues arising from direct sales of goods as disclosed in note 23(a) includes revenue of approximately Rupees 251.07 crore from customer who contributed more than 10% to the Company's revenue.

In previous year ended March 31, 2020, revenues arising from direct sales of goods as disclosed in note 23(a) includes revenue of approximately Rupees 221.00 crore from customer who contributed more than 10% to the Company's revenue.

- (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                     | (Rupees in crore)       |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at March 31,<br>2021 | As at March 31,<br>2020 |
| <b>Floating rate borrowings</b> | 90.00                   | 72.72                   |
| <b>Nature of facility</b>       | Working Capital         | Working Capital         |
|                                 | <b>90.00</b>            | <b>72.72</b>            |

- (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:**

| (Rupees in crore)                                    |                       |                       |                    |               |
|------------------------------------------------------|-----------------------|-----------------------|--------------------|---------------|
| Particulars                                          | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total         |
| <b>As at March 31, 2021</b>                          |                       |                       |                    |               |
| Borrowings (Interest bearing)                        | -                     | 100.00                | -                  | 100.00        |
| Trade payable                                        | 36.34                 | -                     | -                  | 36.34         |
| Interest accrued but due on borrowings               | 2.46                  | -                     | -                  | 2.46          |
| <b>Total non-derivative liabilities</b>              | <b>38.80</b>          | <b>100.00</b>         | <b>-</b>           | <b>138.80</b> |
| <b>As at March 31, 2020</b>                          |                       |                       |                    |               |
| Borrowings (Interest bearing)                        | 27.28                 | 115.00                | -                  | 142.28        |
| Payable on purchase of property, plant and equipment | 0.19                  | -                     | -                  | 0.19          |
| Trade payable                                        | 60.06                 | -                     | -                  | 60.06         |
| Interest accrued but due on borrowings               | 1.85                  | -                     | -                  | 1.85          |
| <b>Total non-derivative liabilities</b>              | <b>89.38</b>          | <b>115.00</b>         | <b>-</b>           | <b>204.38</b> |

**39 Reconciliation of liabilities arising from financing activities**

| (Rupees in crore)                                  |                                     |                |                                            |                      |
|----------------------------------------------------|-------------------------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | Opening balance as at April 1, 2019 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2020 |
| Non-current borrowings                             | -                                   | 115.00         | -                                          | 115.00               |
| Current borrowings                                 | 16.33                               | 0.95           | -                                          | 17.28                |
| Current maturities of non-current borrowings       | -                                   | 10.00          | -                                          | 10.00                |
| <b>Total liabilities from financing activities</b> | <b>16.33</b>                        | <b>125.95</b>  | <b>-</b>                                   | <b>142.28</b>        |

| (Rupees in crore)                                  |                      |                |                                            |                      |
|----------------------------------------------------|----------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | As at March 31, 2020 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2021 |
| Non-current borrowings                             | 115.00               | (15.00)        | -                                          | 100.00               |
| Current borrowings                                 | 17.28                | (17.28)        | -                                          | -                    |
| Current maturities of non-current borrowings       | 10.00                | (10.00)        | -                                          | -                    |
| <b>Total liabilities from financing activities</b> | <b>142.28</b>        | <b>(42.28)</b> | <b>-</b>                                   | <b>100.00</b>        |

**40 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.

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.

| (Rupees in crore)                    |                      |                      |  |
|--------------------------------------|----------------------|----------------------|--|
| Particulars                          | As at March 31, 2021 | As at March 31, 2020 |  |
| Non current borrowings               | 100.00               | 115.00               |  |
| Current maturities of long term debt | -                    | 10.00                |  |
| Current borrowings                   | -                    | 17.28                |  |
| Less: Cash and cash equivalents      | (1.28)               | (0.23)               |  |
| <b>Total debts (net)</b>             | <b>98.72</b>         | <b>142.05</b>        |  |
| <b>Total equity</b>                  | <b>215.86</b>        | <b>169.57</b>        |  |
| <b>Gearing Ratio</b>                 | <b>0.46</b>          | <b>0.84</b>          |  |

Equity includes all capital and reserves of the Company that are managed as capital.

- 41** The Board of Directors of Shri Lakshmi Metal Udyog Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation of the Company and Apollo Tricoat Tubes Limited ("Apollo Tricoat") with APL Apollo Tubes Limited ("APL Apollo"), its ultimate holding Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.



For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gupta*  
VINAY GUPTA  
Director  
DIN : 00005149

*Sanjay Gupta*  
SANJAY GUPTA  
Director  
DIN : 00233188

*Shivam*  
SHIVAM MAMESHWARI  
Company Secretary  
ICSI Membership No. : A38467

Place: New Delhi  
Date: June 2, 2021



# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon - 122 002  
India

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## Independent Auditor's Report

To the Members of Apollo Tricoat Tubes Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Apollo Tricoat Tubes Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Revenue Recognition</b></p> <p>Revenue for the Company consists primarily of sale of steel tubes and GP coils recognized in accordance with the accounting policy described in Note (i) to the accompanying financial statements. Refer Note 26 for details of revenue recognized during the year.</p> <p>Revenue recognition involves certain key judgments relating to identification of contracts with customers, identification of distinct performance obligations, determination of transaction price for the contract factoring in the consideration payable to customers (such as discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>Revenue is recognised when (or as) a performance obligation is satisfied i.e., when 'control' of the goods underlying the particular performance obligation is transferred to the customer.</p> <p>The Company and its external stakeholders focus on revenue as a key performance measure, which could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Further, there were considerable auditor efforts involved in testing of revenue transactions recorded during the year due to the large volume involved.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p> | <p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards.</li> <li>Tested the design, implementation and operating effectiveness of key internal controls relating to revenue recognition.</li> <li>Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents of the sale.</li> <li>Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized.</li> <li>Performed substantive analytical procedure which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors.</li> <li>Assessed the Company's processes and tested the appropriateness of accruals for discounts as at the year-end as per the related policies.</li> <li>Circularized balance confirmations (including transactions during the year) to a sample of customers and reviewed the reconciling items, if any.</li> <li>Assessed that the disclosures made by the management are in accordance with applicable Indian accounting standards.</li> </ul> |

### Information other than the Financial Statements and Auditor's Report thereon

6. 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, Report on Corporate Governance and Director's Report, but does not include the financial statements and our auditor's report thereon. The Management Discussion





## **Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)**

and Analysis, Report on Corporate Governance and Director's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

7. The accompanying financial statements have been approved by the Company's Board of Directors. 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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;





## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

- Obtain an understanding of internal 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter

15. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, VAPS & Company, who have expressed an unmodified opinion on those financial statements vide their audit report dated 30 April 2020.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.



## Independent Auditor's Report to the Members of Apollo Tricoat Tubes Limited on the Audit of the Financial Statements as at and for the year ended 31 March 2021 (Cont'd)

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying financial statements;
  - 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 03 May 2021 as per Annexure B expressed unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Neeraj Sharma  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



## **Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021**

### **Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (including right-of-use assets).
- (b) The Company has a regular program of physical verification of its property, plant and equipment (including right-of-use assets) under which property, plant and equipment (including right-of-use assets) are verified in a phased manner over a period of 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment (including right-of-use assets) were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute.



# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited, on the financial statements for the year ended 31 March 2021

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 0010/6N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



## Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

### Annexure B

#### Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Apollo Tricoat Tubes Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. These 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 financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 financial statements.



## Annexure B to the Independent Auditor's Report of even date to the members of Apollo Tricoat Tubes Limited on the financial statements for the year ended 31 March 2021

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 'ICAI'.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No.: 502103  
UDIN: 21502103AAAAAU8232



Place: New Delhi  
Date: 03 May 2021



**APOLLO TRICOAT TUBES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**


Amount in ₹ lakhs

| Particulars                                                                             | Notes | As at            |                  |
|-----------------------------------------------------------------------------------------|-------|------------------|------------------|
|                                                                                         |       | March 31, 2021   | March 31, 2020   |
| <b>I. ASSETS</b>                                                                        |       |                  |                  |
| <b>(1) Non-current assets</b>                                                           |       |                  |                  |
| (a) Property, plant and equipment                                                       | 2     | 32,293.48        | 28,811.16        |
| (b) Capital work-in-progress                                                            |       | 1,238.54         | 136.17           |
| (c) Intangible assets                                                                   | 3     | 21.17            | 33.94            |
| (d) Right of use assets                                                                 | 37    | 1,346.66         | 1,363.85         |
| (e) Financial assets                                                                    |       |                  |                  |
| (i) Other financial assets                                                              | 4     | 175.33           | 175.54           |
| (f) Other non-current assets                                                            | 5     | 339.85           | 1,072.20         |
| <b>Total non-current assets</b>                                                         |       | <b>35,415.03</b> | <b>31,592.86</b> |
| <b>(2) Current assets</b>                                                               |       |                  |                  |
| (a) Inventories                                                                         | 6     | 6,438.75         | 7,678.77         |
| (b) Financial assets                                                                    |       |                  |                  |
| (i) Trade receivables                                                                   | 7     | 1,162.51         | 3,794.21         |
| (ii) Cash and cash equivalents                                                          | 8     | 979.83           | 476.14           |
| (iii) Loans                                                                             | 9     | 4.88             | 12.89            |
| (iv) Other financial assets                                                             | 10    | 39.62            | 1.00             |
| (c) Other current assets                                                                | 11    | 1,601.79         | 1,951.67         |
| <b>Total current assets</b>                                                             |       | <b>10,227.38</b> | <b>13,914.68</b> |
| <b>Total assets</b>                                                                     |       | <b>45,642.41</b> | <b>45,507.54</b> |
| <b>II. EQUITY AND LIABILITIES</b>                                                       |       |                  |                  |
| <b>(1) Equity</b>                                                                       |       |                  |                  |
| (a) Equity share capital                                                                | 12    | 608.00           | 608.00           |
| (b) Other equity                                                                        | 13    | 29,817.59        | 19,346.76        |
| <b>Total equity</b>                                                                     |       | <b>30,425.59</b> | <b>19,954.76</b> |
| <b>Liabilities</b>                                                                      |       |                  |                  |
| <b>(2) Non-current liabilities</b>                                                      |       |                  |                  |
| (a) Financial liabilities                                                               |       |                  |                  |
| (i) Borrowings                                                                          | 14    | 4,898.91         | 9,820.00         |
| (ii) Lease liabilities                                                                  | 15    | -                | 3.60             |
| (b) Provisions                                                                          | 16    | 87.63            | 28.37            |
| (c) Deferred tax liabilities (net)                                                      | 17    | 1,212.48         | 767.11           |
| (d) Other non-current liabilities                                                       | 18    | 2,073.01         | 1,086.93         |
| <b>Total non-current liabilities</b>                                                    |       | <b>8,272.03</b>  | <b>12,306.01</b> |
| <b>(3) Current liabilities</b>                                                          |       |                  |                  |
| (a) Financial liabilities                                                               |       |                  |                  |
| (i) Borrowings                                                                          | 19    | -                | 456.48           |
| (ii) Trade payable                                                                      | 20    |                  |                  |
| -Total outstanding dues of micro and small enterprises                                  |       | 80.40            | -                |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 3,309.11         | 11,243.12        |
| (iii) Lease liabilities                                                                 | 21    | 5.71             | 5.40             |
| (iv) Other financial liabilities                                                        | 22    | 1,510.31         | 1,160.06         |
| (b) Other current liabilities                                                           | 23    | 1,842.28         | 219.84           |
| (c) Provisions                                                                          | 24    | 26.10            | 9.98             |
| (d) Current tax liabilities (net)                                                       | 25    | 170.08           | 151.89           |
| <b>Total current liabilities</b>                                                        |       | <b>6,943.99</b>  | <b>13,246.77</b> |
| <b>Total equity and liabilities</b>                                                     |       | <b>45,642.41</b> | <b>45,507.54</b> |

See accompanying notes to the financial statements  
As per our report of even date attached.


1-47

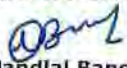
**For Walker Chandok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/N500013

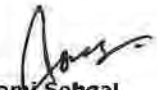
  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of**  
**Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

  
**Ronit Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Place : New Delhi  
Date : May 03, 2021

Place : Ghaziabad  
Date : May 03, 2021

Membership No.  
A33370

**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

Amount in ₹ lakhs

| Particulars                                                                          | Notes | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>I</b> Revenue from operations                                                     | 26    | 1,47,281.05                  | 66,325.06                    |
| <b>II</b> Other income                                                               | 27    | 179.64                       | 113.97                       |
| <b>III Total income (I +II)</b>                                                      |       | <b>1,47,460.69</b>           | <b>66,439.03</b>             |
| <b>IV Expenses</b>                                                                   |       |                              |                              |
| (a) Cost of materials consumed                                                       | 28    | 1,08,721.47                  | 51,058.78                    |
| (b) Purchase of stock-in-trade                                                       |       | 12,286.07                    | 4,910.89                     |
| (c) Changes in inventories of finished goods, stock-in-trade and rejection and scrap | 29    | (773.04)                     | (2,235.70)                   |
| (d) Employee benefits expense                                                        | 30    | 1,904.62                     | 1,211.73                     |
| (e) Finance costs                                                                    | 31    | 970.28                       | 601.10                       |
| (f) Depreciation and amortisation expense                                            | 32    | 1,652.74                     | 1,012.91                     |
| (g) Other expenses                                                                   | 33    | 8,773.45                     | 3,955.51                     |
| <b>Total expenses</b>                                                                |       | <b>1,33,535.59</b>           | <b>60,515.22</b>             |
| <b>V Profit before tax (III - IV)</b>                                                |       | <b>13,925.10</b>             | <b>5,923.81</b>              |
| <b>VI Tax expense:</b>                                                               |       |                              |                              |
| (a) Current tax                                                                      |       | 3,024.91                     | 977.85                       |
| (b) Deferred tax                                                                     | 17    | 455.65                       | 719.64                       |
| (c) Adjustment of tax relating to earlier periods                                    |       | (56.56)                      | -                            |
| <b>Total tax expense</b>                                                             | 35    | <b>3,424.00</b>              | <b>1,697.49</b>              |
| <b>VII Profit for the year (V-VI)</b>                                                |       | <b>10,501.10</b>             | <b>4,226.32</b>              |
| <b>VIII Other comprehensive income</b>                                               |       |                              |                              |
| Items that will not be reclassified to profit and loss                               |       |                              |                              |
| (a) Remeasurements of post employment benefit obligation                             |       | (40.45)                      | (2.09)                       |
| (b) Income tax relating to above item                                                |       | 10.18                        | 0.53                         |
| <b>Other comprehensive income for the year</b>                                       |       | <b>(30.27)</b>               | <b>(1.56)</b>                |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                         |       | <b>10,470.83</b>             | <b>4,224.76</b>              |
| <b>X Earnings per equity share of face value of ₹ 2 each</b>                         |       |                              |                              |
| (a) Basic (in ₹)                                                                     | 36    | 34.54                        | 14.01                        |
| (b) Diluted (in ₹)                                                                   | 36    | 34.54                        | 14.01                        |

See accompanying notes to the financial statements  
As per our report of even date attached.

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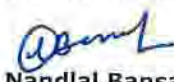
**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103

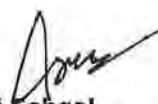


**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792

  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghazlabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary

Membership No.  
A33370

Place : New Delhi  
Date : May 03, 2021



**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

| <b>(a) Equity share capital</b>              |  | <i>Amount in ₹ lakhs</i> |
|----------------------------------------------|--|--------------------------|
| Particulars                                  |  | Amount                   |
| Balance as at March 31, 2019                 |  | 554.00                   |
| Changes during the year ended March 31, 2020 |  | 54.00                    |
| <b>Balance as at March 31, 2020</b>          |  | <b>608.00</b>            |
| Changes during the year ended March 31, 2021 |  | -                        |
| <b>Balance as at March 31, 2021</b>          |  | <b>608.00</b>            |

**(b) Other equity**

| Particulars                                          | <i>Amount in ₹ lakhs</i> |                                                                    |                    |                      | Total            |
|------------------------------------------------------|--------------------------|--------------------------------------------------------------------|--------------------|----------------------|------------------|
|                                                      | Securities<br>premium    | Reserves and surplus<br>Money received<br>against share<br>warrant | Capital<br>reserve | Retained<br>earnings |                  |
| <b>Balance as at April 01, 2019</b>                  | <b>10,856.00</b>         | <b>840.00</b>                                                      | -                  | <b>1,050.00</b>      | <b>12,746.00</b> |
| Profit for the year ended March 31, 2020             | -                        | -                                                                  | -                  | 4,226.32             | 4,226.32         |
| Other comprehensive income for the year (net of tax) | -                        | -                                                                  | -                  | (1.56)               | (1.56)           |
| Share issued during the year                         | 3,186.00                 | (810.00)                                                           | -                  | -                    | 2,376.00         |
| Share warrants forfeited during the year             | -                        | (30.00)                                                            | 30.00              | -                    | -                |
| <b>Opening balance as at April 01, 2020</b>          | <b>14,042.00</b>         | -                                                                  | <b>30.00</b>       | <b>5,274.76</b>      | <b>19,346.76</b> |
| Profit for the year ended March 31, 2021             | -                        | -                                                                  | -                  | 10,501.10            | 10,501.10        |
| Other comprehensive income for the year (net of tax) | -                        | -                                                                  | -                  | (30.27)              | (30.27)          |
| <b>Balance as at March 31, 2021</b>                  | <b>14,042.00</b>         | -                                                                  | <b>30.00</b>       | <b>15,745.59</b>     | <b>29,817.59</b> |

The accompanying notes form an integral part of these financial statements.  
As per our report of even date attached.

**For Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/W500013



**Neeraj Sharma**  
Partner

Membership No. 502103



**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd.**



**Rahul Gupta**  
Managing Director  
DIN: 07151792



**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021



**Romi Sehgal**  
Whole Time Director  
DIN: 03320454



**Surbhi Arora**  
Company Secretary

Membership No. A33370

Place : New Delhi  
Date : May 03, 2021

**APOLLO TRICOAT TUBES LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021**

Amount in ₹ lakhs

| Particulars                                                             | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                           |                              |                              |
| Net profit before tax                                                   | 13,925.10                    | 5,923.81                     |
| <b>Adjustments for</b>                                                  |                              |                              |
| Depreciation and amortisation expense                                   | 1,652.74                     | 1,012.91                     |
| Profit on sale of property, plant and equipment                         | (0.06)                       | -                            |
| Bad debts written off                                                   | 1.16                         | -                            |
| Unrealized (gain)/loss on foreign exchange fluctuations                 | (2.95)                       | 0.90                         |
| Finance cost                                                            | 970.28                       | 601.10                       |
| Interest income                                                         | -                            | (17.73)                      |
| Unwinding of deferred income                                            | (102.47)                     | (79.19)                      |
| <b>Operating profit before working capital changes</b>                  | <b>16,443.80</b>             | <b>7,441.80</b>              |
| <b>Changes in working capital:</b>                                      |                              |                              |
| <b>Adjustment for (increase)/decrease in operating assets:</b>          |                              |                              |
| Inventories                                                             | 1,240.02                     | (6,890.03)                   |
| Trade receivables                                                       | 2,630.53                     | (3,641.05)                   |
| Current loans and other financial assets                                | (30.62)                      | 483.89                       |
| Non-current other financial assets                                      | 0.21                         | (90.22)                      |
| Other current assets                                                    | 349.89                       | (907.17)                     |
| Other non-current assets                                                | 7.98                         | 1,318.95                     |
| <b>Adjustment for increase/(decrease) in operating liabilities:</b>     |                              |                              |
| Trade payables                                                          | (7,850.66)                   | 11,121.94                    |
| Other current liabilities                                               | 1,602.85                     | (1,597.54)                   |
| Other current financial liabilities                                     | -                            | (100.00)                     |
| Provisions                                                              | 34.92                        | 30.97                        |
| <b>Cash generated from operations</b>                                   | <b>14,428.92</b>             | <b>7,171.54</b>              |
| Net income tax paid                                                     | (2,950.25)                   | (850.50)                     |
| <b>Net cash flow from operating activities (A)</b>                      | <b>11,478.67</b>             | <b>6,321.04</b>              |
| <b>B. Cash flow from investing activities</b>                           |                              |                              |
| Purchase of property, plant and equipment and intangible assets*        | (5,024.87)                   | (13,427.59)                  |
| Proceeds from sale of property, plant and equipment                     | 59.11                        | -                            |
| Interest received                                                       | -                            | 17.73                        |
| <b>Net cash flow used in investing activities (B)</b>                   | <b>(4,965.76)</b>            | <b>(13,409.86)</b>           |
| <b>C. Cash flow from financing activities</b>                           |                              |                              |
| Proceeds from/ (repayment) of current borrowings (net)                  | (456.48)                     | (2,090.88)                   |
| Proceeds from issue of equity share capital                             | -                            | 2,430.00                     |
| Finance charges paid                                                    | (952.22)                     | (563.89)                     |
| Payment of lease liabilities                                            | (3.84)                       | (5.40)                       |
| Repayment of long-term borrowings                                       | (11,201.68)                  | (209.35)                     |
| Receipts from long-term borrowings                                      | 6,605.00                     | 8,000.00                     |
| <b>Net cash flow (used in)/ generated from financing activities (C)</b> | <b>(6,009.22)</b>            | <b>7,500.48</b>              |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                | <b>503.69</b>                | <b>471.66</b>                |
| Cash and cash equivalents at the beginning of the year                  | 176.14                       | 1.40                         |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>979.83</b>                | <b>476.14</b>                |
| <b>Cash and cash equivalents comprises</b>                              |                              |                              |
| Cash in hand                                                            | 0.17                         | 1.38                         |
| <b>Balance with scheduled banks</b>                                     |                              |                              |
| -In current accounts                                                    | 979.66                       | 474.76                       |
| <b>Total cash and cash equivalents</b>                                  | <b>979.83</b>                | <b>476.14</b>                |

\*Including adjustments on account of capital work in progress, capital advances and capital creditors


Refer note 44 for reconciliation of liabilities arising from financing activities.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7, "Statement of Cash flows".

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached.

**For Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm Reg. No. 001076N/M500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**For and on behalf of the Board of Directors of Apollo Tricoat Tubes Ltd.**

  
**Rahul Gupta**  
Managing Director  
DIN: 07151792  
  
**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454  
  
**Surbhi Arora**  
Company Secretary

Membership No. A33370

Place : New Delhi  
Date : May 03, 2021



**1.(i) Company background**

Apollo Tricoat Tubes Limited incorporated on January 12, 1983 is engaged in the business of production of ERW steel tubes and GP Coils. The Company has two manufacturing unit one at Bengaluru, Karnataka and second at Ghaziabad, Uttar Pradesh. The Company is a public company listed on Bombay Stock Exchange (BSE). The registered office of the Company is in New Delhi.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 03, 2021.

**(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").

**(b) Basis of preparation**

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 financial statements.

**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.





**Income Taxes**

Deferred tax assets and liabilities 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 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.

**Fair value measurement of 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**

The revenue is recognised once the entity satisfied that the performance obligation and control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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 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.

**(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) Services rendered**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.





**(g) 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(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 profit or loss on a systematic basis over the expected useful life of the related assets.

**(i) 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 of 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.

**As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(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. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

**(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 and 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. 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.





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

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 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 the principal item of the relevant assets.

The Company has a policy of capitalizing insurance spares having value more than or equal to ₹ 1 lakh.

**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**

Depreciable amount for assets is the cost of an asset less its estimated 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- 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 and server- 3 to 6 years

**(n) Intangible assets**

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

Computer software - 3 to 6 years

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

**(o) Earnings per share**

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

**(p) 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.

**(q) 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 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 and commitments are reviewed at each Balance Sheet date.





**(r) 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, 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.

**(s) 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.

**(t) 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.

**(u) 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')
- 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.

**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.

**(ii) 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 42 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.

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.

**(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.

**(t) 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.

**(u) Segment information**

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'.

**(v) Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of schedule III of the Act unless otherwise stated.

**(w) Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work in progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

-Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 : Property, plant and equipment**

Amount in ₹ lakhs

|                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| <b>Carrying amounts of :</b> |                         |                         |
| Freehold land                | 1,429.46                | 1,429.46                |
| Building                     | 5,599.02                | 5,494.03                |
| Furniture and fixtures       | 93.10                   | 69.86                   |
| Plant and machinery          | 24,906.84               | 21,666.26               |
| Office equipment             | 91.41                   | 109.27                  |
| Vehicles                     | 173.65                  | 42.28                   |
|                              | <b>32,293.48</b>        | <b>28,811.16</b>        |

Amount in ₹ lakhs

| Particulars                                           | Freehold land   | Buildings       | Furniture and fixtures | Plant and machinery | Office equipment | Vehicles      | Total            |
|-------------------------------------------------------|-----------------|-----------------|------------------------|---------------------|------------------|---------------|------------------|
| <b>Year ended March 31, 2020</b>                      |                 |                 |                        |                     |                  |               |                  |
| <b>Gross carrying amount</b>                          |                 |                 |                        |                     |                  |               |                  |
| Opening gross carrying amount                         | 2,025.14        | 806.40          | 32.21                  | 6,595.68            | 33.50            | 27.11         | 9,520.04         |
| Additions for the year                                | -               | 4,232.03        | 47.95                  | 15,952.78           | 95.30            | 31.30         | 20,359.36        |
| Transfer (regrouping of assets)                       | (595.68)        | -               | -                      | -                   | -                | -             | (595.68)         |
| Addition (regrouping of assets)                       | -               | 595.68          | -                      | -                   | -                | -             | 595.68           |
| Reclassification on account of adoption of Ind AS 116 | -               | -               | -                      | -                   | -                | (11.58)       | (11.58)          |
| <b>Closing gross carrying amount</b>                  | <b>1,429.46</b> | <b>5,634.11</b> | <b>80.16</b>           | <b>22,548.46</b>    | <b>128.80</b>    | <b>46.83</b>  | <b>29,867.82</b> |
| <b>Accumulated depreciation</b>                       |                 |                 |                        |                     |                  |               |                  |
| Opening accumulated depreciation                      | -               | 27.35           | 5.13                   | 37.16               | 2.42             | 1.19          | 73.25            |
| Depreciation charge for the year                      | -               | 112.73          | 5.18                   | 845.04              | 17.10            | 3.80          | 983.85           |
| Reclassification on account of adoption of Ind AS 116 | -               | -               | -                      | -                   | -                | (0.44)        | (0.44)           |
| <b>Closing accumulated depreciation</b>               | <b>-</b>        | <b>140.08</b>   | <b>10.31</b>           | <b>882.20</b>       | <b>19.52</b>     | <b>4.55</b>   | <b>1,056.66</b>  |
| <b>Net carrying amount as on March 31, 2020</b>       | <b>1,429.46</b> | <b>5,494.03</b> | <b>69.85</b>           | <b>21,666.26</b>    | <b>109.28</b>    | <b>42.28</b>  | <b>28,811.16</b> |
| <b>Year ended March 31, 2021</b>                      |                 |                 |                        |                     |                  |               |                  |
| <b>Gross carrying amount</b>                          |                 |                 |                        |                     |                  |               |                  |
| Opening gross carrying amount                         | 1,429.46        | 5,634.11        | 80.16                  | 22,548.46           | 128.80           | 46.83         | 29,867.82        |
| Additions for the year                                | -               | 304.11          | 32.49                  | 4,669.06            | 13.96            | 141.10        | 5,160.72         |
| Disposals for the year                                | -               | -               | -                      | (62.24)             | -                | -             | (62.24)          |
| <b>Closing gross carrying amount</b>                  | <b>1,429.46</b> | <b>5,938.22</b> | <b>112.65</b>          | <b>27,155.28</b>    | <b>142.76</b>    | <b>187.93</b> | <b>34,966.30</b> |
| <b>Accumulated depreciation</b>                       |                 |                 |                        |                     |                  |               |                  |
| Opening accumulated depreciation                      | -               | 140.08          | 10.31                  | 882.20              | 19.52            | 4.55          | 1,056.66         |
| Reversal on disposals for the year                    | -               | -               | -                      | (3.19)              | -                | -             | (3.19)           |
| Depreciation charge for the year                      | -               | 199.12          | 9.24                   | 1,369.43            | 31.83            | 9.73          | 1,619.35         |
| <b>Closing accumulated depreciation</b>               | <b>-</b>        | <b>339.20</b>   | <b>19.55</b>           | <b>2,248.44</b>     | <b>51.35</b>     | <b>14.28</b>  | <b>2,672.82</b>  |
| <b>Net carrying amount as on March 31, 2021</b>       | <b>1,429.46</b> | <b>5,599.02</b> | <b>93.10</b>           | <b>24,906.84</b>    | <b>91.41</b>     | <b>173.65</b> | <b>32,293.48</b> |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| <b>Note 3 : Intangible assets</b>               | <i>Amount in ₹ lakhs</i> |              |
|-------------------------------------------------|--------------------------|--------------|
| <b>Particulars</b>                              | <b>Computer software</b> |              |
| <b>Year ended March 31, 2020</b>                |                          |              |
| <b>Gross carrying amount</b>                    |                          |              |
| Opening gross carrying amount                   |                          | 28.08        |
| Additions for the year                          |                          | 19.50        |
| <b>Closing gross carrying amount</b>            |                          | <b>47.58</b> |
| <b>Accumulated amortisation</b>                 |                          |              |
| Opening accumulated amortisation                |                          | 1.85         |
| Amortisation for the year                       |                          | 11.79        |
| <b>Closing accumulated amortisation</b>         |                          | <b>13.64</b> |
| <b>Net carrying amount as on March 31, 2020</b> |                          | <b>33.94</b> |
| <b>Year ended March 31, 2021</b>                |                          |              |
| <b>Gross carrying amount</b>                    |                          |              |
| Opening gross carrying amount                   |                          | 47.58        |
| Additions for the year                          |                          | 3.43         |
| <b>Closing gross carrying amount</b>            |                          | <b>51.01</b> |
| <b>Accumulated amortisation</b>                 |                          |              |
| Opening accumulated amortisation                |                          | 13.64        |
| Amortisation for the year                       |                          | 16.20        |
| <b>Closing accumulated amortisation</b>         |                          | <b>29.84</b> |
| <b>Net carrying amount as on March 31, 2021</b> |                          | <b>21.17</b> |

| <b>Note 4 : Other financial assets (non- current)</b>       | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| Security deposit                                            | 175.33                   | 175.54                |
| <b>Total</b>                                                | <b>175.33</b>            | <b>175.54</b>         |

| <b>Note 5 : Other non-current assets</b>                    | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| (a) Capital advances                                        | 377.91                   | 1,052.28              |
| (b) Prepaid expenses                                        | 11.94                    | 19.92                 |
| <b>Total</b>                                                | <b>339.85</b>            | <b>1,072.20</b>       |

| <b>Note 6 : Inventories (refer note 1 (l))</b>   | <i>Amount in ₹ lakhs</i> |                       |
|--------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                               | <b>As at</b>             | <b>As at</b>          |
|                                                  | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| Raw material (including stock-in-transit)        | 2,678.96                 | 4,526.32              |
| Finished goods (including stock-in-transit)      | 3,065.14                 | 2,217.43              |
| Stores and spares                                | 619.40                   | 785.10                |
| Rejection and scrap (including stock-in-transit) | 75.25                    | 149.92                |
| <b>Total</b>                                     | <b>6,438.75</b>          | <b>7,678.77</b>       |

**Notes :**

(i) Cost of inventory recognised as expense during the year amounted to ₹ 1,22,723.90 lakhs (March 31, 2020 : ₹54,310.04 lakhs).

(ii) **Details of stock-in-transit**

|                     |          |       |
|---------------------|----------|-------|
| Raw material        | 84.18    | -     |
| Finished goods      | 1,217.53 | 98.54 |
| Rejection and scrap | 6.72     | -     |

| <b>Note 7 : Trade receivables</b>                           | <i>Amount in ₹ lakhs</i> |                       |
|-------------------------------------------------------------|--------------------------|-----------------------|
| <b>Particulars</b>                                          | <b>As at</b>             | <b>As at</b>          |
|                                                             | <b>March 31, 2021</b>    | <b>March 31, 2020</b> |
| <i>(Unsecured, considered good unless otherwise stated)</i> |                          |                       |
| (i) Related parties (Refer note 38)                         | 142.13                   | 227.34                |
| (ii) Other than related parties                             | 1,020.38                 | 3,566.87              |
| <b>Total</b>                                                | <b>1,162.51</b>          | <b>3,794.21</b>       |

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. There are no customers who represent more than 10% of the total balance of trade receivables except as follows :-



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| Particulars                  | Amount in ₹ lakhs |               |
|------------------------------|-------------------|---------------|
|                              | As at             |               |
|                              | March 31, 2021    |               |
| Customer A                   |                   | 177.92        |
| Customer B                   |                   | 170.39        |
| Customer C                   |                   | 132.74        |
| Customer D                   |                   | 130.06        |
|                              |                   | <b>611.11</b> |
| % of total trade receivables |                   | 52.57%        |

| Particulars                  | Amount in ₹ lakhs |                 |
|------------------------------|-------------------|-----------------|
|                              | As at             |                 |
|                              | March 31, 2020    |                 |
| Customer A                   |                   | 1,356.55        |
| Customer B                   |                   | 832.10          |
|                              |                   | <b>2,188.65</b> |
| % of total trade receivables |                   | 57.68%          |

(1) Ageing of trade receivables and credit risk arising there from is as below :

| Particulars         | Amount in ₹ lakhs |                                                    |                 |
|---------------------|-------------------|----------------------------------------------------|-----------------|
|                     | Gross credit risk | Allowance for credit losses<br>(refer note 42 (b)) | Net credit risk |
|                     | As at             |                                                    |                 |
|                     | March 31, 2021    |                                                    |                 |
| Amounts not yet due | 1,020.43          | -                                                  | 1,020.43        |
| 0-90 days overdue   | 142.08            | -                                                  | 142.08          |
|                     | <b>1,162.51</b>   |                                                    | <b>1,162.51</b> |

| Particulars          | Amount in ₹ lakhs |                                                    |                 |
|----------------------|-------------------|----------------------------------------------------|-----------------|
|                      | Gross credit risk | Allowance for credit losses<br>(refer note 42 (b)) | Net credit risk |
|                      | As at             |                                                    |                 |
|                      | March 31, 2020    |                                                    |                 |
| Amounts not yet due  | 3,639.62          | -                                                  | 3,639.62        |
| 0-90 days overdue    | 152.62            | -                                                  | 152.62          |
| 91-180 days overdue  | 0.81              | -                                                  | 0.81            |
| 181-270 days overdue | -                 | -                                                  | -               |
| 271-365 days overdue | 1.16              | -                                                  | 1.16            |
|                      | <b>3,794.21</b>   |                                                    | <b>3,794.21</b> |

**Note 8 : Cash and cash equivalents**

| Particulars                           | Amount in ₹ lakhs |                |
|---------------------------------------|-------------------|----------------|
|                                       | As at             | As at          |
|                                       | March 31, 2021    | March 31, 2020 |
| Cash on hand                          | 0.17              | 1.38           |
| Balances with banks -current accounts | 979.66            | 474.76         |
| <b>Total</b>                          | <b>979.83</b>     | <b>476.14</b>  |

**Note 9 : Loans (current)**

| Particulars                                          | Amount in ₹ lakhs |                |
|------------------------------------------------------|-------------------|----------------|
|                                                      | As at             | As at          |
|                                                      | March 31, 2021    | March 31, 2020 |
| (Unsecured, considered good unless otherwise stated) |                   |                |
| Loans to employees                                   | 4.88              | 12.89          |
| <b>Total</b>                                         | <b>4.88</b>       | <b>12.89</b>   |

**Note 10 : Other financial assets (current)**

| Particulars                                          | Amount in ₹ lakhs |                |
|------------------------------------------------------|-------------------|----------------|
|                                                      | As at             | As at          |
|                                                      | March 31, 2021    | March 31, 2020 |
| (Unsecured, considered good unless otherwise stated) |                   |                |
| Security deposit                                     | 1.00              | 1.00           |
| Claim receivables                                    | 38.62             | -              |
| <b>Total</b>                                         | <b>39.62</b>      | <b>1.00</b>    |

**Note 11 : Other current assets**

| Particulars                                          | Amount in ₹ lakhs |                 |
|------------------------------------------------------|-------------------|-----------------|
|                                                      | As at             | As at           |
|                                                      | March 31, 2021    | March 31, 2020  |
| (Unsecured, considered good unless otherwise stated) |                   |                 |
| Prepaid expenses                                     | 5.81              | 22.37           |
| Balances with government authorities                 | -                 | 1,701.28        |
| Sales tax appeal                                     |                   | 13.12           |
| Considered doubtful                                  | 13.12             | -               |
| Less : Provision made during the year                | (13.12)           | -               |
| Advances to suppliers                                | 1,595.97          | 212.24          |
| Advances to employees                                | 0.01              | 2.66            |
| <b>Total</b>                                         | <b>1,601.79</b>   | <b>1,951.67</b> |





Note 12 : Equity share capital

| Particulars                                       | As at March 31, 2021 |               | As at March 31, 2020 |               |
|---------------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                                   | Number of shares     | Amount        | Number of shares     | Amount        |
| (a) Share capital                                 |                      |               |                      |               |
| (i) <b>Authorised capital</b>                     |                      |               |                      |               |
| Equity shares of ₹ 2 each                         | 3,25,00,000          | 650.00        | 3,25,00,000          | 650.00        |
|                                                   | <b>3,25,00,000</b>   | <b>650.00</b> | <b>3,25,00,000</b>   | <b>650.00</b> |
| (ii) <b>Issued capital</b>                        |                      |               |                      |               |
| Equity shares of ₹ 2 each                         | 3,04,00,000          | 608.00        | 3,04,00,000          | 608.00        |
|                                                   | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |
| (iii) <b>Subscribed and fully paid up capital</b> |                      |               |                      |               |
| Equity shares of ₹ 2 each with voting rights      | 3,04,00,000          | 608.00        | 3,04,00,000          | 608.00        |
|                                                   | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |

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

| Particulars                              | As at March 31, 2021 |               | As at March 31, 2020 |               |
|------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                          | Number of shares     | Amount        | Number of shares     | Amount        |
| Equity shares with voting rights         |                      |               |                      |               |
| Outstanding at the beginning of the year | 2,04,00,000          | 608.00        | 2,77,00,000          | 554.00        |
| Add: Issued during the year              | -                    | -             | 27,00,000            | 54.00         |
| Outstanding at the end of the year       | <b>3,04,00,000</b>   | <b>608.00</b> | <b>3,04,00,000</b>   | <b>608.00</b> |

(c) Detail of shareholder holding more than 5% shares of the Company: \*

| Name of shareholder                                | As at March 31, 2021  |              | As at March 31, 2020  |              |
|----------------------------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                                    | Number of shares held | % of holding | Number of shares held | % of holding |
| Saket Agarwal                                      | -                     | -            | 35,48,321             | 11.67        |
| Shri Lakshmi Metal Udyog Limited (Holding Company) | 1,69,70,000           | 55.82        | 1,54,60,000           | 50.86        |

\* As per the records of the Company including its register of member.

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.

(e) During the quarter ended December 31, 2018, Shri Lakshmi Metal Udyog Limited ("SLMUL"), a wholly owned subsidiary of the APL Apollo Tubes Limited entered into a share purchase agreement for the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of Apollo Tricoat Tubes Limited ("the Company"). Pursuant to the said agreement, SLMUL made an open offer, which got completed on February 01, 2019. During the offer period, SLMUL acquired 13,25,000 equity shares from open market and 15,36,209 equity shares were tendered under open offer, aggregating to 28,61,209 equity shares, representing 10.33 % of the paid up share capital of the Company as on March 31, 2019. During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 80,30,030 equity shares and options attached to 43,00,000 warrants of the Company. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 1,51,91,239 equity shares representing 50.56% of paid up share capital of the Company. Accordingly, the Company became a subsidiary of SLMUL with effect from June 17, 2019.

Subsequent to June 17, 2019, SLMUL further acquired 17,78,761 equity shares of the Company. As at March 31, 2021, SLMUL holds 1,69,70,000 equity shares representing 55.82% of paid up share capital of the Company.

Note 13 : Other equity

| Particulars                        | Amount in ₹ lakhs    |                      |
|------------------------------------|----------------------|----------------------|
|                                    | As at March 31, 2021 | As at March 31, 2020 |
| Securities premium                 | 14,042.00            | 14,042.00            |
| Retained earnings                  | 15,745.59            | 5,274.76             |
| Capital reserve                    | 30.00                | 30.00                |
| Share warrants outstanding account | -                    | -                    |
| <b>Total</b>                       | <b>29,817.59</b>     | <b>19,346.76</b>     |

| Particulars                                   | Amount in ₹ lakhs    |                      |
|-----------------------------------------------|----------------------|----------------------|
|                                               | As at March 31, 2021 | As at March 31, 2020 |
| (1) <b>Securities premium</b>                 |                      |                      |
| Balance at the beginning of the year          | 14,042.00            | 10,856.00            |
| Add: addition during the year                 | -                    | 3,186.00             |
| Balance at the end of the year                | <b>14,042.00</b>     | <b>14,042.00</b>     |
| (2) <b>Retained earnings</b>                  |                      |                      |
| Balance at the beginning of the year          | 5,274.76             | 1,050.00             |
| Add: addition during the year                 | 10,470.83            | 4,224.76             |
| Balance at the end of the year                | <b>15,745.59</b>     | <b>5,274.76</b>      |
| (3) <b>Capital reserve</b>                    |                      |                      |
| Balance at the beginning of the year          | 30.00                | -                    |
| Add: addition during the year                 | -                    | 30.00                |
| Balance at the end of the year                | <b>30.00</b>         | <b>30.00</b>         |
| (4) <b>Share warrants outstanding account</b> |                      |                      |
| Balance at the beginning of the year          | -                    | 840.00               |
| Less: share issued during the year            | -                    | (840.00)             |
| Balance at the end of the year                | <b>-</b>             | <b>-</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) **Retained earnings:** It represents unallocated / undistributed profits of the Company. The same is available for distribution.

(iii) **Capital reserve:** Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

(iv) **Items of other comprehensive income :** It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.

(v) **Share warrants outstanding account:** Share warrant issued in earlier years were converted into equity shares.



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 14 : Borrowings (non- current)**

| Particulars                | Amount in ₹ lakhs       |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Term loan:             |                         |                         |
| - From bank                |                         |                         |
| Secured (refer note below) | 4,898.91                | 9,820.00                |
| <b>Total</b>               | <b>4,898.91</b>         | <b>9,820.00</b>         |

| Particulars | As at<br>March 31, 2021  |                                                       | As at<br>March 31, 2020  |                                                       |
|-------------|--------------------------|-------------------------------------------------------|--------------------------|-------------------------------------------------------|
|             | Non-current<br>borrowing | Current<br>maturities of<br>non-current<br>borrowings | Non-current<br>borrowing | Current<br>maturities of<br>non-current<br>borrowings |

**Term loan from bank are secured as follows:**

**Term loan -1**

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 19 quarterly installments commencing from June 2021 and ending in December 2025. Applicable Rate of Interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

|          |          |          |        |
|----------|----------|----------|--------|
| 3,750.00 | 1,000.00 | 5,070.00 | 730.00 |
|----------|----------|----------|--------|

**Term loan -2**

Term loan facilities are secured by first charge through equitable mortgage of the Company land and building situated at Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh. Term loan facilities are secured by first charge on building and second charge on land situated at Malur, Kolar, Karnataka. Term Loan facilities are further secured by way of first charge on entire present and future movable property, plant and equipment of the Company situated at: Dujana, Dadri, Gautam Budhha Nagar, Uttar Pradesh and Malur, Kolar, Karnataka. Credit facilities are further secured by second charge on the entire present and future current assets of the Company, by personal guarantee of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited ultimate holding Company. The loan outstanding is repayable in 9 unequal half yearly installments commencing from May 2021 and ending in May 2025. Applicable rate of interest is 7.25% p.a. (linked with 6 month MCLR) (March 31, 2020: 9.35% p.a. (linked with 1 year MCLR)).

|          |        |          |        |
|----------|--------|----------|--------|
| 1,145.72 | 302.86 | 4,750.00 | 250.00 |
|----------|--------|----------|--------|

**Vehicle loan from bank are secured as follows:**

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, 2021 there were 34 installments outstanding. Applicable rate of interest is 7.75% p.a.

|      |      |   |   |
|------|------|---|---|
| 3.19 | 1.56 | - | - |
|------|------|---|---|

**Note 15 : Lease liabilities (non- current)**

| Particulars   | Amount in ₹ lakhs       |                         |
|---------------|-------------------------|-------------------------|
|               | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| On account of |                         |                         |
| - Building    | -                       | 0.85                    |
| -Vehicle      | -                       | 2.75                    |
| <b>Total</b>  | <b>-</b>                | <b>3.60</b>             |

**Note 16 : Provisions (non- current)**

| Particulars                            | Amount in ₹ lakhs       |                         |
|----------------------------------------|-------------------------|-------------------------|
|                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Provision for compensated absences     | 40.42                   | 14.72                   |
| Provision for gratuity (refer note 40) | 47.21                   | 13.65                   |
| <b>Total</b>                           | <b>87.63</b>            | <b>28.37</b>            |





APOLLO TRICOAT TUBES LIMITED  
NOTES TO FINANCIAL STATEMENTS

Note 17 : Deferred tax liabilities / assets (net)

(a) Component of deferred tax assets and liabilities are :-

| Particulars                                           | Amount in ₹ lakhs       |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
|                                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(i) Deferred tax liabilities on account of :</b>   |                         |                         |
| - Property, plant and equipment and Intangible assets | 1,244.50                | 776.77                  |
| <b>Total deferred tax liabilities (A)</b>             | <b>1,244.50</b>         | <b>776.77</b>           |
| <b>(ii) Deferred tax assets on account of :</b>       |                         |                         |
| - Provision for employee benefit expenses             | 28.72                   | 9.66                    |
| - Provision for sales tax                             | 3.30                    | -                       |
| <b>Total deferred tax assets (B)</b>                  | <b>32.02</b>            | <b>9.66</b>             |
| <b>Deferred tax liabilities (net)[A-B]</b>            | <b>1,212.48</b>         | <b>767.11</b>           |

(b) Movement in deferred tax liabilities / asset

| Particulars                                         | Amount in ₹ lakhs       |                                  |                                                |                         |
|-----------------------------------------------------|-------------------------|----------------------------------|------------------------------------------------|-------------------------|
|                                                     | As at<br>March 31, 2019 | Recognised in<br>profit and loss | Recognised in other<br>comprehensive<br>income | As at<br>March 31, 2020 |
| <b>Deferred tax liabilities (A)</b>                 |                         |                                  |                                                |                         |
| Property, plant and equipment and Intangible assets | 122.25                  | 654.52                           | -                                              | 776.77                  |
| <b>Total</b>                                        | <b>122.25</b>           | <b>654.52</b>                    | <b>-</b>                                       | <b>776.77</b>           |
| <b>Deferred tax assets (B)</b>                      |                         |                                  |                                                |                         |
| Provision for employee benefit expenses             | 1.47                    | 7.66                             | 0.53                                           | 9.66                    |
| Minimum alternate Tax                               | 72.78                   | (72.78)                          | -                                              | -                       |
| <b>Total</b>                                        | <b>74.25</b>            | <b>(65.12)</b>                   | <b>0.53</b>                                    | <b>9.66</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>         | <b>48.00</b>            | <b>719.64</b>                    | <b>(0.53)</b>                                  | <b>767.11</b>           |

Movement in deferred tax liabilities / asset

| Particulars                                         | Amount in ₹ lakhs       |                                  |                                                |                         |
|-----------------------------------------------------|-------------------------|----------------------------------|------------------------------------------------|-------------------------|
|                                                     | As at<br>March 31, 2020 | Recognised in<br>profit and loss | Recognised in other<br>comprehensive<br>income | As at<br>March 31, 2021 |
| <b>Deferred tax liabilities (A)</b>                 |                         |                                  |                                                |                         |
| Property, plant and equipment and intangible assets | 776.77                  | 467.73                           | -                                              | 1,244.50                |
| <b>Total</b>                                        | <b>776.77</b>           | <b>467.73</b>                    | <b>-</b>                                       | <b>1,244.50</b>         |
| <b>Deferred tax assets (B)</b>                      |                         |                                  |                                                |                         |
| Provision for employee benefit expenses             | 9.66                    | 8.78                             | 10.18                                          | 28.72                   |
| Provision for sales Tax                             | -                       | 3.30                             | -                                              | 3.30                    |
| <b>Total</b>                                        | <b>9.66</b>             | <b>12.08</b>                     | <b>10.18</b>                                   | <b>32.02</b>            |
| <b>Deferred tax liabilities (net - A-B)</b>         | <b>767.11</b>           | <b>455.65</b>                    | <b>(10.18)</b>                                 | <b>1,212.48</b>         |

Note (i) : Refer note 35 for effective tax reconciliation

Note (ii) : In previous year, the Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totaling to 25.17%). Accordingly, the Company has recognised provision for income-tax for the year ended March 31, 2020 and March 31, 2021 basis the revised rates. The Company has also remeasured its deferred tax liability on the basis of the reduced rate.



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 18 : Other non-current liabilities**

| Particulars      | Amount in ₹ lakhs |                 |
|------------------|-------------------|-----------------|
|                  | As at             | As at           |
|                  | March 31, 2021    | March 31, 2020  |
| Deferred income* | 2,073.81          | 1,686.93        |
| <b>Total</b>     | <b>2,073.81</b>   | <b>1,686.93</b> |

\*Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. (refer note 39)

**Note 19 : Borrowings (current)**

| Particulars              | Amount in ₹ lakhs |                |
|--------------------------|-------------------|----------------|
|                          | As at             | As at          |
|                          | March 31, 2021    | March 31, 2020 |
| Loan repayable on demand |                   |                |
| - From bank (Secured)    |                   |                |
| Cash credit              | -                 | 456.48         |
| <b>Total</b>             | <b>-</b>          | <b>456.48</b>  |

Cash credit and working capital facilities of Apollo Tricoat Tubes Limited from banks are secured by first pari passu charge on entire present and future current assets and second charge on entire present and future property, plant and equipment of the manufacturing unit situated at 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. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited) and corporate guarantee of APL Apollo Tubes Limited, the ultimate holding Company. Applicable rate of interest is 8.55% - 9.35% p.a (March 31, 2020: 9.35% - 10.00% p.a.).

**Note 20 : Trade payables**

| Particulars                                                                      | Amount in ₹ lakhs |                  |
|----------------------------------------------------------------------------------|-------------------|------------------|
|                                                                                  | As at             | As at            |
|                                                                                  | March 31, 2021    | March 31, 2020   |
| Outstanding dues to micro and small enterprises (refer note a)                   | 80.40             | -                |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 3,309.11          | 11,243.12        |
| <b>Total</b>                                                                     | <b>3,389.51</b>   | <b>11,243.12</b> |

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:

**Note a**

| Particulars                                                                                                                                                                                                                                                                              | Amount in ₹ lakhs |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|
|                                                                                                                                                                                                                                                                                          | As at             | As at          |
|                                                                                                                                                                                                                                                                                          | March 31, 2021    | March 31, 2020 |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year                                                                                                                                                             |                   |                |
| -Principal amount due to micro and small enterprises                                                                                                                                                                                                                                     | 80.40             | -              |
| -Interest due on above                                                                                                                                                                                                                                                                   | -                 | -              |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year                                                                              | -                 | -              |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006                                                           | -                 | -              |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                                                              | -                 | -              |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | -                 | -              |

**Note 21 : Lease liabilities (current)**

| Particulars                | Amount in ₹ lakhs |                |
|----------------------------|-------------------|----------------|
|                            | As at             | As at          |
|                            | March 31, 2021    | March 31, 2020 |
| On account of              |                   |                |
| - Building (refer note 37) | 2.81              | 1.93           |
| - Vehicle (refer note 37)  | 2.90              | 3.47           |
| <b>Total</b>               | <b>5.71</b>       | <b>5.40</b>    |

**Note 22 : Other financial liabilities (current)**

| Particulars                                           | Amount in ₹ lakhs |                 |
|-------------------------------------------------------|-------------------|-----------------|
|                                                       | As at             | As at           |
|                                                       | March 31, 2021    | March 31, 2020  |
| Current maturities of long term debts (refer note 14) | 1,304.42          | 980.00          |
| Capital creditors                                     | 162.73            | 154.42          |
| Interest accrued but not due                          | 43.16             | 25.64           |
| <b>Total</b>                                          | <b>1,510.31</b>   | <b>1,160.06</b> |

**Note 23 : Other current liabilities (current)**

| Particulars            | Amount in ₹ lakhs |                |
|------------------------|-------------------|----------------|
|                        | As at             | As at          |
|                        | March 31, 2021    | March 31, 2020 |
| Statutory dues payable | 998.47            | 66.29          |
| Advance from customers | 730.31            | 60.17          |
| Advance from employees | 0.76              | 0.24           |
| Deferred income**      | 112.74            | 93.14          |
| <b>Total</b>           | <b>1,842.28</b>   | <b>219.84</b>  |

\*\*Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. (refer note 39)

**Note 24 : Provisions (current)**

| Particulars                            | Amount in ₹ lakhs |                |
|----------------------------------------|-------------------|----------------|
|                                        | As at             | As at          |
|                                        | March 31, 2021    | March 31, 2020 |
| Provision for compensated absences     | 5.76              | 9.82           |
| Provision for gratuity (refer note 40) | 20.34             | 0.16           |
| <b>Total</b>                           | <b>26.10</b>      | <b>9.98</b>    |

**Note 25 : Current tax liabilities (net)**

| Particulars                                                                              | Amount in ₹ lakhs |                |
|------------------------------------------------------------------------------------------|-------------------|----------------|
|                                                                                          | As at             | As at          |
|                                                                                          | March 31, 2021    | March 31, 2020 |
| Provision for tax (net of prepaid taxes ₹ 2,862.61 lakhs, March 31, 2020 ₹ 811.48 lakhs) | 170.08            | 151.89         |
| <b>Total</b>                                                                             | <b>170.08</b>     | <b>151.89</b>  |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 26 : Revenue from operations**

| Particulars               | Amount in ₹ lakhs                    |                                      |
|---------------------------|--------------------------------------|--------------------------------------|
|                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Sale of products          | 1,41,077.99                          | 63,711.51                            |
| Other operating revenue * | 6,203.06                             | 2,613.55                             |
| <b>Total</b>              | <b>1,47,281.05</b>                   | <b>66,325.06</b>                     |

**Disclosure on revenue pursuant to Ind AS 115- Revenue from contract with customers:**

**(i) Reconciliation of revenue recognised with contract price :**

| Particulars                    | Amount in ₹ lakhs                    |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Contract price                 | 1,44,500.22                          | 65,495.09                            |
| Adjustments for:               |                                      |                                      |
| Discount and incentives        | (3,422.23)                           | (1,783.58)                           |
| <b>Revenue from operations</b> | <b>1,41,077.99</b>                   | <b>63,711.51</b>                     |

**(ii) Change in the contract liabilities balances during the year are as follows:**

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Balance at the beginning of the year      | 60.17                                | -                                    |
| Addition during the year                  | 730.31                               | 60.17                                |
| Revenue recognised during the year        | (60.17)                              | -                                    |
| <b>Balance at the closing of the year</b> | <b>730.31</b>                        | <b>60.17</b>                         |

**\* Other operating revenue**

| Particulars   | Amount in ₹ lakhs                    |                                      |
|---------------|--------------------------------------|--------------------------------------|
|               | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Sale of scrap | 4,115.39                             | 2,248.48                             |
| Job work      | 2,087.67                             | 365.07                               |
| <b>Total</b>  | <b>6,203.06</b>                      | <b>2,613.55</b>                      |

**Note 27 : Other income**

| Particulars                                   | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
|                                               | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Interest income - fixed deposit with banks    | -                                    | 17.73                                |
| Profit on foreign currency transactions (net) | 53.12                                | -                                    |
| Miscellaneous income*                         | 126.52                               | 96.24                                |
| <b>Total</b>                                  | <b>179.64</b>                        | <b>113.97</b>                        |

\* Miscellaneous income includes unwinding of deferred income ₹ 102.47 lakhs (March 31, 2020 ₹ 79.19 lakhs)

**Note 28 : Cost of material consumed**

| Particulars                                               | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Raw material</b>                                       |                                      |                                      |
| Inventories of raw material at the beginning of the year  | 4,526.32                             | 657.11                               |
| Add : Purchases during the year (net)                     | 1,19,160.18                          | 59,838.88                            |
| Less : Inventories of raw material at the end of the year | 2,678.96                             | 4,526.32                             |
| <b>Total</b>                                              | <b>1,21,007.54</b>                   | <b>65,069.67</b>                     |

**Note 29 : Changes in inventories of finished goods, stock-in-trade and rejection and scrap**

| Particulars                                      | Amount in ₹ lakhs                    |                                      |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Inventories at the end of the year:</b>       |                                      |                                      |
| Finished goods                                   | 3,065.14                             | 2,217.43                             |
| Rejection and scrap                              | 75.25                                | 149.92                               |
|                                                  | <b>3,140.39</b>                      | <b>2,367.35</b>                      |
| <b>Inventories at the beginning of the year:</b> |                                      |                                      |
| Finished goods                                   | 2,217.43                             | 114.93                               |
| Rejection and scrap                              | 149.92                               | 16.72                                |
|                                                  | <b>2,367.35</b>                      | <b>131.65</b>                        |
| <b>Total</b>                                     | <b>(773.04)</b>                      | <b>(2,235.70)</b>                    |

**Note 30 : Employee benefits expense**

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Salaries and wages                        | 1,821.89                             | 1,154.43                             |
| Contribution to provident and other funds | 66.09                                | 46.30                                |
| Staff welfare expenses                    | 16.64                                | 11.00                                |
| <b>Total</b>                              | <b>1,904.62</b>                      | <b>1,211.73</b>                      |

During the year, the Company recognized an amount of ₹ 248.20 lakhs (Year ended March 31, 2020 ₹ 174.19 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| - Short term employee benefits      | 219.45        | 164.30        |
| - Post employment benefits          | 6.99          | 9.01          |
| - Other long term employee benefits | 21.76         | 0.88          |
| <b>Total</b>                        | <b>248.20</b> | <b>174.19</b> |

**Note 31 : Finance costs**

| Particulars                                         | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                     | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>(a) Interest expense :</b>                       |                                      |                                      |
| - Term loan                                         | 554.20                               | 341.83                               |
| - Interest on cash credit                           | 54.67                                | 99.59                                |
| - delayed payment of Income tax                     | 52.45                                | -                                    |
| - On account of Ind AS 116 "Leases" (refer note 37) | 0.55                                 | 1.02                                 |
| <b>(b) Other borrowing costs</b>                    | <b>308.41</b>                        | <b>158.66</b>                        |
| <b>Total</b>                                        | <b>970.28</b>                        | <b>601.10</b>                        |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 32 : Depreciation and amortisation expense**

| Particulars                                                  | Amount in ₹ lakhs                    |                                      |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                              | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Depreciation on property, plant and equipment (refer note 2) | 1,619.35                             | 983.85                               |
| Amortisation of intangible assets (refer note 3)             | 16.20                                | 11.79                                |
| Depreciation on right of use assets (refer note 37)          | 17.19                                | 17.27                                |
| <b>Total</b>                                                 | <b>1,652.74</b>                      | <b>1,012.91</b>                      |

**Note 33 : Other expenses**

| Particulars                                              | Amount in ₹ lakhs                    |                                      |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                          | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Consumption of stores and spare parts                    | 2,489.40                             | 576.07                               |
| Power and fuel                                           | 2,016.11                             | 1,010.53                             |
| Rent expense (refer note 37)                             | 0.42                                 | 0.15                                 |
| Legal and professional charges*                          | 61.22                                | 64.87                                |
| Repair and maintenance:                                  |                                      |                                      |
| -Building                                                | 16.36                                | -                                    |
| -Plant and machinery                                     | 125.30                               | -                                    |
| -Others                                                  | 74.19                                | 11.36                                |
| Insurance expenses                                       | 26.81                                | 3.55                                 |
| Rates and taxes                                          | 14.17                                | 14.10                                |
| Freight outward                                          | 2,977.50                             | 1,408.62                             |
| Advertisement and sales promotion                        | 99.39                                | 77.46                                |
| Job work charges                                         | 11.48                                | 25.91                                |
| Corporate social responsibility expenses (refer note 34) | 48.52                                | -                                    |
| Loss on foreign currency transactions (net)              | -                                    | 0.90                                 |
| Travelling and conveyance                                | 7.94                                 | 30.82                                |
| Security services                                        | 54.78                                | 27.03                                |
| Director sitting fee                                     | 16.50                                | 9.32                                 |
| Management support services                              | 357.06                               | 505.85                               |
| Miscellaneous expenses                                   | 376.30                               | 188.97                               |
| <b>Total</b>                                             | <b>8,773.45</b>                      | <b>3,955.51</b>                      |

\*Legal and professional charges include auditor's remuneration as follows:

| To Statutory auditors                   |       |      |
|-----------------------------------------|-------|------|
| For audit (including quarterly reviews) | 14.00 | 1.00 |
| For taxation matters                    | -     | 1.00 |
| For GST audit                           | -     | 0.50 |
| For reimbursement of expenses           | 0.08  | 0.18 |

**Note 34 : Corporate social responsibility**

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR Expenditure as required by the Management are as follows :

| Particulars                                                      | Amount in ₹ lakhs                    |                                      |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Gross amount required to be spent by the Company during the year | 48.52                                | 10.51                                |
| Amount spent during the year on the following:                   |                                      |                                      |
| (a) Construction/acquisition of any asset                        | -                                    | -                                    |
| (b) On purposes other than (a) above                             | 41.00                                | -                                    |
| <b>Total</b>                                                     | <b>41.00</b>                         | <b>-</b>                             |

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("The Rules"), the Company has transferred the unspent amount of ₹ 8.00 lakhs to a separate bank account subsequent to the balance sheet date.

**Note 35 : Income tax expense**

| Particulars                                  | Amount in ₹ lakhs                    |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
|                                              | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>Current tax</b>                           |                                      |                                      |
| Current tax on profits for the year          | 3,024.91                             | 977.85                               |
| Adjustments for current tax of prior periods | (56.56)                              | -                                    |
| <b>Total current tax expense</b>             | <b>2,968.35</b>                      | <b>977.85</b>                        |
| <b>Deferred tax</b>                          |                                      |                                      |
| Increase in deferred tax liabilities         | 455.65                               | 719.64                               |
| <b>Total tax expense</b>                     | <b>3,424.00</b>                      | <b>1,697.49</b>                      |

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for the year ended March 31, 2021:**

| Particulars                                           | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                       | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Profit before tax as per statement of profit and loss | 13,925.10                            | 5,923.81                             |
| Enacted tax rates in India                            | 25.17%                               | 25.17%                               |
| Computed expected income tax expense                  | 3,504.67                             | 1,490.91                             |
| Non deductible expenses                               | 31.29                                | 209.69                               |
| Utilisation of previously unrecognized tax losses     | -                                    | (33.49)                              |
| Income not chargeable to tax                          | (1.81)                               | -                                    |
| Other adjustments                                     | (53.59)                              | 30.38                                |
| <b>Tax expense as reported</b>                        | <b>3,480.56</b>                      | <b>1,697.49</b>                      |
| Effective tax rate                                    | 24.99%                               | 28.65%                               |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 36 : Earnings per share**

| Particulars                                                                                | Amount in ₹ lakhs            |                              |
|--------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                            | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Basic and diluted earnings per share</b>                                                |                              |                              |
| Profit attributable to equity shareholders- (A)                                            | 1,05,01,09,849               | 42,26,31,600                 |
| Equity shares outstanding at the beginning of the year                                     | 3,04,00,000                  | 2,77,00,000                  |
| <b>Add:</b> Weighted average number of equity shares issued during the year                | -                            | 27,00,000                    |
| The weighted average number of equity shares outstanding during the year- (B)              | 3,04,00,000                  | 3,04,00,000                  |
| Basic and diluted earnings per share of ₹ 2/- each (March 31, 2020: ₹ 2/- each)- (A) / (B) | 34.54                        | 14.01                        |

The Company does not have any potential equity shares and thus, weighted average number of equity shares for computation of basic earnings per share and diluted earnings per share remains same.

**Note 37 : Disclosure on lease transactions pursuant to Ind AS 116 - Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

On transition, the adoption of the new standard resulted in recognition of 'right of use' asset of ₹13.64 crore and a lease liability of ₹9.00 lakhs. The effect of this adoption was insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 results in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right of use asset at the date of initial application

The Interest rate applied to lease liabilities as at April 01, 2019 is 9% p.a.

The Company's lease asset classes primarily consist of leases for land and office premises that can be renewed after the mutual agreement of both the parties.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right of use assets can only be used by the Company. Leases are either non cancellable or may only be cancelled by incurring a substantive termination fee. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020:

| Particulars                                     | Category of right of use assets |               |               | Total           |
|-------------------------------------------------|---------------------------------|---------------|---------------|-----------------|
|                                                 | Land                            | Building      | Vehicle       |                 |
| <b>Year ended March 31, 2020</b>                |                                 |               |               |                 |
| <b>Gross carrying amount</b>                    |                                 |               |               |                 |
| Opening gross carrying amount                   | -                               | -             | -             | -               |
| Additions for the year                          | 1,365.95                        | 4.03          | 11.14         | 1,381.12        |
| Deletions                                       | -                               | -             | -             | -               |
| <b>Closing gross carrying amount</b>            | <b>1,365.95</b>                 | <b>4.03</b>   | <b>11.14</b>  | <b>1,381.12</b> |
| <b>Accumulated depreciation</b>                 |                                 |               |               |                 |
| Opening accumulated depreciation                | -                               | -             | -             | -               |
| Depreciation charge for the year                | (14.02)                         | (1.87)        | (1.38)        | (17.27)         |
| <b>Closing accumulated depreciation</b>         | <b>(14.02)</b>                  | <b>(1.87)</b> | <b>(1.38)</b> | <b>(17.27)</b>  |
| <b>Net carrying amount as on March 31, 2020</b> | <b>1,351.93</b>                 | <b>2.16</b>   | <b>9.76</b>   | <b>1,363.85</b> |
| <b>Year ended March 31, 2021</b>                |                                 |               |               |                 |
| Opening gross carrying amount                   | 1,365.95                        | 4.03          | 11.14         | 1,381.12        |
| Additions for the year                          | -                               | -             | -             | -               |
| <b>Closing gross carrying amount</b>            | <b>1,365.95</b>                 | <b>4.03</b>   | <b>11.14</b>  | <b>1,381.12</b> |
| <b>Accumulated depreciation</b>                 |                                 |               |               |                 |
| Opening accumulated depreciation                | (14.02)                         | (1.87)        | (1.38)        | (17.27)         |
| Depreciation charge for the year                | (13.96)                         | (1.86)        | (1.37)        | (17.19)         |
| <b>Closing accumulated depreciation</b>         | <b>(27.98)</b>                  | <b>(3.73)</b> | <b>(2.75)</b> | <b>(34.46)</b>  |
| <b>Net carrying amount as on March 31, 2021</b> | <b>1,337.97</b>                 | <b>0.30</b>   | <b>8.39</b>   | <b>1,346.66</b> |

The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the Statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

| Particulars                 | Amount in ₹ lakhs       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Current lease liability     | 5.71                    | 5.40                    |
| Non-current lease liability | -                       | 3.60                    |
| <b>Total</b>                | <b>5.71</b>             | <b>9.00</b>             |

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

| Particulars                             | Amount in ₹ lakhs       |                         |
|-----------------------------------------|-------------------------|-------------------------|
|                                         | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Balance at the beginning</b>         | 9.00                    | 13.38                   |
| Finance cost incurred during the period | 0.55                    | 1.02                    |
| Payment of lease liabilities            | (3.84)                  | (5.40)                  |
| <b>Balance at the end</b>               | <b>5.71</b>             | <b>9.00</b>             |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020:

| Particulars          | Amount in ₹ lakhs    |                 |                   |
|----------------------|----------------------|-----------------|-------------------|
|                      | As at March 31, 2021 |                 |                   |
|                      | Lease payments       | Finance charges | Net present value |
| Less than one year   | 5.82                 | 0.11            | 5.71              |
| One to five years    | -                    | -               | -                 |
| More than five years | -                    | -               | -                 |
| <b>Total</b>         | <b>5.82</b>          | <b>0.11</b>     | <b>5.71</b>       |

| Particulars          | Amount in ₹ lakhs    |                 |                   |
|----------------------|----------------------|-----------------|-------------------|
|                      | As at March 31, 2020 |                 |                   |
|                      | Lease payments       | Finance charges | Net present value |
| Less than one year   | 5.97                 | 0.57            | 5.40              |
| One to five years    | 3.71                 | 0.11            | 3.60              |
| More than five years | -                    | -               | -                 |
| <b>Total</b>         | <b>9.68</b>          | <b>0.68</b>     | <b>9.00</b>       |

Total cash outflow pertaining to leases during the year ended March 31, 2021 is ₹ 3.84 lakhs (March 31, 2020 ₹ 5.40 lakhs)

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.

Rental expense recorded for short-term leases is ₹ 0.42 lakh for the year ended March 31, 2021 (March 31, 2020 ₹ 0.15 lakh).

Rental income on assets given on operating lease is ₹ 24.00 lakhs for the year ended March 31, 2021 (March 31, 2020 ₹ 12.53 lakhs).

**Note 38 : Related party disclosures (as per Ind AS 24)**

**Details of related parties:**

**(a) Details of related parties :**

|                                                                      |                                                                     |
|----------------------------------------------------------------------|---------------------------------------------------------------------|
| (i) Ultimate Holding Company                                         | APL Apollo Tubes Limited (w.e.f. June 17, 2019)                     |
| (ii) Holding Company                                                 | Shri Lakshmi Metal Udyog Limited (w.e.f. June 17, 2019)             |
| (iii) Fellow Subsidiary                                              | Apollo Metalex Private Limited (w.e.f. June 17, 2019)               |
|                                                                      | APL Apollo Building Products Private Limited                        |
| (iv) Key Management Personnel (KMP)                                  | Mr. Rahul Gupta (Managing Director )                                |
| (with whom transactions have taken place during the year)            | Mr. Romi Sehgal (Whole Time Director)<br>(w.e.f. February 01, 2020) |
|                                                                      | Mr. Vinay Gupta (Director) (w.e.f. October 23, 2020)                |
|                                                                      | Mrs. Megha Gupta (upto October 23, 2020)                            |
|                                                                      | Mr. Nandlal Bansal (Chief Financial Officer )                       |
|                                                                      | Mrs. Surbhi Arora (Company Secretary)                               |
| (v) Relative of KMP                                                  | Mrs. Saroj Rani Gupta (Grandmother of Mr. Rahul Gupta)              |
| (with whom transactions have taken place during the year)            | Mrs. Neera Gupta (Mother of Mr. Rahul Gupta)                        |
|                                                                      | Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)                        |
| (vi) Enterprises significantly influenced by KMP and their relatives | APL Infrastructure Private Limited                                  |
| (with whom transactions have taken place during the year)            | Apollo Pipes Limited                                                |
|                                                                      | Apollo Metalex Private Limited (upto June 16, 2019)                 |
|                                                                      | APL Apollo Tubes Limited (upto June 16, 2019)                       |
|                                                                      | Shri Lakshmi Metal Udyog Limited (upto June 16, 2019)               |





Amount in ₹ lakhs

| Particulars                                    | Ultimate Holding Company | Holding Company   | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total              |
|------------------------------------------------|--------------------------|-------------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|--------------------|
| <b>(b) Transactions during the year</b>        |                          |                   |                   |                                |                  |                                                                 |                    |
| <b>Sale of goods (net of discounts)</b>        |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 21,979.26                | -                 | -                 | -                              | -                | -                                                               | 21,979.26          |
|                                                | (11,025.92)              | (-)               | (-)               | (-)                            | (-)              | (1,321.74)                                                      | (12,347.66)        |
| Shri Lakshmi Metal Udyog Limited               | -                        | 411.88            | -                 | -                              | -                | -                                                               | 411.88             |
|                                                | (-)                      | (627.90)          | (-)               | (-)                            | (-)              | (-)                                                             | (627.90)           |
| Apollo Metalex Private Limited                 | -                        | -                 | 3.41              | -                              | -                | -                                                               | 3.41               |
|                                                | (-)                      | (-)               | (1.74)            | (-)                            | (-)              | (-)                                                             | (1.74)             |
| APL Infrastructure Private Limited             | -                        | -                 | -                 | -                              | -                | 0.26                                                            | 0.26               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>21,979.26</b>         | <b>411.88</b>     | <b>3.41</b>       | <b>-</b>                       | <b>-</b>         | <b>0.26</b>                                                     | <b>22,394.81</b>   |
|                                                | <b>(11,025.92)</b>       | <b>(627.90)</b>   | <b>(1.74)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(1,321.74)</b>                                               | <b>(12,977.30)</b> |
| <b>Sale of scrap (other operating revenue)</b> |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 296.06                   | -                 | -                 | -                              | -                | -                                                               | 296.06             |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>296.06</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>296.06</b>      |
|                                                | <b>(-)</b>               | <b>(-)</b>        | <b>(-)</b>        | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(-)</b>         |
| <b>Sale of raw material (net of discounts)</b> |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 8,276.75                 | -                 | -                 | -                              | -                | -                                                               | 8,276.75           |
|                                                | (2,494.56)               | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (2,494.56)         |
| Shri Lakshmi Metal Udyog Limited               | -                        | 5,126.54          | -                 | -                              | -                | -                                                               | 5,126.54           |
|                                                | (-)                      | (1,052.71)        | (-)               | (-)                            | (-)              | (325.15)                                                        | (1,377.86)         |
| Apollo Metalex Private Limited                 | -                        | -                 | 4,887.66          | -                              | -                | -                                                               | 4,887.66           |
|                                                | (-)                      | (-)               | (1,046.95)        | (-)                            | (-)              | (-)                                                             | (1,046.95)         |
|                                                | <b>8,276.75</b>          | <b>5,126.54</b>   | <b>4,887.66</b>   | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>18,290.95</b>   |
|                                                | <b>(2,494.56)</b>        | <b>(1,052.71)</b> | <b>(1,046.95)</b> | <b>(-)</b>                     | <b>(-)</b>       | <b>(325.15)</b>                                                 | <b>(4,919.37)</b>  |
| <b>Sale of property, plant and equipment</b>   |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 669.22                   | -                 | -                 | -                              | -                | -                                                               | 669.22             |
|                                                | (12.83)                  | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (12.83)            |
| Shri Lakshmi Metal Udyog Limited               | -                        | 0.10              | -                 | -                              | -                | -                                                               | 0.10               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Apollo Metalex Private Limited                 | -                        | -                 | 2.25              | -                              | -                | -                                                               | 2.25               |
|                                                | (-)                      | (-)               | (1.95)            | (-)                            | (-)              | (-)                                                             | (1.95)             |
|                                                | <b>669.22</b>            | <b>0.10</b>       | <b>2.25</b>       | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>671.57</b>      |
|                                                | <b>(12.83)</b>           | <b>(-)</b>        | <b>(1.95)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(14.78)</b>     |
| <b>Sale of stores and spares</b>               |                          |                   |                   |                                |                  |                                                                 |                    |
| APL Apollo Tubes Limited                       | 28.90                    | -                 | -                 | -                              | -                | -                                                               | 28.90              |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Shri Lakshmi Metal Udyog Limited               | -                        | 3.21              | -                 | -                              | -                | -                                                               | 3.21               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
| Apollo Metalex Private Limited                 | -                        | -                 | 13.00             | -                              | -                | -                                                               | 13.00              |
|                                                | (-)                      | (-)               | (0.90)            | (-)                            | (-)              | (-)                                                             | (0.90)             |
| APL Apollo Building Products Private Limited   | -                        | -                 | 1.00              | -                              | -                | -                                                               | 1.00               |
|                                                | (-)                      | (-)               | (-)               | (-)                            | (-)              | (-)                                                             | (-)                |
|                                                | <b>28.90</b>             | <b>3.21</b>       | <b>14.00</b>      | <b>-</b>                       | <b>-</b>         | <b>-</b>                                                        | <b>46.11</b>       |
|                                                | <b>(-)</b>               | <b>(-)</b>        | <b>(0.90)</b>     | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(0.90)</b>      |



APOLLO TRICOAT TUBES LIMITED  
NOTES TO FINANCIAL STATEMENTS

Amount in ₹ lakhs

| Particulars                                          | Ultimate Holding Company             | Holding Company                    | Fellow Subsidiary                    | Key Management Personnel (KMP) | Relatives of KMP       | Enterprises significantly influenced by KMP and their relatives | Total                                  |
|------------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------|------------------------|-----------------------------------------------------------------|----------------------------------------|
| <b>Purchase of property, plant and equipment</b>     |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 478.70<br>(193.30)                   | -                                  | -                                    | -                              | -                      | -                                                               | 478.70<br>(693.12)                     |
| Shri Lakshmi Metal Udyog Limited                     | -                                    | -                                  | -                                    | -                              | -                      | -                                                               | -                                      |
|                                                      | (-)                                  | (49.97)                            | (-)                                  | (-)                            | (-)                    | (2.66)                                                          | (52.65)                                |
| Apollo Metalex Private Limited                       | -                                    | -                                  | 4.60                                 | -                              | -                      | -                                                               | 4.60                                   |
|                                                      | (-)                                  | (-)                                | (201.84)                             | (-)                            | (-)                    | (18.43)                                                         | (220.27)                               |
| Apollo Pipes Limited                                 | -                                    | -                                  | -                                    | -                              | -                      | 0.60                                                            | 0.60                                   |
|                                                      | (-)                                  | (-)                                | (-)                                  | (-)                            | (-)                    | (-)                                                             | (-)                                    |
|                                                      | <b>478.70</b><br><b>(193.30)</b>     | <b>-</b><br><b>(49.97)</b>         | <b>4.60</b><br><b>(201.84)</b>       | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>0.60</b><br><b>(520.93)</b>                                  | <b>483.90</b><br><b>(966.04)</b>       |
| <b>Purchase of stock-in-trade (net of discounts)</b> |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 274.45<br>(83.19)                    | -                                  | -                                    | -                              | -                      | -                                                               | 274.45<br>(83.19)                      |
| Shri Lakshmi Metal Udyog Limited                     | -                                    | 0.41                               | -                                    | -                              | -                      | -                                                               | 0.41                                   |
|                                                      | (-)                                  | (-)                                | (-)                                  | (-)                            | (-)                    | (-)                                                             | (-)                                    |
|                                                      | <b>274.45</b><br><b>(83.19)</b>      | <b>0.41</b><br><b>(-)</b>          | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                                          | <b>274.86</b><br><b>(83.19)</b>        |
| <b>Purchase of raw material (net of discounts)</b>   |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 3,981.75<br>(1,391.04)               | -                                  | -                                    | -                              | -                      | -                                                               | 3,981.75<br>(1,619.74)                 |
| Shri Lakshmi Metal Udyog Limited                     | -                                    | 802.13                             | -                                    | -                              | -                      | -                                                               | 802.13                                 |
|                                                      | (-)                                  | (5,404.69)                         | (-)                                  | (-)                            | (-)                    | (2,131.27)                                                      | (7,535.96)                             |
| Apollo Metalex Private Limited                       | -                                    | -                                  | 5,771.67                             | -                              | -                      | -                                                               | 5,771.67                               |
|                                                      | (-)                                  | (-)                                | (4,306.24)                           | (-)                            | (-)                    | (10.06)                                                         | (4,316.30)                             |
| Apollo Pipes Limited                                 | -                                    | -                                  | -                                    | -                              | -                      | -                                                               | -                                      |
|                                                      | (-)                                  | (-)                                | (-)                                  | (-)                            | (-)                    | (7.04)                                                          | (7.04)                                 |
|                                                      | <b>3,981.75</b><br><b>(1,391.04)</b> | <b>802.13</b><br><b>(5,404.69)</b> | <b>5,771.67</b><br><b>(4,306.24)</b> | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(2,377.07)</b>                                   | <b>10,555.55</b><br><b>(13,479.04)</b> |
| <b>Purchase of stores and spares</b>                 |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 8.10<br>(17.94)                      | -                                  | -                                    | -                              | -                      | -                                                               | 8.10<br>(18.92)                        |
| Shri Lakshmi Metal Udyog Limited                     | -                                    | 2.29                               | -                                    | -                              | -                      | -                                                               | 2.29                                   |
|                                                      | (-)                                  | (3.17)                             | (-)                                  | (-)                            | (-)                    | (2.28)                                                          | (5.45)                                 |
| Apollo Metalex Private Limited                       | -                                    | -                                  | 10.46                                | -                              | -                      | -                                                               | 10.46                                  |
|                                                      | (-)                                  | (-)                                | (10.50)                              | (-)                            | (-)                    | (-)                                                             | (10.50)                                |
|                                                      | <b>8.10</b><br><b>(17.94)</b>        | <b>2.29</b><br><b>(3.17)</b>       | <b>10.46</b><br><b>(10.50)</b>       | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(3.26)</b>                                       | <b>20.85</b><br><b>(34.87)</b>         |
| <b>Purchases of scrap</b>                            |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 39.16<br>(-)                         | -                                  | -                                    | -                              | -                      | -                                                               | 39.16<br>(-)                           |
|                                                      | (-)                                  | (-)                                | (-)                                  | (-)                            | (-)                    | (-)                                                             | (-)                                    |
|                                                      | <b>39.16</b><br><b>(-)</b>           | <b>-</b><br><b>(-)</b>             | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                                          | <b>39.16</b><br><b>(-)</b>             |
| <b>Management fee paid</b>                           |                                      |                                    |                                      |                                |                        |                                                                 |                                        |
| APL Apollo Tubes Limited                             | 397.47<br>(488.30)                   | -                                  | -                                    | -                              | -                      | -                                                               | 397.47<br>(488.30)                     |
| Shri Lakshmi Metal Udyog Limited                     | -                                    | -                                  | -                                    | -                              | -                      | -                                                               | -                                      |
|                                                      | (-)                                  | (12.92)                            | (-)                                  | (-)                            | (-)                    | (4.63)                                                          | (17.55)                                |
|                                                      | <b>397.47</b><br><b>(488.30)</b>     | <b>-</b><br><b>(12.92)</b>         | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b>         | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(4.63)</b>                                       | <b>397.47</b><br><b>(505.85)</b>       |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Amount in ₹ lakhs

| Particulars                              | Ultimate Holding Company | Holding Company | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total           |
|------------------------------------------|--------------------------|-----------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|-----------------|
| <b>Management support service income</b> |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 30.70                    | -               | -                 | -                              | -                | -                                                               | 30.70           |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Shri Lakshmi Metal Udyog Limited         | -                        | 3.52            | -                 | -                              | -                | -                                                               | 3.52            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Apollo Metalex Private Limited           | -                        | -               | 6.19              | -                              | -                | -                                                               | 6.19            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
|                                          | <b>30.70</b>             | <b>3.52</b>     | <b>6.19</b>       | -                              | -                | -                                                               | <b>40.41</b>    |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| <b>Reimbursement of expenses</b>         |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 1,617.55                 | -               | -                 | -                              | -                | -                                                               | 1,617.55        |
|                                          | (553.46)                 | (-)             | (-)               | (-)                            | (-)              | (4.31)                                                          | (557.77)        |
|                                          | <b>1,617.55</b>          | -               | -                 | -                              | -                | -                                                               | <b>1,617.55</b> |
|                                          | (553.46)                 | (-)             | (-)               | (-)                            | (-)              | (4.31)                                                          | (557.77)        |
| <b>Loan taken</b>                        |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 6,600                    | -               | -                 | -                              | -                | -                                                               | 6,600           |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
|                                          | <b>6,600</b>             | -               | -                 | -                              | -                | -                                                               | <b>6,600</b>    |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
| <b>Loan paid off</b>                     |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 6,600                    | -               | -                 | -                              | -                | -                                                               | 6,600           |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
|                                          | <b>6,600.00</b>          | -               | -                 | -                              | -                | -                                                               | <b>6,600</b>    |
|                                          | (2,000)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (2,000)         |
| <b>Rent income</b>                       |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 24.00                    | -               | -                 | -                              | -                | -                                                               | 24.00           |
|                                          | (9.53)                   | (-)             | (-)               | (-)                            | (-)              | (3.00)                                                          | (12.53)         |
|                                          | <b>24.00</b>             | -               | -                 | -                              | -                | -                                                               | <b>24.00</b>    |
|                                          | (9.53)                   | (-)             | (-)               | (-)                            | (-)              | (3.00)                                                          | (12.53)         |
| <b>Rent expense</b>                      |                          |                 |                   |                                |                  |                                                                 |                 |
| Mrs Vandana Gupta                        | -                        | -               | -                 | -                              | 0.21             | -                                                               | 0.21            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Mrs. Neera Gupta                         | -                        | -               | -                 | -                              | 0.48             | -                                                               | 0.48            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.48)           | (-)                                                             | (0.48)          |
| Mrs. Saroj Rani Gupta                    | -                        | -               | -                 | -                              | 0.60             | -                                                               | 0.60            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.48)           | (-)                                                             | (0.48)          |
|                                          | -                        | -               | -                 | -                              | <b>1.29</b>      | -                                                               | <b>1.29</b>     |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (0.96)           | (-)                                                             | (0.96)          |
| <b>Job work expenses</b>                 |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | -                        | -               | -                 | -                              | -                | -                                                               | -               |
|                                          | (12.22)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (12.22)         |
| Shri Lakshmi Metal Udyog Limited         | -                        | 1.22            | -                 | -                              | -                | -                                                               | 1.22            |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
|                                          | -                        | <b>1.22</b>     | -                 | -                              | -                | -                                                               | <b>1.22</b>     |
|                                          | (12.22)                  | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (12.22)         |
| <b>Job work income</b>                   |                          |                 |                   |                                |                  |                                                                 |                 |
| APL Apollo Tubes Limited                 | 77.55                    | -               | -                 | -                              | -                | -                                                               | 77.55           |
|                                          | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)             |
| Shri Lakshmi Metal Udyog Limited         | -                        | 2,010.12        | -                 | -                              | -                | -                                                               | 2,010.12        |
|                                          | (-)                      | (366.37)        | (-)               | (-)                            | (-)              | (-)                                                             | (366.37)        |
|                                          | <b>77.55</b>             | <b>2,010.12</b> | -                 | -                              | -                | -                                                               | <b>2,087.67</b> |
|                                          | (-)                      | (366.37)        | (-)               | (-)                            | (-)              | (-)                                                             | (366.37)        |





Amount in ₹ lakhs

| Particulars                                            | Ultimate Holding Company         | Holding Company   | Fellow Subsidiary | Key Management Personnel (KMP)   | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                            |
|--------------------------------------------------------|----------------------------------|-------------------|-------------------|----------------------------------|------------------|-----------------------------------------------------------------|----------------------------------|
| <b>Interest expense</b>                                |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | 202.43<br>(187.25)               | -                 | (-)               | (-)                              | (-)              | (-)                                                             | 202.43<br>(187.25)               |
| Shri Lakshmi Metal Udyog Limited                       | (-)                              | (76.40)           | (-)               | (-)                              | (-)              | (-)                                                             | (76.40)                          |
| Apollo Metalex Private Limited                         | (-)                              | (-)               | (-)               | (-)                              | (-)              | (19.63)                                                         | (19.63)                          |
|                                                        | <b>202.43</b><br><b>(187.25)</b> | <b>(76.40)</b>    | <b>(-)</b>        | <b>(-)</b>                       | <b>(-)</b>       | <b>(19.63)</b>                                                  | <b>202.43</b><br><b>(283.28)</b> |
| <b>Import licence purchases</b>                        |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | (-)                              | (-)               | (-)               | (-)                              | (-)              | (-)                                                             | (-)                              |
|                                                        | <b>(15.76)</b>                   | <b>(-)</b>        | <b>(-)</b>        | <b>(-)</b>                       | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(19.76)</b>                   |
| <b>Salary</b>                                          |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| Mr. Rahul Gupta                                        | (-)                              | (-)               | (-)               | 120.00<br>(120.00)               | (-)              | (-)                                                             | 120.00<br>(120.00)               |
| Mr. Romi Sehgal                                        | (-)                              | (-)               | (-)               | 95.95<br>(24.49)                 | (-)              | (-)                                                             | 95.95<br>(24.49)                 |
| Mr. Nandlal Bansal                                     | (-)                              | (-)               | (-)               | 22.45<br>(20.49)                 | (-)              | (-)                                                             | 22.45<br>(20.49)                 |
| Mrs. Surbhi Arora                                      | (-)                              | (-)               | (-)               | 9.80<br>(9.21)                   | (-)              | (-)                                                             | 9.80<br>(9.21)                   |
|                                                        | <b>(-)</b>                       | <b>(-)</b>        | <b>(-)</b>        | <b>248.20</b><br><b>(174.19)</b> | <b>(-)</b>       | <b>(-)</b>                                                      | <b>248.20</b><br><b>(174.19)</b> |
| <b>Director sitting fees paid</b>                      |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| Mrs. Megha Gupta                                       | (-)                              | (-)               | (-)               | (0.55)                           | (-)              | (-)                                                             | (0.55)                           |
|                                                        | <b>(-)</b>                       | <b>(-)</b>        | <b>(-)</b>        | <b>(0.55)</b>                    | <b>(-)</b>       | <b>(-)</b>                                                      | <b>(0.55)</b>                    |
| <b>(c) Balances outstanding at the end of the year</b> |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| <b>Trade receivables</b>                               |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | (227.01)                         | (-)               | (-)               | (-)                              | (-)              | (-)                                                             | (227.01)                         |
| Shri Lakshmi Metal Udyog Limited                       | (-)                              | 54.02             | (-)               | (-)                              | (-)              | (-)                                                             | 54.02                            |
| Apollo Metalex Private Limited                         | (-)                              | (-)               | 88.11             | (-)                              | (-)              | (0.33)                                                          | 88.11<br>(0.33)                  |
|                                                        | <b>(227.01)</b>                  | <b>54.02</b>      | <b>88.11</b>      | <b>(-)</b>                       | <b>(-)</b>       | <b>(0.33)</b>                                                   | <b>142.13</b><br><b>(227.34)</b> |
| <b>Trade payables</b>                                  |                                  |                   |                   |                                  |                  |                                                                 |                                  |
| APL Apollo Tubes Limited                               | (-)                              | (-)               | (-)               | (-)                              | (-)              | (-)                                                             | (-)                              |
| Shri Lakshmi Metal Udyog Limited                       | (-)                              | (1,643.41)        | (-)               | (-)                              | (-)              | (-)                                                             | (1,643.41)                       |
| Apollo Pipes Limited                                   | (-)                              | (-)               | (-)               | (-)                              | (-)              | (1.07)                                                          | (1.07)                           |
|                                                        | <b>(-)</b>                       | <b>(1,643.41)</b> | <b>(-)</b>        | <b>(-)</b>                       | <b>(-)</b>       | <b>(1.07)</b>                                                   | <b>(1,644.48)</b>                |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

| Particulars                  |                          |                 |                   |                                |                  |                                                                 | <i>Amount in ₹ lakhs</i> |
|------------------------------|--------------------------|-----------------|-------------------|--------------------------------|------------------|-----------------------------------------------------------------|--------------------------|
|                              | Ultimate Holding Company | Holding Company | Fellow Subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                    |
| <b>Advance from customer</b> |                          |                 |                   |                                |                  |                                                                 |                          |
| APL Apollo Tubes Limited     | 552.50                   | -               | -                 | -                              | -                | -                                                               | <b>562.50</b>            |
|                              | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)                      |
|                              | <b>562.50</b>            | -               | -                 | -                              | -                | -                                                               | <b>562.50</b>            |
|                              | (-)                      | (-)             | (-)               | (-)                            | (-)              | (-)                                                             | (-)                      |

**Notes :**

(1) Figures in the bracket relates to previous year ended March 31, 2020.

(2) Amount of expense of gratuity and compensated absences is taken on actuarial basis.

(3) The term loan and other credit facilities of the Company are also secured by corporate guarantee of APL Apollo Tubes Limited, ultimate holding Company, personal guarantee of directors of the APL Apollo Tubes Limited, ultimate holding Company, Mr. Sanjay Gupta and Mr. Rahul Gupta (Managing director of Apollo Tricoat Tubes Limited).

*(This space has been intentionally left blank)*



**Note 39 : Contingent liabilities and commitments (to the extent not provided for)**

**(a) Contingent liabilities**

Contingent liabilities for the year ended March 31, 2021 ₹ nil (March 31, 2020 ₹ nil)

**(b) Commitments**

(1) Estimated amount of contracts remaining to be executed on capital account and not provided for

| Particulars                   | Amount in ₹ lakhs       |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Property, plant and equipment | 1,312.74                | 2,250.07                |

(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 ₹ 14,230.32 lakhs (March 31, 2020 ₹ 11,176.62 lakhs) against which the Company has saved a duty of ₹ 2,371.72 lakhs (March 31, 2020 ₹ 1,862.77 lakhs).

(3) The Company does not have any other long term commitments or material non-cancellable contractual commitments /contracts.

**Note 40 : Employee benefit plan**

**a. General description of the employee benefit plan**

The Company has an obligation towards gratuity, unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

**b. Plan typically exposes the Company to actuarial risks such as : investment risks, interest rate risk, longevity risk and salary risk.**

**Investment risk**

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount risk which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest rate risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt .

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

In respect of the plan in India, the most recent actuarial valuation the present value of the defined benefit obligation were carried out as at March 31, 2021 by an actuary. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the projected unit credit method.

The Company has classified the various benefits provided to employees as under:

**A. Defined contribution plans**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognised the following amounts towards defined contribution plan in the Statement of Profit and Loss -

| Particulars                               | Amount in ₹ lakhs                    |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Employer's contribution to provident fund | 60.14                                | 42.75                                |





**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**B. Other long term benefits and defined benefit plans**

**(i) Change in present value of obligation**

| Particulars                                                 | Amount in ₹ lakhs            |                              |
|-------------------------------------------------------------|------------------------------|------------------------------|
|                                                             | Gratuity                     |                              |
|                                                             | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Present value of obligation as at the beginning of the year | 13.81                        | 2.93                         |
| Interest cost                                               | 0.93                         | 0.23                         |
| Service cost                                                | 12.65                        | 8.56                         |
| Benefits paid                                               | (0.34)                       | -                            |
| Acquisition /Business Combination / Divestiture             | 0.05                         | -                            |
| Total actuarial loss on obligation                          | 40.45                        | 2.09                         |
| <b>Present value of obligation as at the end of year</b>    | <b>67.55</b>                 | <b>13.81</b>                 |

**(ii) Liabilities recognized in the balance sheet**

| Particulars                                            | Amount in ₹ lakhs       |                         |
|--------------------------------------------------------|-------------------------|-------------------------|
|                                                        | Gratuity                |                         |
|                                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Net defined benefit liability at the start of the year | 13.81                   | 2.93                    |
| Total service cost                                     | 12.65                   | 8.56                    |
| Net interest cost                                      | 0.93                    | 0.23                    |
| Re-measurements                                        | 40.45                   | 2.09                    |
| Benefit paid directly by the enterprise                | (0.34)                  | -                       |
| Acquisition /Business Combination / Divestiture        | 0.05                    | -                       |
| <b>Net liability recognized in balance sheet</b>       | <b>67.55</b>            | <b>13.81</b>            |
| Recognized under:                                      |                         |                         |
| Long term provision                                    | 47.21                   | 13.65                   |
| Short term provision                                   | 20.34                   | 0.16                    |
| <b>Total</b>                                           | <b>67.55</b>            | <b>13.81</b>            |

**(iii) Expense recognized in the statement of profit and loss**

| Particulars                                                   | Amount in ₹ lakhs            |                              |
|---------------------------------------------------------------|------------------------------|------------------------------|
|                                                               | Gratuity                     |                              |
|                                                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Service cost                                                  | 12.65                        | 8.56                         |
| Interest cost                                                 | 0.93                         | 0.23                         |
| <b>Expense recognized in the statement of profit and loss</b> | <b>13.58</b>                 | <b>8.79</b>                  |

**(iv) Other comprehensive income (OCI)**

| Particulars                                               | Amount in ₹ lakhs                    |                                      |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                           | Gratuity                             |                                      |
|                                                           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Actuarial loss for the year on defined benefit obligation | 40.45                                | 2.09                                 |

**(v) Principal actuarial assumptions**

The significant actuarial assumptions for gratuity and compensated absences are as follows:

| Particulars                               | Year ended       |                  |
|-------------------------------------------|------------------|------------------|
|                                           | March 31, 2021   | March 31, 2020   |
| Discount rate per annum                   | 7.09%            | 6.77%            |
| Salary escalation rate per annum          | 8.00%            | 4.00%            |
| Retirement age                            | 60 Years         | 60 Years         |
| Mortality tables                          | IALM [2012-2014] | IALM [2012-2014] |
| <b>Employee turnover / Attrition rate</b> |                  |                  |
| 18 In 30 Years                            | 3.00%            | 3.00%            |
| 30 to 45 Years                            | 2.00%            | 2.00%            |
| Above 45 Years                            | 1.00%            | 1.00%            |

**(vi) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

| Particulars                   | Amount in ₹ lakhs            |                              |
|-------------------------------|------------------------------|------------------------------|
|                               | Gratuity                     |                              |
|                               | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Discount rate</b>          |                              |                              |
| Increased by 1%               | (7.02)                       | (1.84)                       |
| Decreased by 1%               | 8.83                         | 2.28                         |
| <b>Salary escalation rate</b> |                              |                              |
| Increased by 1%               | 8.65                         | 2.32                         |
| Decreased by 1%               | (7.02)                       | (1.90)                       |
| <b>Attrition rate</b>         |                              |                              |
| Increased by 1%               | (1.18)                       | (0.08)                       |
| Decreased by 1%               | 1.82                         | 0.16                         |

**(vii) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 19.77 years in case of gratuity. The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars         | Amount in ₹ lakhs            |                              |
|---------------------|------------------------------|------------------------------|
|                     | Gratuity                     |                              |
|                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 20.40                        | 0.18                         |
| Between 1 - 2 years | 0.64                         | 0.24                         |
| Between 2 - 3 years | 0.57                         | 0.33                         |
| Between 3 - 4 years | 2.41                         | 0.48                         |
| Between 4 - 5 years | 16.58                        | 1.22                         |
| Beyond 5 years      | 51.46                        | 29.26                        |
| <b>Total</b>        | <b>92.06</b>                 | <b>31.71</b>                 |



**APOLLO TRICOAT TUBES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 41 : Financial instruments**

**Financial instruments by category**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

| Particulars                                | As at March 31, 2021 |        |                  | As at March 31, 2020 |        |                  |
|--------------------------------------------|----------------------|--------|------------------|----------------------|--------|------------------|
|                                            | FVTPL                | FVTOCI | Amortised cost * | FVTPL                | FVTOCI | Amortised cost * |
| <i>Amount in ₹ lakhs</i>                   |                      |        |                  |                      |        |                  |
| <b>Financial assets - non current</b>      |                      |        |                  |                      |        |                  |
| Security deposit                           | -                    | -      | 175.33           | -                    | -      | 175.54           |
| <b>Financial assets - current</b>          |                      |        |                  |                      |        |                  |
| Loans to employees                         | -                    | -      | 4.88             | -                    | -      | 12.89            |
| Trade receivables                          | -                    | -      | 1,162.51         | -                    | -      | 3,794.21         |
| Cash and cash equivalents                  | -                    | -      | 0.17             | -                    | -      | 1.38             |
| Balances with banks                        | -                    | -      | 979.66           | -                    | -      | 474.76           |
| Security deposit                           | -                    | -      | 1.00             | -                    | -      | 1.00             |
| Claim receivables                          | -                    | -      | 38.62            | -                    | -      | -                |
| <b>Total financial assets</b>              | -                    | -      | <b>2,362.17</b>  | -                    | -      | <b>4,459.78</b>  |
| <b>Financial liabilities - non current</b> |                      |        |                  |                      |        |                  |
| Borrowings                                 | -                    | -      | 4,898.91         | -                    | -      | 9,820.00         |
| Lease liabilities                          | -                    | -      | -                | -                    | -      | 3.60             |
| <b>Financial liabilities -current</b>      |                      |        |                  |                      |        |                  |
| Borrowings                                 | -                    | -      | -                | -                    | -      | 456.48           |
| Trade payable                              | -                    | -      | 3,389.51         | -                    | -      | 11,243.12        |
| Lease liabilities                          | -                    | -      | 5.71             | -                    | -      | 5.40             |
| Current maturities of long term debts      | -                    | -      | 1,304.42         | -                    | -      | 980.00           |
| Capital creditors                          | -                    | -      | 162.73           | -                    | -      | 154.42           |
| Interest accrued but not due               | -                    | -      | 43.16            | -                    | -      | 25.64            |
| <b>Total financial liabilities</b>         | -                    | -      | <b>9,804.44</b>  | -                    | -      | <b>22,688.66</b> |

**Valuation technique to determine fair value**

Cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the lease payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

**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.

**\*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.





**Note 42 : 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. Company's treasury department identifies and evaluates 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.

**(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, equity price fluctuations, 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 the costs of imports, primarily in relation to capital assets.

The Company has limited exposure to foreign currency risk and thereby it mainly relies on natural hedge. To further mitigate the Company's exposure to foreign currency risk, non-INR cash flows are continuously monitored.

**Details on unhedged foreign currency exposures**

(1) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                        | As at          | As at          |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2021 | March 31, 2020 |
| <b>Payables:</b>                |                |                |
| USD                             | 64,500.00      | 1,01,800.00    |
| Equivalent amount in ₹ in lakhs | 47.16          | 74.96          |
| <b>Advance paid to vendors:</b> |                |                |
| USD                             | 1,79,082.26    | 9,01,870.63    |
| Equivalent amount in ₹ in lakhs | 136.17         | 619.86         |
| EURO                            | 16,994.77      | 1,44,906.22    |
| Equivalent amount in ₹ in lakhs | 15.05          | 113.94         |

**Sensitivity**

If INR is depreciated or appreciated by 0.5% vis-a-vis foreign currency, the impact thereof on the profit (after tax) of the Company are given below:

| Particulars               | Amount in ₹ lakhs          |                |
|---------------------------|----------------------------|----------------|
|                           | Impact on profit after tax |                |
|                           | As at                      | As at          |
|                           | March 31, 2021             | March 31, 2020 |
| USD sensitivity           |                            |                |
| INR/USD increases by 0.5% | (0.18)                     | (0.28)         |
| INR/USD decreases by 0.5% | 0.18                       | 0.28           |

**(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 with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and MCLR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

| Particulars              | Amount in ₹ lakhs |                  |
|--------------------------|-------------------|------------------|
|                          | As at             | As at            |
|                          | March 31, 2021    | March 31, 2020   |
| Variable rate borrowings | 6,198.58          | 11,256.48        |
| Fixed rate borrowings    | 4.75              | -                |
| <b>Total borrowings</b>  | <b>6,203.33</b>   | <b>11,256.48</b> |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                | Amount in ₹ lakhs    |                      |
|----------------------------|----------------------|----------------------|
|                            | Balance              | % of total loans     |
|                            | As at March 31, 2021 | As at March 31, 2020 |
| Bank loans and Cash credit | 6,198.58             | 99.92%               |
| Bank loans and Cash credit | 11,256.48            | 100%                 |

**Sensitivity analysis for variable-rate instruments**

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                        | Amount in ₹ lakhs          |                |
|------------------------------------|----------------------------|----------------|
|                                    | Impact on profit after tax |                |
|                                    | Year ended                 | Year ended     |
|                                    | March 31, 2021             | March 31, 2020 |
| Interest rates – increases by 0.5% | (23.19)                    | (42.12)        |
| Interest rates – decreases by 0.5% | 23.19                      | 42.12          |



(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company evaluates the credit worthiness of the customers based on publicly available information and the Company's historical experiences. The Company's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue receivables.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty. Trade receivables consist of a large number of customers of various scales and in different geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables. In case the receivables are not recovered even after regular follow up, measures are taken to stop further supplies to the concerned customer. The company recognises lifetime expected credit loss on trade receivables using simplified approach.

Credit risk relating to cash and cash equivalent and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such bank to be good and reviews the banking relationships on an on-going basis.

(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        | Amount in ₹ lakhs |                 |
|--------------------|-------------------|-----------------|
|                    | As at             | As at           |
|                    | March 31, 2021    | March 31, 2020  |
| Floating rate      | 18,000.00         | 15,543.52       |
| Nature of facility | Working Capital   | Working Capital |

(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 :-<br>Particulars | Amount in ₹ lakhs     |                 |                   |                  |
|-------------------------------------------------------------------|-----------------------|-----------------|-------------------|------------------|
|                                                                   | Not later than 1 year | 1 to 5 years    | 5 years and above | Total            |
| <b>Non-derivatives</b>                                            |                       |                 |                   |                  |
| <b>March 31, 2021</b>                                             |                       |                 |                   |                  |
| Borrowings*                                                       | 1,304.42              | 4,898.91        | -                 | 6,203.33         |
| Lease liabilities*                                                | 5.71                  | -               | -                 | 5.71             |
| Payable on purchase of property, plant and equipment              | 162.73                | -               | -                 | 162.73           |
| Trade payable                                                     | 3,389.51              | -               | -                 | 3,389.51         |
| Interest accrued but not due on borrowings                        | 43.16                 | -               | -                 | 43.16            |
| <b>Total non-derivative liabilities</b>                           | <b>4,905.53</b>       | <b>4,898.91</b> | <b>-</b>          | <b>9,804.44</b>  |
| <b>Non-derivatives</b>                                            |                       |                 |                   |                  |
| <b>March 31, 2020</b>                                             |                       |                 |                   |                  |
| Borrowings*                                                       | 1,436.48              | 8,490.00        | 1,330.00          | 11,256.48        |
| Lease liabilities*                                                | 5.40                  | 3.60            | -                 | 9.00             |
| Payable on purchase of property, plant and equipment              | 154.42                | -               | -                 | 154.42           |
| Trade payable                                                     | 11,243.12             | -               | -                 | 11,243.12        |
| Interest accrued but not due on borrowings                        | 25.64                 | -               | -                 | 25.64            |
| <b>Total non-derivative liabilities</b>                           | <b>12,865.06</b>      | <b>8,493.60</b> | <b>1,330.00</b>   | <b>22,688.66</b> |

\* The amounts do not include interest payments.

**Note 43 : 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.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowing 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 acquisition, 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 borrowing less cash and cash equivalents, bank balances other than cash and cash equivalents.





| Particulars                                  | Amount in ₹ lakhs       |                         |
|----------------------------------------------|-------------------------|-------------------------|
|                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Non current borrowing                        | 4,898.91                | 9,820.00                |
| Current maturities of non current borrowings | 1,304.42                | 980.00                  |
| Current borrowings                           | -                       | 456.48                  |
| Less :- cash and cash equivalents            | (979.83)                | (476.14)                |
| <b>Net debts</b>                             | <b>5,223.50</b>         | <b>10,780.34</b>        |
| <b>Total equity</b>                          | <b>30,425.59</b>        | <b>19,954.76</b>        |
| <b>Gearing ratio</b>                         | <b>0.17</b>             | <b>0.54</b>             |

Equity includes all capital and revenue reserves of the Company that are managed as capital.

| Particulars                                        | Amount in ₹ lakhs       |                 |                   |                         |
|----------------------------------------------------|-------------------------|-----------------|-------------------|-------------------------|
|                                                    | As at<br>March 31, 2019 | Cash flows      | Interest expenses | As at<br>March 31, 2020 |
| Non-current borrowings                             | 2,906.22                | 6,913.78        | -                 | 9,820.00                |
| Current borrowings                                 | 2,547.36                | (2,090.88)      | -                 | 456.48                  |
| Current maturities of non-current borrowings       | 103.13                  | 876.87          | -                 | 980.00                  |
| Lease liabilities                                  | 13.38                   | (5.40)          | 1.02              | 9.00                    |
| <b>Total liabilities from financing activities</b> | <b>5,570.09</b>         | <b>5,699.77</b> | <b>1.02</b>       | <b>11,256.48</b>        |

| Particulars                                        | Amount in ₹ lakhs       |                   |                   |                         |
|----------------------------------------------------|-------------------------|-------------------|-------------------|-------------------------|
|                                                    | As at<br>March 31, 2020 | Cash flows        | Interest expenses | As at<br>March 31, 2021 |
| Non-current borrowings                             | 9,820.00                | (4,921.09)        | -                 | 4,898.91                |
| Current borrowings                                 | 456.48                  | (456.48)          | -                 | -                       |
| Current maturities of non-current borrowings       | 980.00                  | 324.42            | -                 | 1,304.42                |
| Lease liabilities                                  | 9.00                    | (3.84)            | 0.55              | 5.71                    |
| <b>Total liabilities from financing activities</b> | <b>11,265.48</b>        | <b>(5,056.99)</b> | <b>0.55</b>       | <b>6,209.04</b>         |

**Note 45 :** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**Note 46 :** The Board of Directors of Apollo Tricoat Tubes Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation of the Company and Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") with APL Apollo Tubes Limited ("APL Apollo"), its ultimate holding Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.

**Note 47 :** Figures for the previous year have regrouped/ reclassified wherever necessary.

**For Walker Chandio & Co LLP**

Chartered Accountants  
Firm Reg. No. 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



Place : New Delhi  
Date : May 03, 2021

**For and on behalf of the Board of Directors of  
Apollo Tricoat Tubes Ltd**



**Rahul Gupta**  
Managing Director  
DIN: 07151792



**Nandlal Bansal**  
Chief Financial Officer

Place : Ghaziabad  
Date : May 03, 2021

  
**Romi Sehgal**  
Whole Time Director  
DIN: 03320454

  
**Surbhi Arora**  
Company Secretary  
Membership No. A33370

**APL APOLLO TUBES LIMITED**

**AUDITED STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH, 2021**



## 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, 2021, 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, 2021, 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 specified under section 143(10) of the Act (SAs). 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, but does not include the standalone financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and will 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 identified above when it becomes available 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.



When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 system 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.

#### **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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 no 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 no 38(b)(5) 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 no 38(c) of the standalone financial statements).

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)



**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 Over Financial Reporting under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **APL Apollo Tubes Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



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prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting 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)



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets (Property, Plant and Equipment) :
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed asset to cover all items once in 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, fixed assets were physically verified by the Management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings 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:

| Particulars of the land and building                                                | Gross Block as at March 31, 2021 (Rupees in crore) | Net Block as at March 31, 2021 (Rupees in crore) | Remarks                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Freehold land and building located at Murbad, Maharashtra admeasuring 37,800 Sq. ft | 1.47                                               | 1.18                                             | The conveyance deed is in the name of Llyod Line Pipe Limited, 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 |

- ii. As explained to us, the inventories (other than inventories in transit and inventories lying with third party) were physically verified during the year by the Management at the reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans. In case of inventories lying with the third party, confirmation have been received by the Management for the stock held at year end and no material discrepancies was noted in respect of such confirmation.
- iii. According to the information and explanations given to us, the Company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which
  - a. The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.



- c. There are no overdue amounts remaining outstanding as at year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, , Goods and Services Tax, Custom Duty and Cess with the appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable. The operations of the Company didn't give rise to Excise duty. Also refer to the note 38(a)(5) to the standalone financial statements regarding management assessment on certain matters relating to the provident fund.
- (b) Details of dues of Income tax, Service tax, Value added tax and Excise Duty which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute                        | Nature of Dues  | Forum where Dispute is Pending                    | Period to which the Amount Relates | Amount (net of payment) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------------------------|-----------------|---------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|
| Uttar Pradesh Value Added Tax Act 2008 | Value Added Tax | High Court of Allahabad                           | 2007-2008                          | 0.61                                      | -                                           |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2011-2012                          | 2.30                                      | 0.25                                        |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2012-2013                          | 1.13                                      | 0.16                                        |
|                                        | Value Added Tax | Commercial Tax Tribunal, Ghaziabad                | 2013-2014                          | 1.87                                      | -                                           |
|                                        | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2014-2015                          | 0.03                                      | 0.28                                        |
|                                        | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2016-2017                          | 0.40                                      | 0.06                                        |





| Name of Statute                  | Nature of Dues  | Forum where Dispute is Pending                    | Period to which the Amount Relates | Amount (net of payment) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------------------|-----------------|---------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|
|                                  | Value Added Tax | Additional Commissioner (Appeals), Commercial Tax | 2015-2016                          | 1.08                                      | 0.23                                        |
| Tamil Nadu Value Added Tax, 2006 | Value Added Tax | High Court of Chennai                             | 2010-11 and 2011-12                | 0.81                                      | -                                           |
| 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                                        |
|                                  | Excise Duty     | Commissioner (Appeals), Thane                     | 2014-15 & 2015-16                  | 0.48                                      | 0.02                                        |
|                                  | Excise Duty     | Commissioner (Appeals), Thane                     | 2016-17, 2017-18 & 2018-19         | 0.29                                      | 0.02                                        |
| Finance Act, 1994                | 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)              | 2016-2017                          | 2.48                                      | 0.92                                        |

We have been informed that there are no other dues of Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2021 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.



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- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Place: New Delhi  
Date: June 03, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN:21095540AAAABM8655)

**APL APOLLO TUBES LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**

| Particulars                                                     | Notes       | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------------|-------------------------|-------------------------|
|                                                                 |             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>I. ASSETS</b>                                                |             |                         |                         |
| <b>(1) Non-current assets</b>                                   |             |                         |                         |
| (a) Property, plant and equipment                               | 2(a)        | 872.45                  | 936.25                  |
| (b) Capital work-in-progress                                    | 2(b)        | 52.89                   | 6.24                    |
| (c) Right of use assets                                         | 2(c)        | 17.56                   | 18.46                   |
| (d) Intangible assets                                           | 2(d)        | 1.62                    | 2.39                    |
| (e) Investment in subsidiaries                                  | 3(a)        | 524.33                  | 394.07                  |
| (f) Financial assets                                            |             |                         |                         |
| (i) Investments                                                 | 3(b) & 3(c) | 1.48                    | 1.52                    |
| (ii) Loans                                                      | 4           | 107.29                  | 75.00                   |
| (iii) Other financial assets                                    | 5           | 18.63                   | 19.78                   |
| (g) Non-current tax assets (net)                                | 6           | 5.23                    | 10.19                   |
| (h) Other non-current assets                                    | 7           | 50.71                   | 45.85                   |
| <b>Total non-current assets</b>                                 |             | <b>1,652.19</b>         | <b>1,509.75</b>         |
| <b>(2) Current assets</b>                                       |             |                         |                         |
| (a) Inventories                                                 | 8           | 550.39                  | 590.27                  |
| (b) Financial assets                                            |             |                         |                         |
| (i) Trade receivables                                           | 9           | 87.18                   | 306.94                  |
| (ii) Cash and cash equivalents                                  | 10          | 3.19                    | 38.85                   |
| (iii) Bank balance other than (ii) above                        | 11          | 341.30                  | 1.07                    |
| (iv) Loans                                                      | 12          | 1.11                    | 1.04                    |
| (v) Other financial assets                                      | 13          | 13.71                   | 28.20                   |
| (c) Other current assets                                        | 14          | 108.31                  | 96.63                   |
|                                                                 |             | <b>1,105.19</b>         | <b>1,063.00</b>         |
| <b>Assets classified as held for sale</b>                       | 2(e)        | 62.51                   | 1.65                    |
| <b>Total current assets</b>                                     |             | <b>1,167.70</b>         | <b>1,064.65</b>         |
| <b>Total Assets</b>                                             |             | <b>2,819.89</b>         | <b>2,574.40</b>         |
| <b>II. EQUITY AND LIABILITIES</b>                               |             |                         |                         |
| <b>(1) Equity</b>                                               |             |                         |                         |
| (a) Equity share capital                                        | 15(a)       | 24.98                   | 24.87                   |
| (b) Other equity                                                | 15(b)       | 1,423.81                | 1,250.37                |
| <b>Total equity</b>                                             |             | <b>1,448.79</b>         | <b>1,275.24</b>         |
| <b>(2) Non-current liabilities</b>                              |             |                         |                         |
| (a) Financial liabilities                                       |             |                         |                         |
| (i) Borrowings                                                  | 16          | 224.48                  | 245.29                  |
| (ii) Lease liabilities                                          | 2(c)        | -                       | 0.08                    |
| (iii) Other financial liabilities                               | 17          | 0.78                    | 0.72                    |
| (b) Provisions                                                  | 18          | 11.69                   | 12.73                   |
| (c) Deferred tax liabilities (net)                              | 19          | 76.39                   | 72.16                   |
| (d) Other non-current liabilities                               | 20          | 48.77                   | 44.77                   |
| <b>Total non-current liabilities</b>                            |             | <b>362.11</b>           | <b>375.75</b>           |
| <b>(3) Current liabilities</b>                                  |             |                         |                         |
| (a) Financial liabilities                                       |             |                         |                         |
| (i) Borrowings                                                  | 21          | 208.42                  | 244.61                  |
| (ii) Lease liabilities                                          | 2(c)        | 0.08                    | 0.52                    |
| (iii) Trade payables                                            | 22          |                         |                         |
| - total outstanding dues of micro and small enterprises         |             | 3.85                    | 0.85                    |
| - total outstanding dues other than micro and small enterprises |             | 693.02                  | 586.65                  |
| (iv) Other financial liabilities                                | 23          | 66.18                   | 78.33                   |
| (b) Other current liabilities                                   | 24          | 35.85                   | 11.94                   |
| (c) Provisions                                                  | 25          | 0.57                    | 0.51                    |
| (d) Current tax liabilities (net)                               | 26          | 1.02                    | -                       |
| <b>Total current liabilities</b>                                |             | <b>1,008.99</b>         | <b>923.41</b>           |
| <b>Total Equity and Liabilities</b>                             |             | <b>2,819.89</b>         | <b>2,574.40</b>         |

See accompanying notes to the standalone financial statements 1-47

In terms of our report attached,

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



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



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                                         | Notes | (Rupees in crore)            |                              |
|-----------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                                     |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>I</b> Revenue from operations                                                                    | 27    | 6,007.96                     | 5,930.81                     |
| <b>II</b> Other income                                                                              | 28    | 44.11                        | 27.23                        |
| <b>III Total income (I +II)</b>                                                                     |       | <b>6,052.07</b>              | <b>5,958.04</b>              |
| <b>IV Expenses</b>                                                                                  |       |                              |                              |
| (a) Cost of materials consumed                                                                      | 29    | 4,475.04                     | 4,709.18                     |
| (b) Purchase of stock-in-trade                                                                      |       | 894.04                       | 601.20                       |
| (c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap | 30    | (20.24)                      | (73.60)                      |
| (d) Employee benefits expense                                                                       | 31    | 76.12                        | 92.63                        |
| (e) Finance costs                                                                                   | 32    | 54.89                        | 82.14                        |
| (f) Depreciation and amortisation expense                                                           | 33    | 68.18                        | 68.91                        |
| (g) Other expenses                                                                                  | 34    | 299.03                       | 363.79                       |
| <b>Total expenses</b>                                                                               |       | <b>5,847.06</b>              | <b>5,844.25</b>              |
| <b>V Profit before tax (III - IV)</b>                                                               |       | <b>205.01</b>                | <b>113.79</b>                |
| <b>VI Tax expense:</b>                                                                              |       |                              |                              |
| (a) Current tax                                                                                     |       | 47.38                        | 26.35                        |
| (b) Deferred tax (credit) / charge (net)                                                            | 19    | 3.10                         | (26.01)                      |
| (c) Income tax / deferred tax (credit) / expense of earlier year                                    | 19    | 0.75                         | (1.56)                       |
| <b>Total tax (credit) / expense</b>                                                                 | 42    | <b>51.23</b>                 | <b>(1.22)</b>                |
| <b>VII Profit for the year (V-VI)</b>                                                               |       | <b>153.78</b>                | <b>115.01</b>                |
| <b>VIII Other comprehensive income for the year</b>                                                 |       |                              |                              |
| <b>Add : (less) items that will not be reclassified to profit or loss</b>                           |       |                              |                              |
| (a) Remeasurements of post employment benefit obligation                                            |       | 1.49                         | (1.52)                       |
| (b) Income tax relating to above item                                                               |       | (0.38)                       | 0.38                         |
| <b>Other comprehensive (loss) for the year</b>                                                      |       | <b>1.11</b>                  | <b>(1.14)</b>                |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                                        |       | <b>154.89</b>                | <b>113.87</b>                |
| <b>X Earnings per equity share of Rupees 2 each</b>                                                 |       |                              |                              |
| (a) Basic (in Rupees)                                                                               | 37    | 12.34                        | 9.39                         |
| (b) Diluted (in Rupees)                                                                             | 37    | 12.30                        | 9.31                         |
| See accompanying notes to the standalone financial statements                                       | 1-47  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



Place : New Delhi  
Date : June 3, 2021

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 : June 3, 2021

  
**VINAY GUPTA**  
Director  
DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060





**APL APOLLO TUBES LIMITED**  
STATEMENT OF CHANGES IN STANDALONE EQUITY FOR THE YEAR ENDED MARCH 31, 2021

**a) Equity share capital**

| Particulars                                  | (Rupees in crore) |
|----------------------------------------------|-------------------|
| Amount                                       | Amount            |
| Opening balance as at April 1, 2019          | 23.85             |
| Changes during the year ended March 31, 2020 | 1.02              |
| <b>Balance as at March 31, 2020</b>          | <b>24.87</b>      |
| Changes during the year ended March 31, 2021 | 0.11              |
| <b>Balance as at March 31, 2021</b>          | <b>24.98</b>      |

**b) Other equity**

| Particulars                                         | Reserves and surplus          |                       |                    |                    |                      |                                        | Total           |
|-----------------------------------------------------|-------------------------------|-----------------------|--------------------|--------------------|----------------------|----------------------------------------|-----------------|
|                                                     | Debtore<br>redemption reserve | Securities<br>premium | General<br>reserve | Capital<br>Reserve | Retained<br>earnings | Share option<br>outstanding<br>account |                 |
| <b>Opening balance as at April 1, 2019</b>          | <b>80.00</b>                  | <b>212.59</b>         | <b>25.52</b>       | -                  | <b>658.17</b>        | <b>7.65</b>                            | <b>983.93</b>   |
| Profit for the year ended March 31, 2020            | -                             | -                     | -                  | -                  | 115.01               | -                                      | <b>115.01</b>   |
| Other comprehensive (loss) for the year, net of tax | -                             | -                     | -                  | -                  | (1.14)               | -                                      | <b>(1.14)</b>   |
| <b>Total comprehensive Income for the year</b>      | -                             | -                     | -                  | -                  | <b>113.87</b>        | -                                      | <b>113.87</b>   |
| <b>Allocations/Appropriations:</b>                  |                               |                       |                    |                    |                      |                                        |                 |
| Dividend paid                                       | -                             | -                     | -                  | -                  | (33.95)              | -                                      | <b>(33.95)</b>  |
| Dividend distribution tax                           | -                             | -                     | -                  | -                  | (6.98)               | -                                      | <b>(6.98)</b>   |
| Share option outstanding account                    | -                             | -                     | -                  | -                  | -                    | 3.68                                   | <b>3.68</b>     |
| Transfer to Securities premium                      | -                             | 2.19                  | -                  | -                  | -                    | (2.19)                                 | -               |
| Transfer to Capital Reserve (see note 46)           | -                             | -                     | -                  | 13.38              | -                    | -                                      | <b>13.38</b>    |
| Securities premium on issue of shares               | -                             | 176.44                | -                  | -                  | -                    | -                                      | <b>176.44</b>   |
| Transfer from Debtore Redemption Reserve            | (80.00)                       | -                     | -                  | -                  | 80.00                | -                                      | -               |
|                                                     | <b>(80.00)</b>                | <b>178.63</b>         | -                  | <b>13.38</b>       | <b>39.07</b>         | <b>1.49</b>                            | <b>152.57</b>   |
| <b>Balance as at March 31, 2020</b>                 | -                             | <b>391.22</b>         | <b>25.52</b>       | <b>13.38</b>       | <b>811.11</b>        | <b>9.14</b>                            | <b>1,250.37</b> |
| Profit for the year ended March 31, 2021            | -                             | -                     | -                  | -                  | 153.78               | -                                      | <b>153.78</b>   |
| Other comprehensive income for the year, net of tax | -                             | -                     | -                  | -                  | 1.11                 | -                                      | <b>1.11</b>     |
| <b>Total comprehensive Income for the year</b>      | -                             | -                     | -                  | -                  | <b>154.89</b>        | -                                      | <b>154.89</b>   |
| <b>Allocations/Appropriations:</b>                  |                               |                       |                    |                    |                      |                                        |                 |
| Share option outstanding account                    | -                             | -                     | -                  | -                  | -                    | 3.27                                   | <b>3.27</b>     |
| Transfer to Securities premium                      | -                             | 8.63                  | -                  | -                  | -                    | (8.63)                                 | -               |
| Securities premium on issue of shares               | -                             | 15.28                 | -                  | -                  | -                    | -                                      | <b>15.28</b>    |
|                                                     | -                             | <b>23.91</b>          | -                  | -                  | -                    | <b>(5.36)</b>                          | <b>18.55</b>    |
| <b>Balance as at March 31, 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> |

See accompanying notes to the standalone financial statements

1-47

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner

Membership No. 95540



Place : New Delhi  
Date : June 3, 2021

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 : June 3, 2021

  
**VINAY GUPTA**  
Director

DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5050



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                                              | Notes | (Rupees in crore)            |                              |
|------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                                                          |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>A. Cash flow from operating activities</b>                                            |       |                              |                              |
| Profit before tax                                                                        |       | 205.01                       | 113.79                       |
| Adjustments for:                                                                         |       |                              |                              |
| Depreciation and amortisation expense                                                    |       | 68.18                        | 68.91                        |
| Loss / (gain) on sale of property, plant and equipment (net)                             |       | (0.11)                       | 0.19                         |
| (Gain) on sale of assets classified as held for sale                                     |       | -                            | (1.46)                       |
| Finance costs                                                                            |       | 54.89                        | 82.14                        |
| Interest income on fixed deposits                                                        |       | (19.29)                      | (0.83)                       |
| Interest income on others                                                                |       | (13.80)                      | (11.55)                      |
| Share based expenses                                                                     |       | 3.27                         | 3.68                         |
| Provision for slow moving inventory of spares & consumables                              |       | 0.81                         | 0.22                         |
| Bad debts written off                                                                    |       | -                            | 0.02                         |
| Allowance / (write back) for doubtful trade receivables (expected credit loss allowance) |       | (1.21)                       | 2.30                         |
| Derivatives measured at fair value through profit & loss account                         |       | 0.20                         | (2.22)                       |
| Net unrealized foreign exchange (gain)                                                   |       | (2.30)                       | (2.00)                       |
| Government grant income                                                                  |       | (7.35)                       | (7.04)                       |
| <b>Operating profit before working capital changes</b>                                   |       | <b>288.30</b>                | <b>246.15</b>                |
| <b>Changes in working capital:</b>                                                       |       |                              |                              |
| Adjustments for (increase) / decrease in operating assets:                               |       |                              |                              |
| Inventories                                                                              |       | 39.08                        | 89.75                        |
| Trade receivables                                                                        |       | 220.97                       | 114.35                       |
| Current loans and other financial assets                                                 |       | 15.77                        | (19.79)                      |
| Non-current loans and other financial assets                                             |       | (31.15)                      | (75.64)                      |
| Other current assets                                                                     |       | (11.67)                      | 31.42                        |
| Other non-current assets                                                                 |       | 0.06                         | 3.18                         |
| Adjustments for increase / (decrease) in operating liabilities:                          |       |                              |                              |
| Trade payables                                                                           |       | 109.37                       | (36.65)                      |
| Other current liabilities                                                                |       | 23.91                        | (11.02)                      |
| Other current financial liabilities                                                      |       | 0.06                         | (0.86)                       |
| Other non current liabilities                                                            |       | 4.00                         | -                            |
| Other non current financial liabilities                                                  |       | 0.07                         | 0.07                         |
| Provisions (current & non-current)                                                       |       | 0.51                         | 3.07                         |
| <b>Cash generated from operations</b>                                                    |       | <b>659.28</b>                | <b>344.03</b>                |
| Income tax (paid)                                                                        |       | (41.40)                      | (39.10)                      |
| <b>Net cash flow from operating activities (A)</b>                                       |       | <b>617.88</b>                | <b>304.93</b>                |
| <b>B. Cash flow from investing activities</b>                                            |       |                              |                              |
| Capital expenditure on property, plant and equipment (including capital advances)        |       | (112.67)                     | (182.38)                     |
| Proceeds from sale of property, plant and equipment                                      |       | 6.54                         | 5.93                         |
| Proceeds from sale of assets classified as held for sale                                 |       | -                            | 5.42                         |
| Investment in other companies                                                            |       | -                            | (0.36)                       |
| Proceeds from sale of mutual funds and investment (net)                                  |       | 0.04                         | 0.01                         |
| Investment in subsidiaries                                                               |       | (130.26)                     | (2.94)                       |
| Investment in fixed deposits                                                             |       | (340.26)                     | (0.46)                       |
| Interest received                                                                        |       |                              |                              |
| - fixed deposits                                                                         |       | 20.22                        | 0.83                         |
| - others                                                                                 |       | 11.31                        | 10.25                        |
| <b>Net cash flow (used in) investing activities (B)</b>                                  |       | <b>(545.08)</b>              | <b>(163.70)</b>              |
| <b>C. Cash flow from financing activities</b>                                            |       |                              |                              |
| Proceeds from non-current borrowings                                                     |       | 175.00                       | 279.05                       |
| Repayment of current borrowings (net)                                                    |       | (36.18)                      | (207.28)                     |
| Repayment of non-current borrowings                                                      |       | (212.54)                     | (239.78)                     |
| Payment of dividends                                                                     |       | -                            | (34.05)                      |
| Payments of dividend distribution tax                                                    |       | -                            | (6.98)                       |
| Proceeds from issue of equity share capital                                              |       | 15.39                        | 177.47                       |
| Payment on account of lease liabilities                                                  |       | (0.52)                       | (0.56)                       |
| Finance costs                                                                            |       | (49.61)                      | (94.53)                      |
| <b>Net cash flow (used in) financing activities (C)</b>                                  |       | <b>(108.46)</b>              | <b>(126.66)</b>              |



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

| Particulars                                                   | Notes | (Rupees in crore)            |                              |
|---------------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                               |       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Net increase in Cash and cash equivalents (A+B+C)</b>      |       | (35.66)                      | 14.57                        |
| Cash and cash equivalents at the beginning of the year        |       | 38.85                        | 24.28                        |
| <b>Cash and cash equivalents at the end of the year</b>       | 10    | <b>3.19</b>                  | <b>38.85</b>                 |
| See accompanying notes to the standalone financial statements | 1-47  |                              |                              |

In terms of our report attached.

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

  
**RASHIM TANDON**  
Partner  
Membership No. 95540




Place : New Delhi  
Date : June 3, 2021


**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: Ghazlabad  
Date : June 3, 2021

  
**VINAY GURTA**  
Director  
DIN : 00005149

  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060





**1(i) Company background**

APL Apollo Tubes Limited ("the Company") is a public limited Company incorporated in India on 24 February 1986 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 five manufacturing units one each at a) Sikanderabad, Uttar Pradesh, b) Hosur, Tamilnadu, c) Raipur, Chhattisgarh, d) Murbad, Maharashtra and e) Chegunta, Telangana.

The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 3, 2021.

**1(ii) Impact of the Initial application of new and amended Ind ASs that are effective for the current year**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2020.

**Amendments to Ind AS-1 and Ind AS-8 - Definition of 'material'.**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on disclosures or on the amounts reported in these standalone financial statements.

**1(iii) 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 accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

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) Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- \* Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.





A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**(d) 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.

**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.

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

Post the outbreak of COVID-19, the Company has made an assessment of the likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non current assets including goodwill, property, plant and equipment and other financial exposure. It has also evaluated its ability to meet the financial commitments of its lender etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

**(e) 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.

**(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**

The revenue is recognised once the entity satisfied that the performance obligation & control are transferred to the customers.

**(i) Sale of goods**

The Company 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 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.

**(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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid where applicable, in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(j) Leases**

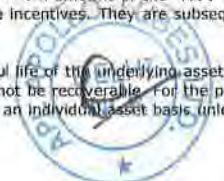
**As a lessee**

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 of 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 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.

**(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 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.

**(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 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 the principal item of the relevant assets.

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, 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.



**(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 40.

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.

**(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 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.

**(r) 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.

**(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 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 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.

**(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 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.

**(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 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).

The 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 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.

**(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 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')
- 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.

**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 FVOCI 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 44 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.

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.

**(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 Company or the counterparty.

**(z) 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.



**(aa) 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(iv) Recent Accounting Developments**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division I which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

**Balance Sheet:**

- (a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Specified format for disclosure of shareholding of promoters.
- (d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.
- (b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.





**APL APOLLO TUBES LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

**2(a) : Property, Plant and Equipment**

(Rupees in crore)

|                              | As at March 31,<br>2021 | As at March 31,<br>2020 |
|------------------------------|-------------------------|-------------------------|
| <b>Carrying amounts of :</b> |                         |                         |
| Freehold land                | 40.46                   | 99.77                   |
| Building                     | 194.68                  | 198.16                  |
| Plant and machinery          | 617.40                  | 624.22                  |
| Office equipments            | 1.45                    | 1.53                    |
| Vehicles                     | 12.56                   | 6.31                    |
| Furniture and fixtures       | 4.23                    | 5.20                    |
| Computers                    | 1.67                    | 1.06                    |
|                              | <b>872.45</b>           | <b>936.25</b>           |

|                                                                               | Freehold Land | Building | Plant and machinery | Office equipments | Vehicles | Furniture and fixtures | Computers | Total    |
|-------------------------------------------------------------------------------|---------------|----------|---------------------|-------------------|----------|------------------------|-----------|----------|
| <b>Deemed cost</b>                                                            |               |          |                     |                   |          |                        |           |          |
| <b>As at April 1, 2019</b>                                                    | 15.56         | 189.72   | 704.36              | 3.43              | 7.49     | 7.83                   | 2.29      | 930.68   |
| Additions                                                                     | 60.96         | 10.84    | 50.87               | 0.54              | 1.55     | 0.06                   | 0.36      | 125.18   |
| Assets acquired on business combination (see note 46)                         | 23.25         | 23.27    | 35.37               | 0.10              | 0.82     | 0.53                   | 0.02      | 83.36    |
| Sales / transfer during the year                                              | -             | (2.01)   | (4.56)              | -                 | (0.23)   | -                      | -         | (6.80)   |
| <b>Balance at March 31, 2020</b>                                              | 99.77         | 221.82   | 786.04              | 4.07              | 9.63     | 8.42                   | 2.67      | 1,132.42 |
| Asset classified as held for sale (see note 2(e))                             | (62.51)       | -        | -                   | -                 | -        | -                      | -         | (62.51)  |
| Asset re-classified from "Assets classified as held for sale" (see note 2(e)) | 1.65          | -        | -                   | -                 | -        | -                      | -         | 1.65     |
| Additions                                                                     | 1.55          | 5.33     | 53.19               | 0.44              | 7.83     | 0.18                   | 1.17      | 69.69    |
| Sales during the year                                                         | -             | (1.19)   | (14.70)             | -                 | (1.35)   | -                      | -         | (17.24)  |
| <b>Balance at March 31, 2021</b>                                              | 40.46         | 225.96   | 824.53              | 4.51              | 16.11    | 8.60                   | 3.84      | 1,124.01 |
| <b>Accumulated depreciation</b>                                               |               |          |                     |                   |          |                        |           |          |
| <b>As at April 1, 2019</b>                                                    | -             | 15.48    | 108.62              | 1.90              | 2.29     | 2.09                   | 1.11      | 131.49   |
| Elimination on disposal of assets                                             | -             | (0.36)   | (1.85)              | -                 | (0.14)   | -                      | -         | (2.35)   |
| Depreciation expense                                                          | -             | 8.54     | 55.05               | 0.64              | 1.17     | 1.13                   | 0.50      | 67.03    |
| <b>Balance at March 31, 2020</b>                                              | -             | 23.66    | 161.82              | 2.54              | 3.32     | 3.22                   | 1.61      | 196.17   |
| Elimination on disposal of assets                                             | -             | (0.84)   | (8.64)              | -                 | (1.25)   | -                      | -         | (10.73)  |
| Depreciation expense                                                          | -             | 8.46     | 53.95               | 0.52              | 1.48     | 1.15                   | 0.56      | 66.12    |
| <b>Balance at March 31, 2021</b>                                              | -             | 31.28    | 207.13              | 3.06              | 3.55     | 4.37                   | 2.17      | 251.56   |
| <b>Net carrying value</b>                                                     |               |          |                     |                   |          |                        |           |          |
| <b>Balance at March 31, 2020</b>                                              | 99.77         | 198.16   | 624.22              | 1.53              | 6.31     | 5.20                   | 1.06      | 936.25   |
| <b>Balance at March 31, 2021</b>                                              | 40.46         | 194.68   | 617.40              | 1.45              | 12.56    | 4.23                   | 1.67      | 872.45   |

**Notes :-**

(1) Property, plant and equipment as detailed in note 2(a) have been pledged as security for term loans taken as at March 31, 2021. See note 16 & 21 for loans taken against which these assets are pledged.





**2(b) Capital work in progress**

| (Rupees in crore)                                                |             |                     |              |
|------------------------------------------------------------------|-------------|---------------------|--------------|
| Particulars                                                      | Building    | Plant and machinery | Total        |
| <b>As at April 1, 2019</b>                                       | 7.80        | 14.69               | 22.49        |
| Add : Additions during the year                                  | 6.13        | 39.33               | 45.46        |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (10.84)     | (50.87)             | (61.71)      |
| <b>Closing balance as at March 31, 2020</b>                      | <b>3.09</b> | <b>3.15</b>         | <b>6.24</b>  |
| Add : Additions during the year                                  | 7.22        | 97.95               | 105.17       |
| Less : Transfer to property, plant and equipment (see note 2(a)) | (5.33)      | (53.19)             | (58.52)      |
| <b>Closing balance as at March 31, 2021</b>                      | <b>4.98</b> | <b>47.91</b>        | <b>52.89</b> |

**2(c) Right of use assets and lease liabilities**

| (Rupees in crore)                                           |                       |             |              |
|-------------------------------------------------------------|-----------------------|-------------|--------------|
| Particulars                                                 | Category of ROU Asset |             | Total        |
|                                                             | Land                  | Building    |              |
| <b>As at April 1, 2019</b>                                  | -                     | -           | -            |
| Reclassified on adoption of Ind AS 116 (see note (i) below) | 18.19                 | 1.17        | 19.36        |
| Amortisation                                                | (0.36)                | (0.54)      | (0.90)       |
| <b>Balance as at March 31, 2020</b>                         | <b>17.83</b>          | <b>0.63</b> | <b>18.46</b> |
| Amortisation                                                | (0.36)                | (0.54)      | (0.90)       |
| <b>Balance as at March 31, 2021</b>                         | <b>17.47</b>          | <b>0.09</b> | <b>17.56</b> |

- (i) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rupees 19.36 crore and a lease liability of Rupees 0.60 crore. The effect of this adoption is insignificant on the profit before tax and earnings per share.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- (ii) 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 respectively. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the standalone statement of Profit and Loss.
- (iii) Above ROU assets have been pledged as security for term loans taken as at March 31, 2021. See note 16 & 21 for loans taken against which these assets are pledged.
- (iv) Leasehold land located at Murbad, Maharashtra having value of Rupees 1.08 crore as at March 31, 2021 (March 31, 2020 : Rupees 1.19 crore), is in the name of Lloyd Line Pipe Limited which 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' National Company Law Tribunal, Principal bench, New Delhi.
- (v) The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020 :

| Particulars                 | (Rupees in crore)       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Current lease liability     | 0.08                    | 0.52                    |
| Non-current lease liability | -                       | 0.08                    |
| <b>Total</b>                | <b>0.08</b>             | <b>0.60</b>             |

- (vi) The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020 :

| Particulars                            | (Rupees in crore)            |                              |
|----------------------------------------|------------------------------|------------------------------|
|                                        | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Balance at the beginning</b>        | 0.60                         | -                            |
| Additions                              | -                            | 1.17                         |
| Finance cost accrued during the period | 0.06                         | 0.01                         |
| Payment of lease liabilities           | (0.58)                       | (0.58)                       |
| <b>Balance at the end</b>              | <b>0.08</b>                  | <b>0.60</b>                  |

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 6.60 %

- (vii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis :

| Particulars          | (Rupees in crore)       |                         |
|----------------------|-------------------------|-------------------------|
|                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| 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>             |

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.

Rental expense recorded for short-term leases is Rupees 5.02 crore for the year ended March 31, 2021 (March 31, 2020 : Rupees 5.00 crore).



2(d) Intangible Assets

|                                  | (Rupees in crore)  |
|----------------------------------|--------------------|
|                                  | Computer Softwares |
| <b>Deemed cost</b>               |                    |
| As at April 1, 2019              | 5.05               |
| Additions                        | 0.48               |
| <b>Balance at March 31, 2020</b> | <b>5.53</b>        |
| Additions                        | 0.29               |
| <b>Balance at March 31, 2021</b> | <b>5.82</b>        |
| <b>Amortisation</b>              |                    |
| As at April 1, 2019              | 2.20               |
| Charge for the year              | 0.94               |
| <b>Balance at March 31, 2020</b> | <b>3.14</b>        |
| Charge for the year              | 1.06               |
| <b>Balance at March 31, 2021</b> | <b>4.20</b>        |
| <b>Net carrying value</b>        |                    |
| Balance at March 31, 2020        | 2.39               |
| Balance at March 31, 2021        | 1.62               |

2(e) Asset classified as held for sale

|                                                                    | (Rupees in crore) |
|--------------------------------------------------------------------|-------------------|
|                                                                    | Land              |
| As at April 1, 2019                                                | 1.65              |
| Addition during the year                                           | -                 |
| <b>Balance at March 31, 2020</b>                                   | <b>1.65</b>       |
| Assets classified as held for sale (see note (i) below)            | 62.51             |
| Assets re-classified to land during the year (see note (ii) below) | (1.65)            |
| <b>Balance at March 31, 2021</b>                                   | <b>62.51</b>      |

**Note :**

- (i) The Company intends to dispose of a parcel of land to its subsidiary Company which it no longer plans to utilise in the next 12 months. As at March 31, 2021, Assets classified as held for sale consists of plot of land whose fair valuation is Rupees 64.25 crore. The valuation was performed by Government of India approved valuer M/s. Bestech Consultants Private Limited. 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 as asset held for sale as the Directors of the Company expects that the fair value less cost to sell is higher than the carrying amount.
- (ii) As at March 31, 2020, Assets classified as held for sale consisted of plot of land whose fair valuation was Rupees 2.20 crore. The valuation was performed by Government of India approved valuer Mr. Virender Kumar Jain. 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.

In current year, considering the present market conditions, management does not expect that the land would be sold in a distant future. Accordingly, the land in current year, ceases to be classified as "Asset held for sale" and has been reclassified to Property, plant and equipment.





**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| 3 Investment (Non-current)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         | (Rupees in crore)       |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| <b>3(a) Investment in wholly owned subsidiaries - (unquoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |  |
| (i) 2,711,100 (March 31, 2020: 2,711,100) equity shares of Rupees 10 each fully paid up in Apollo Metalex Private Limited - at fair value (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                 | 132.78                  | 132.78                  |  |
| (ii) 5,895,000 (March 31, 2020: 5,895,000) equity shares of Rupees 10 each fully paid up in Shri Lakshmi Metal Udyog Limited - at fair value (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                              | 223.41                  | 223.41                  |  |
| (iii) 16,875 (March 31, 2020: 15,000) equity shares of Rupees 10 each fully paid up in Blue Ocean Projects Private Limited - at cost (see note (ii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40.79                   | 35.97                   |  |
| (iv) 11.00 (March 31, 2020 : 1) equity share of AED 1,000,000 each fully paid up in APL Apollo Tubes FZE - at cost (see note (iii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 21.65                   | 1.90                    |  |
| (v) 105,697,500 (March 31, 2020: 10,000) equity shares of Rupees 10 each fully paid up in APL Apollo Building Products Private Limited - at cost (see note (iv) below)                                                                                                                                                                                                                                                                                                                                                                                                                         | 105.70                  | 0.01                    |  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>524.33</b>           | <b>394.07</b>           |  |
| <b>Notes :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |  |
| (i) The Company in previous year ended March 31, 2018 measured its investment in subsidiaries on the date of transition to Ind-AS (i.e. April 1, 2016) at their respective fair value and considered the same as its deemed cost. Accordingly the Company has recorded the investment in subsidiaries at their fair value for Apollo Metalex Private Limited at Rupees 132.78 crore (original cost Rupees 7.21 crore) and Shri Lakshmi Metal Udyog Limited at Rupees 223.41 crore (original cost Rupees 36.30 crore) aggregating to Rupees 356.19 crore (original cost of Rupees 43.51 crore). |                         |                         |  |
| (ii) The Company has during the year invested Rupees 4.82 crore (March 31, 2020 : Rupees 1.04 crore) in Blue Ocean Projects Private Limited by subscribing to 1,875 equity shares of Rupees 10 each at a premium of Rupees 25,690.45 each (March 31, 2020 : 600 shares of Rupees 10 each at a premium of Rupees 17,290 each).                                                                                                                                                                                                                                                                  |                         |                         |  |
| (iii) The Company has during the year invested Rupees 19.75 crore (March 31, 2020 : Rupees 1.90 crore) in APL Apollo Tubes FZE by subscribing to 10 equity share (March 31, 2020 : 1 equity share) of AED 1,000,000 each considering 1 AED equivalent to Rupees 19.75 each (March 31, 2020 : Rupees 19.00 each).                                                                                                                                                                                                                                                                               |                         |                         |  |
| (iv) The Company has during the year invested Rupees 105.69 crore (March 31, 2020 : Rupees 0.01 crore) in APL Apollo Building Products Private Limited by subscribing to 105,687,500 equity shares (March 31, 2020 : 10,000 equity share) of Rupees 10 each. The Company was incorporated on December 19, 2019.                                                                                                                                                                                                                                                                                |                         |                         |  |
| <b>3(b) Investments in equity instruments carried at fair value through the other comprehensive income - (unquoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                         |  |
| (i) 1,371,400 (March 31, 2020: 1,371,400) equity shares of Rupees 10 each fully paid up in Clover Energy Private Limited (see note (i) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1.37                    | 1.37                    |  |
| (ii) 195 (March 31, 2020: Nil) equity shares of Rupees 10 each fully paid up in AMP SOLAR Urja Private Limited (see note (ii) below)                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.01                    | -                       |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1.38</b>             | <b>1.37</b>             |  |
| <b>3(c) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid) :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |  |
| (i) Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth (March 31, 2021 : 99,965 units at NAV of Rupees 10.61 per unit)                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0.10                    | -                       |  |
| (ii) Investment in mutual fund of Union Midcap fund - regular plan growth (March 31, 2020 : 150,000 units at NAV of Rupees 10 per unit)                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                       | 0.15                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>0.10</b>             | <b>0.15</b>             |  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1.48</b>             | <b>1.52</b>             |  |
| <b>Aggregate carrying value of unquoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>525.70</b>           | <b>395.44</b>           |  |
| <b>Aggregate carrying value of quoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>0.10</b>             | <b>0.15</b>             |  |
| <b>Market value of quoted investment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>0.10</b>             | <b>0.15</b>             |  |

**Notes :**

- (i) The Company holds 4.93 % (March 31, 2020 : 4.01 %) equity shares of Clover Energy Private Limited, a Company engaged in the business of providing solar energy to its customers.
- (ii) The Company holds 19.50 % (March 31, 2020 : Nil) equity shares of AMP SOLAR Urja Private Limited, a Company engaged in the business of providing solar energy to its customers.

**4 Loans (Non-current)**  
(Unsecured, considered good)

| Particulars                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------|-------------------------|-------------------------|
| (a) Loans to subsidiary company (see note (i) below) | 107.29                  | 75.00                   |
| <b>Total</b>                                         | <b>107.29</b>           | <b>75.00</b>            |

**Notes :**

- (i) a) As at March 31, 2021, Rupees 100.00 crore (March 31, 2020 : Rupees 75.00 crore) is recoverable from a wholly owned subsidiary i.e. Shri Lakshmi Metal Udyog Limited. The loan is carrying interest of 8.5% p.a. (previous year 10.00% p.a.). The loan has been given for the purpose of meeting its operational requirements. The loan is repayable upto 5 years in tranches as and when funds are available with Shri Lakshmi Metal Udyog Limited. The maximum amount outstanding during the year was Rupees 100.00 crore (March 31, 2020 : Rupees 75.00 crore).

b) During the year, the Company has given a loan amounting to Rupees 0.16 crore (March 31, 2020 : Rupees Nil) carrying interest 8.5% p.a. to a wholly owned subsidiary Company i.e. Blue Ocean Projects Private Limited, for the purpose of meeting its operational requirements. The loan is repayable upto 2 years as and when funds are available with Blue Ocean Projects Private Limited. The maximum amount outstanding during the year was Rupees 0.16 crore (March 31, 2020 : Rupees Nil). Closing balance as at March 31, 2021 is Rupees 0.16 crore (March 31, 2020 : Rupees Nil)

**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

c) During the year, the Company has given a loan amounting to Rupees 7.13 crore (March 31, 2020 : Rupees Nil) carrying interest @ 5% p.a. to a wholly owned subsidiary viz. APL Apollo Building Products Private Limited for the purpose of meeting its operational requirements. The loan is repayable upto 2 years and when funds are available with APL Apollo Building Products Private Limited. The maximum amount outstanding during the year is Rupees 7.13 crore (March 31, 2020 : Rupees Nil). Closing balance as at March 31, 2021 is Rupees 7.13 crore (March 31, 2020 : Rupees Nil)

**5 Other financial assets (Non-current)**  
(Unsecured, considered good)

| Particulars                                                      | (Rupees in crore)       |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Claim receivable                                             | 0.37                    | 2.36                    |
| Less : Provision created for doubtful claims                     | 0.27                    | -                       |
|                                                                  | <u>0.10</u>             | <u>2.36</u>             |
| (b) Security deposit                                             | 18.50                   | 17.42                   |
| (c) Balance in margin money with maturity of more than 12 months | 0.03                    | -                       |
| <b>Total</b>                                                     | <b><u>18.63</u></b>     | <b><u>19.78</u></b>     |

**6 Non-current tax assets (net)**

| Particulars                                                                                                               | (Rupees in crore)       |                         |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Advance income tax (net of provision as at March 31, 2021 : Rupees 85.41 crore) (March 31, 2020 : Rupees 85.41 crore) | 5.23                    | 10.19                   |
| <b>Total</b>                                                                                                              | <b><u>5.23</u></b>      | <b><u>10.19</u></b>     |

**7 Other non-current assets**  
(Unsecured, considered good)

| Particulars                                 | (Rupees in crore)       |                         |
|---------------------------------------------|-------------------------|-------------------------|
|                                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Capital advances                        | 44.61                   | 39.66                   |
| (b) Prepaid expenses                        | 3.29                    | 3.99                    |
| (c) Value added tax (VAT) credit receivable | 0.66                    | -                       |
| (d) Payment under protest (see note below)  | -                       | -                       |
| (i) Safe guard duty                         | -                       | 0.05                    |
| (ii) Excise duty                            | 0.25                    | 0.25                    |
| (iii) Income tax                            | 0.92                    | 0.92                    |
| (iv) Value added tax                        | 0.98                    | 0.98                    |
| <b>Total</b>                                | <b><u>50.71</u></b>     | <b><u>45.85</u></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**

| Particulars                                          | (Rupees in crore)       |                         |
|------------------------------------------------------|-------------------------|-------------------------|
|                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Raw material (including stock-in-transit)        | 112.68                  | 172.51                  |
| (b) Finished goods (including stock-in-transit)      | 300.99                  | 305.03                  |
| (c) Stock in trade                                   | 4.17                    | -                       |
| (d) Work in progress                                 | 100.64                  | 88.80                   |
| (e) Stores and spares                                | 17.52                   | 17.81                   |
| (f) Rejection and scrap (including stock-in-transit) | 14.39                   | 6.12                    |
| <b>Total</b>                                         | <b><u>550.39</u></b>    | <b><u>590.27</u></b>    |

**Notes :**

(i) Cost of Inventory (including stores & spares) recognised as expense during the year amounted to Rupees 5,382.70 crore (March 31, 2020 : Rupees 5,282.30 crore)

| Details of stock-in-transit | (Rupees in crore)       |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Raw material                | 8.43                    | -                       |
| Finished goods              | 48.09                   | 5.54                    |
| Rejection and Scrap         | 1.91                    | -                       |

(iii) Inventory of raw material for job work lying with third party of Rupees 5.88 crore (March 31, 2020 : Nil)

(iv) The Company has created a provision for slow moving inventory of stores & spares of Rupees 0.81 crores (March 31, 2020 : Rupees 0.22 crores)

(v) The mode of valuation of inventories has been stated in note 1(iii)(m) of significant accounting policies.

(vi) Inventories have been pledged as security towards Company's borrowings from banks.





**9 Trade receivables (Current)**  
(Unsecured)

|                                                                        |                         | (Rupees in crore)       |  |
|------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Considered good                                                    |                         |                         |  |
| (i) Related parties                                                    | -                       | 0.33                    |  |
| (ii) Other than related parties                                        | 87.18                   | 306.61                  |  |
| <b>Sub total</b>                                                       | <b>87.18</b>            | <b>306.94</b>           |  |
| (b) Considered doubtful (other than related parties)                   | 6.27                    | 7.48                    |  |
| Less: Allowance for trade receivables (expected credit loss allowance) | (6.27)                  | (7.48)                  |  |
| <b>Sub total</b>                                                       | <b>-</b>                | <b>-</b>                |  |
| <b>Total</b>                                                           | <b>87.18</b>            | <b>306.94</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. There are no customers who represent more than 10% of the total balance of trade receivables.
- (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 :**

|                                                                   |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                       | Year ended March<br>31, 2021 | Year ended March<br>31, 2020 |  |
| Balance at the beginning of the year                              | 7.48                         | 5.18                         |  |
| Provision (written back) / Charge in statement of profit and loss | (1.21)                       | 2.32                         |  |
| Utilised during the year                                          | -                            | (0.02)                       |  |
| <b>Balance at the end of the year</b>                             | <b>6.27</b>                  | <b>7.48</b>                  |  |

**(2) Ageing of trade receivables and credit risk arising there from is as below :**

|                            |                      | (Rupees in crore)          |                 |  |
|----------------------------|----------------------|----------------------------|-----------------|--|
| Particulars                | As at March 31, 2021 |                            |                 |  |
|                            | Gross credit risk    | Credit losses<br>allowance | Net credit risk |  |
| Amounts not yet due        | 81.50                | 0.30                       | 81.20           |  |
| 0-90 days overdue          | 6.01                 | 0.23                       | 5.78            |  |
| 91-180 days overdue        | 0.16                 | 0.05                       | 0.11            |  |
| 181-270 days overdue       | 0.18                 | 0.09                       | 0.09            |  |
| 271-365 days overdue       | 0.52                 | 0.52                       | -               |  |
| More than 365 days overdue | 5.08                 | 5.08                       | -               |  |
|                            | <b>93.45</b>         | <b>6.27</b>                | <b>87.18</b>    |  |

|                            |                      | (Rupees in crore)          |                 |  |
|----------------------------|----------------------|----------------------------|-----------------|--|
| Particulars                | As at March 31, 2020 |                            |                 |  |
|                            | Gross credit risk    | Credit losses<br>allowance | Net credit risk |  |
| Amounts not yet due        | 261.91               | 0.63                       | 261.28          |  |
| 0-90 days overdue          | 43.36                | 0.41                       | 42.95           |  |
| 91-180 days overdue        | 3.47                 | 0.76                       | 2.71            |  |
| 181-270 days overdue       | 0.31                 | 0.31                       | -               |  |
| 271-365 days overdue       | 1.67                 | 1.67                       | -               |  |
| More than 365 days overdue | 3.70                 | 3.70                       | -               |  |
|                            | <b>314.42</b>        | <b>7.48</b>                | <b>306.94</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,<br>2021 | As at March 31,<br>2020 |
|----------------------------|-------------------------|-------------------------|
| Amounts not yet due        | 0.00 % to 0.37 %        | 0.00 % to 0.24 %        |
| 0-90 days overdue          | 0.38 % to 3.83 %        | 0.25 % to 0.93 %        |
| 91-180 days overdue        | 3.84 % to 31.34 %       | 0.94 % to 21.99 %       |
| 181-270 days overdue       | 31.35 % to 48.70 %      | 100.00 %                |
| 271-365 days overdue       | 100.00 %                | 100.00 %                |
| More than 365 days overdue | 100.00 %                | 100.00 %                |

**(4) Trade receivables have been pledged as security towards Company's borrowings from banks.**

**10 Cash and cash equivalents**

|                                                                 |                         | (Rupees in crore)       |  |
|-----------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Cash on hand                                                | 0.12                    | 0.10                    |  |
| (b) Balances with banks - In current accounts                   | 1.07                    | 36.00                   |  |
| (c) Balances with banks - In cash credit accounts (see note 21) | 2.00                    | 2.75                    |  |
| <b>Total</b>                                                    | <b>3.19</b>             | <b>38.85</b>            |  |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| <b>11 Bank balances other than cash and cash equivalents</b>                                    |                                 | (Rupees in crore)               |  |
|-------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|--|
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) In earmarked accounts                                                                       |                                 |                                 |  |
| (i) unpaid dividend account                                                                     | 0.51                            | 0.54                            |  |
| (ii) In fixed deposits with maturity of more than 3 months and less than 12 months at inception | 340.79                          | 0.53                            |  |
| <b>Total</b>                                                                                    | <b>341.30</b>                   | <b>1.07</b>                     |  |
| <b>12 Loans (Current)</b><br>(Unsecured, considered good)                                       |                                 | (Rupees in crore)               |  |
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) Loans to employees                                                                          | 1.11                            | 1.04                            |  |
| <b>Total</b>                                                                                    | <b>1.11</b>                     | <b>1.04</b>                     |  |
| <b>13 Other financial assets (Current)</b><br>(Unsecured, considered good)                      |                                 | (Rupees in crore)               |  |
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) Government grants                                                                           |                                 |                                 |  |
| (i) Licences                                                                                    | -                               | 0.44                            |  |
| (b) Interest accrued but not due on fixed deposits                                              | 1.18                            | 0.14                            |  |
| (c) Interest accrued but due on loan given                                                      | 2.48                            | 1.96                            |  |
| (d) Derivative assets (net)                                                                     | 2.01                            | 2.22                            |  |
| (e) Claim receivables                                                                           | 8.04                            | 23.44                           |  |
| <b>Total</b>                                                                                    | <b>13.71</b>                    | <b>28.20</b>                    |  |
| <b>14 Other current assets</b><br>(Unsecured, considered good)                                  |                                 | (Rupees in crore)               |  |
| <b>Particulars</b>                                                                              | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |  |
| (a) Advance to suppliers                                                                        | 73.13                           | 22.20                           |  |
| Less : Provision created for doubtful advances                                                  | 0.56                            | -                               |  |
|                                                                                                 | 72.57                           | 22.20                           |  |
| (b) Balances with government authorities                                                        |                                 |                                 |  |
| (i) Goods and services tax (GST) credit receivable                                              | 20.93                           | 61.21                           |  |
| (ii) Advance goods and service tax credit on import of goods                                    | 0.16                            | 0.11                            |  |
| (c) Advance to Related parties (see note (i) & (ii) below)                                      | 8.76                            | 5.16                            |  |
| (d) Export Incentives receivable                                                                | 4.12                            | 4.82                            |  |
| (e) Prepaid expenses                                                                            | 1.77                            | 2.35                            |  |
| (f) Value added tax (VAT) credit receivable                                                     | -                               | 0.65                            |  |
| (g) Gold coins in hand                                                                          | -                               | 0.12                            |  |
| <b>Total</b>                                                                                    | <b>108.31</b>                   | <b>96.63</b>                    |  |

**Notes :**

- (i) During the year, the Company has given advance towards purchase of raw materials amounting to Rupees 8.76 crore (March 31, 2020 : Rupees Nil crore) to a subsidiary viz. Apollo Tricoat Tubes Limited and the material has been received subsequently.
- (ii) During the previous year 2019-20, the Company had given advance towards purchase of raw materials amounting to Rupees 5.16 crore to a wholly owned subsidiary viz. Apollo Metalex Private Limited and the material has been received in current year.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021.

| Particulars                                                                         | As at March 31, 2021 |              | (Rupees in crore, except otherwise stated)<br>As at March 31, 2020 |              |
|-------------------------------------------------------------------------------------|----------------------|--------------|--------------------------------------------------------------------|--------------|
|                                                                                     | Number of Shares     | Amount       | Number of Shares                                                   | Amount       |
| <b>15 Equity</b>                                                                    |                      |              |                                                                    |              |
| <b>15(a) Equity share capital</b>                                                   |                      |              |                                                                    |              |
| (i) <b>Authorised capital</b>                                                       |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 22,50,00,000         | 45.00        | 4,50,00,000                                                        | 45.00        |
|                                                                                     | <b>22,50,00,000</b>  | <b>45.00</b> | <b>4,50,00,000</b>                                                 | <b>45.00</b> |
| (ii) <b>Issued capital</b>                                                          |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 12,48,96,000         | 24.98        | 2,48,69,015                                                        | 24.87        |
|                                                                                     | <b>12,48,96,000</b>  | <b>24.98</b> | <b>2,48,69,015</b>                                                 | <b>24.87</b> |
| (iii) <b>Subscribed and fully paid up capital</b>                                   |                      |              |                                                                    |              |
| Equity shares of Rupees 2 each (March 31, 2020 : Rupees 10 each) (see note 5 below) | 12,48,96,000         | 24.98        | 2,48,69,015                                                        | 24.87        |
|                                                                                     | <b>12,48,96,000</b>  | <b>24.98</b> | <b>2,48,69,015</b>                                                 | <b>24.87</b> |

(1) **Reconciliation of the number of shares and amount outstanding as at March 31, 2021 and March 31, 2020 :**

| Particulars                                                                        | Number of shares        |                         | Amount                                       |                                              |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|----------------------------------------------|----------------------------------------------|
|                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 | As at<br>March 31, 2021<br>(Rupees in crore) | As at<br>March 31, 2020<br>(Rupees in crore) |
| <b>Equity share capital</b>                                                        |                         |                         |                                              |                                              |
| <b>Outstanding at the beginning of the year</b>                                    | 2,48,69,015             | 2,38,50,381             | 4.97                                         | 23.85                                        |
| Add: Issued of shares under Company's employee stock option plan (see note 40(d))  | 5,50,925                | 1,18,634                | 0.11                                         | 0.12                                         |
| Add: Increase in the number of shares on account of share split (see note 5 below) | 9,94,76,060             | -                       | 19.90                                        | -                                            |
| Add: Issued of shares under Preferential allotment (see note below)                | -                       | 4,00,000                | -                                            | 0.40                                         |
| Add: Issued of shares by conversion of share warrants (see note below)             | -                       | 5,00,000                | -                                            | 0.50                                         |
| <b>Outstanding at the end of the year</b>                                          | <b>12,48,96,000</b>     | <b>2,48,69,015</b>      | <b>24.98</b>                                 | <b>24.87</b>                                 |

**Note :**

During the previous year ended March 31, 2020, the shareholders of the Company through postal ballot on April 4, 2019 approved the issuance of 400,000 equity shares and 500,000 fully convertible warrants on preferential basis to APL Infrastructure Private Limited, an entity belonging to promoter category at an issue price of Rupees 1,800 per share and Rupees 2,000 per warrant respectively. The Board of Directors of the Company in its meeting held on April 12, 2019, allotted the said equity shares and warrants. On October 28, 2019, the finance committee of the Board of Directors allotted 500,000 equity shares on conversion of said warrants.

(2) **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, 2020 : Rupees 10 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

| Name of shareholder                     | As at March 31, 2021  |           | As at March 31, 2020  |           |
|-----------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                         | Number of shares held | % holding | Number of shares held | % holding |
| <b>Equity shares with voting rights</b> |                       |           |                       |           |
| APL Infrastructure Private Limited      | 4,05,00,935           | 32.43%    | 99,25,187             | 35.89%    |
| Kitara PHN 1001                         | 98,38,300             | 7.88%     | 30,00,000             | 12.06%    |

(4) **Share options granted under the Company's employee share options plans**

As at March 31, 2021, executives and senior employees held options over 438,000 equity shares of Rupees 2 each of the Company. As at March 31, 2020, executives and senior employees held options over 216,748 equity shares of Rupees 10 each of the Company. (See note 5 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.

(5) **The Board of Directors at their meeting held on October 28, 2020 approved the sub-division of each equity share of face value of Rupees 10 each fully paid up into 5 equity shares of face value of Rupees 2 each fully paid up. The same was approved by the members on December 3, 2020 through postal ballot and e-voting. The effective date of sub-division was December 16, 2020.**



**15(b) Other equity**

| Particulars                                                      | (Rupees in crore)       |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Securities premium                                               | 415.13                  | 391.22                  |
| General reserve                                                  | 25.52                   | 25.52                   |
| Capital Reserve                                                  | 13.38                   | 13.38                   |
| Retained earnings                                                | 966.00                  | 811.11                  |
| Share option outstanding account                                 | 3.78                    | 9.14                    |
| <b>Total</b>                                                     | <b>1,423.81</b>         | <b>1,250.37</b>         |
| <b>(1) Securities premium</b>                                    |                         |                         |
| Balance at the beginning of the year                             | 391.22                  | 212.59                  |
| Add: Issued of shares by conversion of share warrants            | -                       | 99.50                   |
| Add: Issued of shares under Preferential allotment               | -                       | 71.60                   |
| Add: Issued of shares under Company's employee stock option plan | 23.91                   | 7.53                    |
| Balance at the end of the year                                   | <u>415.13</u>           | <u>391.22</u>           |
| <b>(2) Debenture redemption reserve</b>                          |                         |                         |
| Balance at the beginning of the year                             | -                       | 80.00                   |
| Add: Transferred to retained earnings                            | -                       | (80.00)                 |
| Balance at the end of the year                                   | <u>-</u>                | <u>-</u>                |
| <b>(3) General reserve</b>                                       |                         |                         |
| Balance at the beginning of the year                             | 25.52                   | 25.52                   |
| Balance at the end of the year                                   | <u>25.52</u>            | <u>25.52</u>            |
| <b>(4) Capital reserve</b>                                       |                         |                         |
| Balance at the beginning of the year                             | 13.38                   | -                       |
| Add: Relating to business combination (see note 46)              | -                       | 13.38                   |
| Balance at the end of the year                                   | <u>13.38</u>            | <u>13.38</u>            |
| <b>(5) Retained earnings</b>                                     |                         |                         |
| Balance at the beginning of the year                             | 811.11                  | 658.17                  |
| Add: Net profits attributable to owners of the Company           | 154.89                  | 113.87                  |
| Less: Dividend paid                                              | -                       | 33.95                   |
| Less: Tax on dividend paid                                       | -                       | 6.98                    |
| Add: Transfer from debenture redemption reserve                  | -                       | 80.00                   |
| Balance at the end of the year                                   | <u>966.00</u>           | <u>811.11</u>           |
| <b>(6) Share option outstanding account</b>                      |                         |                         |
| Balance at the beginning of the year                             | 9.14                    | 7.65                    |
| Add: Addition during the year                                    | 3.27                    | 3.68                    |
| Less: Transfer to Securities premium reserve                     | 8.63                    | 2.19                    |
| Balance at the end of the year                                   | <u>3.78</u>             | <u>9.14</u>             |

**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) **Debenture redemption reserve** : The Companies Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. On redemption of debentures, amount is transferred to Retained earnings.
- (iii) **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.
- (iv) **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.
- (v) **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.
- (vi) **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)
- (vii) **Items of other comprehensive income** : It represents profits / (loss) of the Company which will not be reclassified to statement of profit or loss.





| 16  | Borrowings (Non-current)                             | (Rupees in crore)       |                         |
|-----|------------------------------------------------------|-------------------------|-------------------------|
|     |                                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|     | Particulars                                          |                         |                         |
| (a) | Term Loan:                                           |                         |                         |
|     | - From banks:                                        |                         |                         |
|     | (i) Secured (see note (i) below)                     | 124.48                  | 245.29                  |
|     | - From others (unsecured):                           |                         |                         |
|     | (i) Working capital facilities (see note (ii) below) | 100.00                  |                         |
|     | <b>Total</b>                                         | <b>224.48</b>           | <b>245.29</b>           |

| As at<br>March 31, 2021   |                                                    | As at<br>March 31, 2020   |                                                    |
|---------------------------|----------------------------------------------------|---------------------------|----------------------------------------------------|
| Non current<br>borrowings | Current Maturities<br>of non-current<br>borrowings | Non current<br>borrowings | Current Maturities<br>of non-current<br>borrowings |

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

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. 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. 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. The loan outstanding is repayable in 15 quarterly instalments commencing from April 2021 and ending in October 2024. Applicable rate of interest is 7.75%.

|       |       |       |      |
|-------|-------|-------|------|
| 30.56 | 11.11 | 41.67 | 8.33 |
|-------|-------|-------|------|

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. 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. 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. The loan outstanding was repayable in 18 quarterly instalments commencing from June 2020 and ending in September 2024. Applicable rate of interest is 8.75% - 8.95%. During the current year, loan has been repaid fully.

|   |   |       |       |
|---|---|-------|-------|
| - | - | 38.89 | 11.11 |
|---|---|-------|-------|

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. 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. 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. The loan outstanding is repayable in 15 quarterly instalments commencing from April 2021 and ending in October 2024. Applicable rate of interest is 7.75%.

|       |       |       |       |
|-------|-------|-------|-------|
| 61.11 | 22.22 | 83.33 | 16.67 |
|-------|-------|-------|-------|

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 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. 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. The loan outstanding is repayable in 11 quarterly instalments commencing from June 2021 and ending in December 2023. Applicable rate of interest is 4.15%. Closing balance of loan as on March 31, 2021 is USD 7,233,269 (March 31, 2020 : USD 9,863,576) equivalent to Rupees 52.88 crore (March 31, 2020 : Rupees 74.35 crore).

|       |       |       |       |
|-------|-------|-------|-------|
| 32.81 | 20.07 | 51.56 | 22.79 |
|-------|-------|-------|-------|



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | As at<br>March 31, 2021 |                                              | As at<br>March 31, 2020 |                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------|-------------------------|----------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Non current borrowings  | Current Maturities of non-current borrowings | Non current borrowings  | Current Maturities of non-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. 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. 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. The loan outstanding was repayable in 6 to 13 quarterly instalments commencing from May 2019 to Sep 2021 and ending in December 2022 to May, 2023. Applicable rate of interest is 8.50 % to 10.10 % . During the current year, loan has been repaid completely. |                         |                                              | 29.84                   | 15.10                                        |
| 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. 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. 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. The loan outstanding is repayable in one instalment in June 2021. Applicable rate of interest is 7.65%.                                                                                                                                                         |                         | 1.57                                         |                         |                                              |
| (If) Term loan from others are as follows:<br>During the year, the Company has taken unsecured loan from Apollo Metalex Private Limited, the wholly owned subsidiary Company for meeting its operational working capital requirements. Loan is repayable upto 5 years as and when funds are available with Company. Applicable rate of interest is 8.50 % p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 100.00                  |                                              |                         |                                              |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>224.48</b>           | <b>54.97</b>                                 | <b>245.29</b>           | <b>74.00</b>                                 |

**17 Other financial liabilities (Non-current)**

| Particulars                           | (Rupees in crore)       |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Deferred payment (see note below) | 0.78                    | 0.72                    |
| <b>Total</b>                          | <b>0.78</b>             | <b>0.72</b>             |

**Note :**

- (i) The Company has a deferred liability related to sales tax of Rupees 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 Rupees 0.78 crore as on March 31, 2021. The difference of Rupees 0.27 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free deferred liability and is recognised as deferred income. (See note 20 & 24)

**18 Provisions (Non-current)**

| Particulars                              | (Rupees in crore)       |                         |
|------------------------------------------|-------------------------|-------------------------|
|                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Provision for compensated absences   | 3.70                    | 3.55                    |
| (b) Provision for gratuity (see note 39) | 7.99                    | 9.18                    |
| <b>Total</b>                             | <b>11.69</b>            | <b>12.73</b>            |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

**19 Deferred Tax Liabilities (net)**

**(a) Component of deferred tax assets and liabilities are :-**

| Particulars                                                  | (Rupees in crore)       |                         |
|--------------------------------------------------------------|-------------------------|-------------------------|
|                                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) Deferred Tax Liabilities on account of                   |                         |                         |
| - Property, plant and equipments and other intangible assets | 77.88                   | 73.84                   |
| - Acquired on business combination (see note 46)             | 3.40                    | 3.58                    |
| - Financial Assets (Transaction cost on loans)               | 0.05                    | 0.07                    |
| - Others                                                     | 0.34                    | -                       |
| <b>Total deferred tax liabilities (A)</b>                    | <b>81.67</b>            | <b>77.48</b>            |
| (ii) Deferred Tax Assets on account of                       |                         |                         |
| - Provision for expected credit loss allowance               | 1.58                    | 1.88                    |
| - Provision for employee benefit expenses                    | 3.70                    | 3.33                    |
| - Others                                                     | -                       | 0.11                    |
| <b>Total deferred tax assets (B)</b>                         | <b>5.28</b>             | <b>5.32</b>             |
| <b>Disclosed as Deferred Tax Liabilities (Net - A-B)</b>     | <b>76.39</b>            | <b>72.16</b>            |

**(b) Movement in deferred tax liabilities / asset**

|                                                            | As at April 1,<br>2019 | (Profit) / Loss<br>Recognised in<br>profit or loss | (Profit) / Loss<br>Recognised in<br>other<br>comprehensive<br>income | Transfer to<br>Capital Reserve | As at March 31,<br>2020 |
|------------------------------------------------------------|------------------------|----------------------------------------------------|----------------------------------------------------------------------|--------------------------------|-------------------------|
| <b>Deferred Tax Liabilities (A)</b>                        |                        |                                                    |                                                                      |                                |                         |
| Property, plant and equipments and other intangible assets | 100.25                 | (26.41)                                            | -                                                                    | -                              | 73.83                   |
| Acquired on business combination (see note 46)             | -                      | -                                                  | -                                                                    | 3.58                           | 3.58                    |
| Fair Valuation of transaction cost                         | 0.14                   | (0.07)                                             | -                                                                    | -                              | 0.07                    |
| <b>Total</b>                                               | <b>100.39</b>          | <b>(26.48)</b>                                     | <b>-</b>                                                             | <b>3.58</b>                    | <b>77.48</b>            |
| <b>Deferred Tax Assets (B)</b>                             |                        |                                                    |                                                                      |                                |                         |
| Provision for employee benefit expenses                    | 3.02                   | (0.07)                                             | 0.38                                                                 | -                              | 3.33                    |
| Provision for expected credit loss allowance               | 1.98                   | (0.10)                                             | -                                                                    | -                              | 1.88                    |
| Fair Valuation of financial assets                         | 0.29                   | (0.29)                                             | -                                                                    | -                              | -                       |
| Others                                                     | 0.12                   | (0.01)                                             | -                                                                    | -                              | 0.11                    |
| <b>Total</b>                                               | <b>5.41</b>            | <b>(0.47)</b>                                      | <b>0.38</b>                                                          | <b>-</b>                       | <b>5.32</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>                | <b>94.98</b>           | <b>(26.01)</b>                                     | <b>(0.38)</b>                                                        | <b>3.58</b>                    | <b>72.16</b>            |

**Movement in deferred tax liabilities / asset**

|                                                            | As at April 1,<br>2020 | (Profit) / Loss<br>Recognised in<br>profit or loss | Deferred tax<br>expense of earlier<br>year | (Profit) / Loss<br>Recognised in<br>other<br>comprehensive<br>income | As at March 31,<br>2021 |
|------------------------------------------------------------|------------------------|----------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|-------------------------|
| <b>Deferred Tax Liabilities (A)</b>                        |                        |                                                    |                                            |                                                                      |                         |
| Property, plant and equipments and other intangible assets | 73.83                  | 3.30                                               | 0.75                                       | -                                                                    | 77.88                   |
| Acquired on business combination (see note 46)             | 3.58                   | (0.16)                                             | -                                          | -                                                                    | 3.40                    |
| Fair Valuation of transaction cost                         | 0.07                   | (0.02)                                             | -                                          | -                                                                    | 0.05                    |
| Others                                                     | -                      | 0.34                                               | -                                          | -                                                                    | 0.34                    |
| <b>Total</b>                                               | <b>77.48</b>           | <b>3.44</b>                                        | <b>0.75</b>                                | <b>-</b>                                                             | <b>81.67</b>            |
| <b>Deferred Tax Assets (B)</b>                             |                        |                                                    |                                            |                                                                      |                         |
| Provision for employee benefit expenses                    | 3.33                   | 0.75                                               | -                                          | (0.38)                                                               | 3.70                    |
| Provision for expected credit loss allowance               | 1.88                   | (0.30)                                             | -                                          | -                                                                    | 1.58                    |
| Others                                                     | 0.11                   | (0.11)                                             | -                                          | -                                                                    | -                       |
| <b>Total</b>                                               | <b>5.32</b>            | <b>0.34</b>                                        | <b>-</b>                                   | <b>(0.38)</b>                                                        | <b>5.28</b>             |
| <b>Deferred tax liabilities (Net - A-B)</b>                | <b>72.16</b>           | <b>3.10</b>                                        | <b>0.75</b>                                | <b>0.38</b>                                                          | <b>76.39</b>            |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

**20 Other Non-current liabilities**

| Particulars                                                     | (Rupees in crore)       |                         |
|-----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Deferred income - government grant for                      |                         |                         |
| - Purchase of equipment (see note (i) below)                    | 48.57                   | 44.45                   |
| - deferred liability related to sales tax (see note (ii) below) | 0.20                    | 0.32                    |
| <b>Total</b>                                                    | <b>48.77</b>            | <b>44.77</b>            |

**Note :**

- (i) Deferred income arises in respect of import of capital goods without payment of custom duty under Export Promotion Capital Goods Scheme. The income will be recognised in Profit or loss on a straight line basis over the useful life of the related assets. (see note 38(b)(2)).
- (ii) The Company has a deferred liability related to sales tax of Rupees 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 Rupees 0.78 crore as on March 31, 2021. The difference of Rupees 0.27 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free deferred liability and is recognised as deferred income.

**21 Borrowings (Current)**

| Particulars                                         | (Rupees in crore)       |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) <b>Loan repayable on demand</b>                 |                         |                         |
| - From banks (Secured)                              |                         |                         |
| (i) Working capital facilities (see note (i) below) | 208.42                  | 244.61                  |
| <b>Total</b>                                        | <b>208.42</b>           | <b>244.61</b>           |

**Nature of security :**

- (i) 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, Kudawall 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.

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. Credit facilities are further secured by personal guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.

**22 Trade payables (Current)**

| Particulars                                                       | (Rupees in crore)       |                         |
|-------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (a) Total outstanding dues of micro and small enterprises         | 3.85                    | 0.85                    |
| (b) Total outstanding dues other than micro and small enterprises | 693.02                  | 586.65                  |
| <b>Total</b>                                                      | <b>696.87</b>           | <b>587.50</b>           |

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                                                                                                                                                                                                     | (Rupees in crore)       |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| (i) The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                 | 3.85                    | 0.85                    |
| (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                                                                             | -                       | -                       |





| 23 Other financial liabilities (Current)                                       |                         | (Rupees in crore)       |  |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Security deposits                                                          | 1.00                    | 0.94                    |  |
| (b) Current maturities of non-current borrowings (see note 16)                 | 54.97                   | 74.00                   |  |
| (c) Payable on purchase of property, plant and equipment                       | 5.24                    | 0.51                    |  |
| (d) Retention money payable                                                    | 1.85                    | 0.33                    |  |
| (e) Unclaimed dividends                                                        | 0.51                    | 0.54                    |  |
| (f) Interest accrued but due on borrowings                                     | 2.61                    | 2.01                    |  |
| <b>Total</b>                                                                   | <b>66.18</b>            | <b>78.33</b>            |  |
| 24 Other current liabilities                                                   |                         | (Rupees in crore)       |  |
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Statutory remittances                                                      | 3.39                    | 1.63                    |  |
| (b) Advance from customers                                                     | 29.40                   | 7.62                    |  |
| (c) Deferred income (see note 20)                                              |                         |                         |  |
| - Purchase of equipment                                                        | 2.99                    | 2.63                    |  |
| - deferred liability related to sales tax                                      | 0.07                    | 0.07                    |  |
| <b>Total</b>                                                                   | <b>35.85</b>            | <b>11.94</b>            |  |
| 25 Provisions (Current)                                                        |                         | (Rupees in crore)       |  |
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Provision for compensated absences                                         | 0.20                    | 0.34                    |  |
| (b) Provision for gratuity (see note 39)                                       | 0.37                    | 0.17                    |  |
| <b>Total</b>                                                                   | <b>0.57</b>             | <b>0.51</b>             |  |
| 26 Current tax liabilities (net)                                               |                         | (Rupees in crore)       |  |
| Particulars                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |  |
| (a) Provision for tax (March 31, 2021 : net of advance tax Rupees 46.90 crore) | 1.02                    | -                       |  |
| <b>Total</b>                                                                   | <b>1.02</b>             | <b>-</b>                |  |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| 27 Revenue from operations                        |                              | (Rupees in crore)            |  |
|---------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Sale of products (see note (i) below)         | 5,815.93                     | 5,704.40                     |  |
| (b) Other operating revenue (see note (ii) below) | 192.03                       | 226.41                       |  |
| <b>Total</b>                                      | <b>6,007.96</b>              | <b>5,930.81</b>              |  |

Notes :

| (i) Reconciliation of revenue recognised with contract price : |                              | (Rupees in crore)            |  |
|----------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Contract price                                                 | 5,973.99                     | 5,877.54                     |  |
| Adjustments for:                                               |                              |                              |  |
| Discount & incentives                                          | (158.06)                     | (173.14)                     |  |
| <b>Revenue from operations</b>                                 | <b>5,815.93</b>              | <b>5,704.40</b>              |  |
| <b>(ii) Other operating revenue comprises</b>                  |                              |                              |  |
| Sale of scrap                                                  | 189.00                       | 217.62                       |  |
| Export incentives                                              | 3.03                         | 8.67                         |  |
| Job work                                                       | -                            | 0.12                         |  |
| <b>Total</b>                                                   | <b>192.03</b>                | <b>226.41</b>                |  |

| 28 Other income                                                                |                              | (Rupees in crore)            |  |
|--------------------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Interest income on fixed deposit                                           | 19.29                        | 0.83                         |  |
| (b) Interest income on others (see note 41)                                    | 13.80                        | 11.55                        |  |
| (c) Profit on sale of property, plant and equipment (net)                      | 0.11                         | -                            |  |
| (d) Profit on sale of assets held for sale                                     | -                            | 1.46                         |  |
| (e) Gain on foreign currency transactions (net)                                | 1.43                         | 1.21                         |  |
| (f) Profit on derivatives measured at fair value through profit & loss account | -                            | 2.22                         |  |
| (g) Provision written back for expected credit loss                            | 1.21                         | -                            |  |
| (h) Miscellaneous income (see note below)                                      | 8.27                         | 9.96                         |  |
| <b>Total</b>                                                                   | <b>44.11</b>                 | <b>27.23</b>                 |  |

Note :

Miscellaneous income includes (a) unwinding of deferred income of Rupees 2.68 crores (March 31, 2020 : Rupees 2.44 crores), (b) Subvention interest income on export packing credit facilities of Rupees 4.67 crores (March 31, 2020 : Rupees 4.61 crores) and (c) Other miscellaneous income of Rupees 0.92 crores (March 31, 2020 : Rupees 2.91 crores).

| 29 Cost of materials consumed                               |                              | (Rupees in crore)            |  |
|-------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| Inventories of raw material as at the beginning of the year | 172.51                       | 338.28                       |  |
| Add: Purchases during the year                              | 4,415.21                     | 4,543.41                     |  |
| Less: Inventories of raw material as at the end of the year | 112.68                       | 172.51                       |  |
| <b>Total</b>                                                | <b>4,475.04</b>              | <b>4,709.18</b>              |  |

| 30 Change in inventories                         |                              | (Rupees in crore)            |  |
|--------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| <b>Inventories at the end of the year:</b>       |                              |                              |  |
| (a) Finished goods                               | 300.99                       | 305.03                       |  |
| (b) Stock in trade                               | 4.17                         | -                            |  |
| (c) Work in progress                             | 100.64                       | 88.80                        |  |
| (d) Rejection and scrap                          | 14.39                        | 6.12                         |  |
|                                                  | <b>420.19</b>                | <b>399.95</b>                |  |
| <b>Inventories at the beginning of the year:</b> |                              |                              |  |
| (a) Finished goods                               | 305.03                       | 318.80                       |  |
| (b) Work in progress                             | 88.80                        | -                            |  |
| (c) Rejection and scrap                          | 6.12                         | 7.55                         |  |
| <b>Total</b>                                     | <b>399.95</b>                | <b>326.35</b>                |  |
|                                                  | <b>(20.24)</b>               | <b>(73.60)</b>               |  |

| 31 Employee benefits expense                                           |                              | (Rupees in crore)            |  |
|------------------------------------------------------------------------|------------------------------|------------------------------|--|
| Particulars                                                            | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |  |
| (a) Salaries and wages                                                 | 72.37                        | 89.16                        |  |
| (b) Contribution to provident fund (see note 39)                       | 3.00                         | 3.02                         |  |
| (c) Gratuity expense (see note 39)                                     | 1.89                         | 1.98                         |  |
| (d) Share-based payments to employees (see note 36(a) & 40)            | 3.27                         | 3.68                         |  |
| (e) Staff welfare expenses                                             | 1.53                         | 2.23                         |  |
|                                                                        | <b>82.06</b>                 | <b>100.07</b>                |  |
| Less: Allocation of common employee benefits expenses (see note 36(b)) | 5.94                         | 7.44                         |  |
| <b>Total</b>                                                           | <b>76.12</b>                 | <b>92.63</b>                 |  |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

During the year, the Company recognised an amount of Rupees 6.31 crore (Year ended March 31, 2020 Rupees 6.72 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :-

| Particulars                                                        | (Rupees in crore)            |                              |
|--------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (i) Short term employee benefits                                   | 6.00                         | 6.59                         |
| (ii) Post employment benefits (Gratuity expense)                   | 0.17                         | 0.07                         |
| (iii) Other long term employee benefits (Leave encashment expense) | 0.14                         | 0.06                         |
|                                                                    | <b>6.31</b>                  | <b>6.72</b>                  |

**32 Finance costs**

| Particulars                        | (Rupees in crore)            |                              |
|------------------------------------|------------------------------|------------------------------|
|                                    | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Interest expense :             |                              |                              |
| (i) working capital facilities     | 29.23                        | 47.86                        |
| (ii) term loan                     | 21.73                        | 14.23                        |
| (iii) debentures                   | -                            | 16.05                        |
| (iv) delayed payment of income tax | 0.54                         | -                            |
| (v) on leases                      | 0.06                         | 0.01                         |
|                                    | <b>51.56</b>                 | <b>78.15</b>                 |
| (b) Other borrowing cost           | 3.33                         | 3.99                         |
| <b>Total</b>                       | <b>54.89</b>                 | <b>82.14</b>                 |

**33 Depreciation and amortisation expense**

| Particulars                                                       | (Rupees in crore)            |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Depreciation on property, plant and equipment (see note 2(a)) | 66.12                        | 67.03                        |
| (b) Amortisation on right of use assets (see note 2(b))           | 0.90                         | 0.90                         |
| (c) Amortisation on intangible assets (see note 2(c))             | 1.06                         | 0.94                         |
| (d) Depreciation on capital work in progress                      | 0.10                         | 0.04                         |
| <b>Total</b>                                                      | <b>68.18</b>                 | <b>68.91</b>                 |

**34 Other expenses**

| Particulars                                                          | (Rupees in crore)            |                              |
|----------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| (a) Freight outward                                                  | 176.29                       | 188.48                       |
| (b) Power and fuel                                                   | 43.64                        | 56.27                        |
| (c) Consumption of stores and spare parts                            | 33.85                        | 45.52                        |
| (d) Derivatives measured at fair value through profit & loss account | 0.20                         | -                            |
| (e) Advertisement and sales promotion                                | 22.38                        | 49.00                        |
| (f) Rent                                                             | 5.02                         | 5.00                         |
| (g) Travelling and conveyance                                        | 2.78                         | 5.96                         |
| (h) Legal and professional charges (see note (i) below)              | 4.27                         | 6.17                         |
| (i) Job work charges                                                 | -                            | 0.38                         |
| (j) Repair and maintenance:                                          |                              |                              |
| (i) Building                                                         | 0.10                         | 0.09                         |
| (ii) Plant and machinery                                             | 3.31                         | 4.04                         |
| (iii) Others                                                         | 1.16                         | 1.39                         |
| (k) Rates and taxes                                                  | 2.25                         | 3.79                         |
| (l) Security services                                                | 1.75                         | 1.59                         |
| (m) Allowance for expected credit loss                               | -                            | 2.30                         |
| (n) Allowance for doubtful advances                                  | 0.56                         | -                            |
| (o) Allowance for doubtful claims receivable                         | 0.27                         | -                            |
| (p) Bad debts written off                                            | -                            | 0.02                         |
| (q) Loss on sale of property, plant and equipment (net)              | -                            | 0.19                         |
| (r) Corporate social responsibility (see note 35)                    | 2.56                         | 0.13                         |
| (s) Provision for slow moving inventory of spares & consumables      | 0.81                         | 0.22                         |
| (t) Insurance                                                        | 1.49                         | 1.23                         |
| (u) Management support services                                      | 0.31                         | 1.84                         |
| (v) Miscellaneous expenses                                           | 5.41                         | 6.45                         |
|                                                                      | <b>308.41</b>                | <b>380.06</b>                |
| (w) Less: Allocation of common expenses (see note 36(b))             | 9.38                         | 16.27                        |
| <b>Total</b>                                                         | <b>299.03</b>                | <b>363.79</b>                |

**Note :-**

(i) Legal and professional charges include auditor's remuneration (excluding indirect taxes) as follows :

|                                                 |             |             |
|-------------------------------------------------|-------------|-------------|
| (a) To statutory auditors                       |             |             |
| For audit (including quarterly limited reviews) | 0.90        | 1.09        |
| For other services                              | 0.01        | 0.12        |
| Reimbursement of expenses                       | 0.01        | 0.10        |
| <b>Total</b>                                    | <b>0.92</b> | <b>1.31</b> |
| (b) To cost auditors for cost audit             | 0.02        | 0.02        |
| <b>Total</b>                                    | <b>0.02</b> | <b>0.02</b> |



**35 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:

|                    |                                                                       | (Rupees in crore)                    |                                   |              |
|--------------------|-----------------------------------------------------------------------|--------------------------------------|-----------------------------------|--------------|
| <b>Particulars</b> |                                                                       | <b>Year ended<br/>March 31, 2021</b> |                                   |              |
| a)                 | Amount required to be spent as per section 135 of Companies Act, 2013 |                                      |                                   | 2.56         |
|                    |                                                                       | <b>In Cash</b>                       | <b>Yet to be paid in<br/>cash</b> | <b>Total</b> |
| b)                 | Amount spent during the year out of the above :                       |                                      |                                   |              |
|                    | 1) Construction / acquisition of any asset                            | -                                    | -                                 | -            |
|                    | 2) On purposes other than(1) above                                    | 1.56                                 | 1.00                              | 2.56         |
|                    |                                                                       | <b>1.56</b>                          | <b>1.00</b>                       | <b>2.56</b>  |

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the Company has subsequent to balance sheet date has deposited amount of Rupees 1.00 crore to a separate bank account.

|                    |                                                                       | Year ended<br>March 31, 2020 |                                   |              |
|--------------------|-----------------------------------------------------------------------|------------------------------|-----------------------------------|--------------|
| <b>Particulars</b> |                                                                       |                              |                                   |              |
| a)                 | Amount required to be spent as per section 135 of Companies Act, 2013 |                              |                                   | 2.85         |
|                    |                                                                       | <b>In Cash</b>               | <b>Yet to be paid in<br/>cash</b> | <b>Total</b> |
| b)                 | Amount spent during the year out of the above :                       |                              |                                   |              |
|                    | 1) Construction / acquisition of any asset                            | -                            | -                                 | -            |
|                    | 2) On purposes other than(1) above                                    | 0.13                         | -                                 | 0.13         |
|                    |                                                                       | <b>0.13</b>                  | <b>-</b>                          | <b>0.13</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 31) 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 31 & "Other expenses" in note 34) 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 / results.

**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.

| Particulars                                                                                                                            | (Rupees in crore, unless otherwise stated) |                              |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|
|                                                                                                                                        | Year ended<br>March 31, 2021               | Year ended<br>March 31, 2020 |
| Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share                 | 153.78                                     | 115.01                       |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share                               | 12,45,75,268                               | 12,24,47,434                 |
| Adjustments for calculation of diluted earnings per share (Employee stock option)(Number)                                              | 4,38,000                                   | 10,83,740                    |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 12,50,13,268                               | 12,35,31,174                 |
| Nominal value of equity shares (see note 15(a)(5))                                                                                     | 2                                          | 2                            |
| (a) Basic earnings per share in Rupees                                                                                                 | 12.34                                      | 9.29                         |
| (b) Diluted earnings per share in Rupees                                                                                               | 12.30                                      | 9.31                         |

In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended March 31, 2021 and March 31, 2020 has been arrived at after giving effect to the above sub-division. Also see note 15(a)(5).

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

| Particulars                                                                                                                      | (Rupees in crore)       |                         |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>(a) Contingent liabilities (for pending litigations)</b>                                                                      |                         |                         |
| (1) Disputed claims/levies in respect of sales tax:                                                                              |                         |                         |
| - Reversal of input tax credit                                                                                                   | 7.44                    | 7.44                    |
| - Provisional Assessment                                                                                                         | 1.77                    | 1.77                    |
|                                                                                                                                  | <u>9.21</u>             | <u>9.21</u>             |
| (2) Disputed claims/levies in respect of excise duty:                                                                            |                         |                         |
| - Excise demand on excess / shortages                                                                                            | 6.34                    | 6.34                    |
|                                                                                                                                  | <u>6.34</u>             | <u>6.34</u>             |
| (3) Disputed claims/levies in respect of service tax:                                                                            |                         |                         |
| - Availability of input credit                                                                                                   | 0.94                    | 0.94                    |
| (4) Disputed claims/levies in respect of income tax                                                                              | 3.40                    | 0.84                    |
| (5) Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (II) below) | -                       | -                       |
| <b>Total</b>                                                                                                                     | <u>19.89</u>            | <u>17.33</u>            |

(i) During the year, the Company has discounted the sales bill from the banks for Rupees Nil crore (March 31, 2020 Rupees 0.28 crore).

(ii) 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.

(iii) 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 89.55 169.06

(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 Rupees 117.79 crore (March 31, 2020 Rupees 174.73 crore) against which the Company has saved a duty of Rupees 19.63 crore (March 31, 2020 Rupees 29.12 crore).

(3) The Company has entered in Power Supply Agreement with a Vendor. As per agreement, the Company is required to draw an 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years having estimated power purchase price of Rupees 3.08 crore (March 31, 2020 : Rupees 3.08 crore).

(4) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2021 of Apollo Metalex Private Limited is Rupees 70.43 crore (March 31, 2020 Rupees 90.01 crore), Shri Lakshmi Metal Udyog Limited is Rupees Nil crore (March 31, 2020 Rupees 67.28 crore) and Apollo Tricoat Tubes Limited is Rupees 62.03 crore (March 31, 2020 Rupees 112.56 crore).

(5) 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.

39 Employee benefit obligations

| Particulars                               | (Rupees in crore)    |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | As at March 31, 2021 |             |             |
|                                           | Current              | Non-current | Total       |
| Gratuity                                  |                      |             |             |
| Present value of obligation               | 0.37                 | 7.99        | 8.76        |
| <b>Total employee benefit obligations</b> | <b>0.37</b>          | <b>7.99</b> | <b>8.36</b> |

| Particulars                               | As at March 31, 2020 |             |             |
|-------------------------------------------|----------------------|-------------|-------------|
|                                           | Current              | Non-current | Total       |
|                                           | Gratuity             |             |             |
| Present value of obligation               | 0.17                 | 9.18        | 9.35        |
| <b>Total employee benefit obligations</b> | <b>0.17</b>          | <b>9.18</b> | <b>9.35</b> |

(a) 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 Rupees 0.20 crore (March 31, 2020 Rupees 0.20 crore). Vesting occurs upon completion of 5 years of service.

During the year, the Company has made contribution of Rupees 1.00 crore (March 31, 2020 : Rupees 0.68 crore) to APL Apollo Tubes Limited Employees Group Gratuity Trust which has made further contribution to Kotak Mahindra Life Insurance Co. Ltd.

(b) Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rupees 3.00 crore (Year ended March 31, 2020 Rupees 3.02 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.

(c) 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:

| Particulars                                                    | (Rupees in crore) |               |
|----------------------------------------------------------------|-------------------|---------------|
|                                                                |                   | Gratuity      |
| <b>Opening balance as at April 1, 2019</b>                     |                   | <b>6.06</b>   |
| Current service cost                                           |                   | 1.51          |
| Interest expense                                               |                   | 0.47          |
| <b>Total amount recognised in profit or loss</b>               |                   | <b>1.98</b>   |
| Add : Acquisition on business combination (see note (i) below) |                   | 0.68          |
| <i>Remeasurements</i>                                          |                   |               |
| effect of change in financial assumptions                      |                   | 1.35          |
| effect of change in demographic assumptions                    |                   | 0.01          |
| effect of experience adjustments                               |                   | 0.17          |
| changes in asset ceiling                                       |                   | (0.01)        |
| <b>Total amount recognised in other comprehensive income</b>   |                   | <b>1.52</b>   |
| Employer contributions : Benefit payments                      |                   | (0.20)        |
| <b>Balance as at March 31, 2020</b>                            |                   | <b>10.04</b>  |
| <b>Balance as at March 31, 2020</b>                            |                   | <b>10.04</b>  |
| Current service cost                                           |                   | 1.26          |
| Interest expense/(Income)                                      |                   | 0.68          |
| Expected return on plan assets                                 |                   | (0.05)        |
| <b>Total amount recognised in profit or loss</b>               |                   | <b>1.89</b>   |
| Add / (less): Transfer to subsidiary (note (ii) below)         |                   | (0.09)        |
| <i>Remeasurements</i>                                          |                   |               |
| effect of change in financial assumptions                      |                   | (0.42)        |
| effect of change in demographic assumptions                    |                   | -             |
| effect of experience adjustments                               |                   | (1.08)        |
| changes in asset ceiling                                       |                   | 0.01          |
| <b>Total amount recognised in other comprehensive income</b>   |                   | <b>(1.49)</b> |
| Employer contributions : Benefit payments                      |                   | (0.60)        |
| <b>Balance as at March 31, 2021</b>                            |                   | <b>9.75</b>   |

(i)

The Company completed the acquisition of a production unit (located at Chegunta, Hyderabad) of M/s Taurus Value Steel & Pipes Private Limited ("Taurus") on May 27, 2019 along with its employees (see note 46). The Company has carried out actuarial valuation of such employees. Further Taurus has transferred gratuity fund of such employees to the APL Apollo Tubes Limited Employee Group Gratuity Trust and accordingly gratuity liability in the Company has been recognised.

(ii)

The Company has transferred some employees on payroll of APL Apollo Tubes Limited to Apollo Building Products Private Limited, (a wholly owned subsidiary of the Company). Accordingly, corresponding liability has been transferred to the Apollo Building Products Private Limited.



(d) Movement of Plan Assets

| Particulars                    | (Rupees in crore)            |                              |
|--------------------------------|------------------------------|------------------------------|
|                                | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Opening balance                | 0.69                         |                              |
| Contribution by the employer   | 1.00                         | 0.66                         |
| Expected return on plan assets | 0.04                         | -                            |
| Actuarial gains / loss         | (0.01)                       | 0.01                         |
| Benefits paid                  | (0.33)                       | -                            |
| Closing balance                | <u>1.39</u>                  | <u>0.69</u>                  |

(e) Net asset / (liability) recognised in the Balance Sheet

| Particulars                                          | (Rupees in crore)            |                              |
|------------------------------------------------------|------------------------------|------------------------------|
|                                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Present value of defined benefit obligation          | 9.75                         | 10.04                        |
| Less : Fair value of plan assets                     | 1.39                         | 0.69                         |
| <b>Funded status- Surplus / (Deficit)</b>            | <b>(8.36)</b>                | <b>(9.35)</b>                |
| Unrecognised past service costs                      | -                            | -                            |
| <b>Net liability recognised in the Balance Sheet</b> | <b>(8.36)</b>                | <b>(9.35)</b>                |

(f) Category of assets

|                          |         |         |
|--------------------------|---------|---------|
| Funds managed by Insurer | 100.00% | 100.00% |
|--------------------------|---------|---------|

(g) Post-Employment benefits

The significant actuarial assumptions were as follows:

| Particulars               | Year ended<br>March 31, 2021              | Year ended<br>March 31, 2020              |
|---------------------------|-------------------------------------------|-------------------------------------------|
| Discount rate             | 7.09%                                     | 6.77%                                     |
| Salary growth rate        | 8.00%                                     | 8.00%                                     |
| Expected Return on Assets | 6.77%                                     | -                                         |
| Retirement age            | 60 Years                                  | 60 Years                                  |
| Mortality                 | Indian Assured Lives<br>Mortality 2012-14 | Indian Assured Lives<br>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.
- (h) The Company expects to make a contribution of Rupees 9.83 crores (March 31, 2020: Rupees 11.02 crores) to the defined benefit plans during the next financial year.

(i) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

|                                     | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (increase by 1%)      | (1.17)                       | (1.30)                       |
| Salary growth rate (increase by 1%) | 1.39                         | 1.52                         |

|                                     | (Rupees in crore)            |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Gratuity</b>                     |                              |                              |
| Discount rate (decrease by 1%)      | 1.42                         | 1.56                         |
| Salary growth rate (decrease by 1%) | (1.17)                       | (1.29)                       |

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.

(j) 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.

**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.





**(k) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 16.95 years (March 31, 2020 : 17.65 years).  
The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars         | (Rupees in crore)            |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Less than a year    | 0.38                         | 0.18                         |
| Between 1 - 1 years | 0.28                         | 0.37                         |
| Between 2 - 3 years | 0.44                         | 0.42                         |
| Between 3 - 4 years | 0.67                         | 0.57                         |
| Between 4 - 5 years | 0.75                         | 0.71                         |
| Beyond 5 years      | 6.01                         | 6.48                         |
| <b>Total</b>        | <b>8.53</b>                  | <b>8.71</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).

(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 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 Rupees 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 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 Rupees 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 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 Rupees 1,633.05 and Rupees 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 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 Rupees 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 is 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 has been determined at Rupees 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<br>(before giving effect of share split) | Grant Date        | Expiry Date      | Exercise Price<br>(see note below) | Fair Value at grant date |
|--------------------------------------------------------------------|-------------------|------------------|------------------------------------|--------------------------|
|                                                                    |                   |                  | (Amount in Rupees)                 | (Amount in Rupees)       |
| 7,24,000                                                           | 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 Rupees 1,633.05 and Rupees 2,124.10 respectively. The exercise price of these options has been reduced in previous year (See note (a) (vi) above).

**(c) Fair value option granted/ modified**

(i) No options granted during the year. The weighted average fair value of the share options granted in previous year is Rupees 466.08. Options were priced using Black Scholes Model. Basis of valuation of option granted during previous year March 31, 2020 are as follows :

|                                                              | Grant on November 9,<br>2019 |
|--------------------------------------------------------------|------------------------------|
| Grant date share price (before giving effect of share split) | 1,438.55                     |
| Exercise Price (before giving effect of share split)         | 1,438.55                     |
| Expected volatility                                          | 33.33%-34.97%                |
| Option Life                                                  | 3-4.5                        |
| Dividend yield                                               | 0.80%                        |
| Risk-free Interest Rate                                      | 6.07%-6.37%                  |





- (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 was determined at Rupees 131.46 and Rupees 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 will continue to be recognised as if the terms had not been modified.

The incremental fair value of the options has been determined using the Black Scholes Model with the following model inputs :

|                                                                     | Original Grant on<br>September 9, 2017 | Original Grant on<br>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%                           |

- (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, 2021 |                                                          | Year ended March 31, 2020 |                                                          |
|--------------------------------------------|---------------------------|----------------------------------------------------------|---------------------------|----------------------------------------------------------|
|                                            | Number of options         | Weighted Average<br>Exercise Price<br>(Amount in Rupees) | Number of options         | Weighted Average<br>Exercise Price<br>(Amount in Rupees) |
| Balance at the beginning of the year       | 1,083,740#                | 283.46                                                   | 1,365,615                 | 241.54                                                   |
| Granted during the year                    | -                         | -                                                        | 4,75,000                  | 287.71                                                   |
| Vested during the year                     | 254,375                   | 281.07                                                   | 740,985                   | 134.24                                                   |
| Lapsed during the year                     | 94,815                    | -                                                        | 1,63,705                  | -                                                        |
| Forfeited during the year                  | -                         | -                                                        | -                         | -                                                        |
| Exercised during the year                  | 5,50,925                  | 279.34                                                   | 5,93,170                  | 92.22                                                    |
| Expired during the year                    | -                         | -                                                        | -                         | -                                                        |
| Options outstanding at the end of the year | 438,000\$                 | 287.71                                                   | 1,083,740#                | 283.46                                                   |
| Options available for grant                | 1,09,180                  | -                                                        | 14,365                    | -                                                        |

- # As at March 31, 2020, 314,835 options were vested but not exercised.  
\$ As at March 31, 2021, 10,500 options were vested but not exercised.

- (e) **Share option exercised (see note (f) below) :**

| Share option exercised during the year ended March 31, 2021         | Number exercised/allotted | Exercise/Allotment date | Share Price at exercise/allotment date<br>Rupees |
|---------------------------------------------------------------------|---------------------------|-------------------------|--------------------------------------------------|
| Granted on January 28, 2017, February 05, 2018 & September 09, 2017 | 2,81,820                  | August 31, 2020         | 480.62                                           |
| Granted on September 09, 2017                                       | 60,355                    | October 22, 2020        | 592.45                                           |
| Granted on November 9, 2019                                         | 59,375                    | November 19, 2020       | 646.98                                           |
| Granted on November 9, 2019                                         | 37,500                    | December 31, 2020       | 883.00                                           |
| Granted on February 05, 2018                                        | 87,500                    | March 2, 2021           | 1,157.40                                         |
| Granted on January 28, 2017                                         | 24,375                    | March 18, 2021          | 1,219.60                                         |

| Share option exercised during the year ended March 31, 2020 | Number exercised/allotted | Exercise/Allotment date | Share Price at exercise/allotment date<br>Rupees |
|-------------------------------------------------------------|---------------------------|-------------------------|--------------------------------------------------|
| Granted on July 28, 2015                                    | 5,84,420                  | December 4, 2019        | 314.58                                           |
| Granted on January 28, 2017                                 | 8,750                     | March 30, 2020          | 244.87                                           |

- (f) Disclosures for March 31, 2021 and March 31, 2020 have been made after giving effect to the share split. See note 15(a)(5) 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 Rupees 3.27 crore (net of amount cross charged to subsidiaries) (March 31, 2020 Rupees 3.68 crore).
- (h) No option expired during the year.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

|            |                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>41</b>  | <b>Related party transaction :</b>                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>(a)</b> | <b>Details of related parties :</b>                                                                                       | <b>Name of related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                            |
| (i)        | Subsidiaries                                                                                                              | Apollo Metalex Private Limited<br>Shri Lakshmi Metal Udyog Limited<br>Blue Ocean Projects Private Limited<br>APL Apollo Building Products Private Limited<br>APL Apollo Tubes FZE                                                                                                                                                                                                                                                         |
| (ii)       | Step-down subsidiary                                                                                                      | Apollo Tricoat Tubes Limited (w.e.f. June 17, 2019)                                                                                                                                                                                                                                                                                                                                                                                       |
| (iii)      | Key Management Personnel (KMP) (with whom transactions have taken place during the year)                                  | Mr. Sanjay Gupta (Chairman) & (Managing Director w.e.f. November 11, 2019)<br>Mr. Ashok Kumar Gupta (Managing Director till November 11, 2019)<br>Mr. Romi Sehgal (Whole Time Director till July 1, 2018)<br>Mr. Romi Sehgal (Director w.e.f. July 1, 2018)<br>Mr. Deepak Goyal (Chief Financial Officer)<br>Mr. Adhish Swaroop (Company Secretary till September 30, 2019)<br>Mr. Deepak C S (Company Secretary w.e.f. January 25, 2020) |
| (iv)       | Relative of KMP (with whom transactions have taken place during the year)                                                 | Mrs. Saroj Rani Gupta (Mother of Mr. Sanjay Gupta)<br>Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta)<br>Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)<br>Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)<br>Mrs. Veera Gupta (Wife of Mr. Ashok Kumar Gupta)                                                                                                                                                                                        |
| (v)        | Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year) | APL Infrastructure Private Limited<br>Apollo Pipes Limited<br>Apollo Tricoat Tubes Limited (till June 16, 2019)                                                                                                                                                                                                                                                                                                                           |

(Rupees in crore)

| Particulars                                          | Subsidiaries                     | Step-down subsidiary            | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                            |
|------------------------------------------------------|----------------------------------|---------------------------------|--------------------------------|------------------|-----------------------------------------------------------------|----------------------------------|
| <b>(b) Transactions during the year</b>              |                                  |                                 |                                |                  |                                                                 |                                  |
| <b>Sale of goods (net of discounts)</b>              |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 55.91<br>(62.79)                 | -                               | -                              | -                | -                                                               | 55.91<br>(62.79)                 |
| Shri Lakshmi Metal Udyog Limited                     | 48.93<br>(35.21)                 | -                               | -                              | -                | -                                                               | 48.93<br>(35.21)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 0.96<br>(0.95)                                                  | 0.96<br>(0.95)                   |
| APL Apollo Building Products Private Limited         | 0.55<br>(-)                      | -                               | -                              | -                | -                                                               | 0.55<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 42.86<br>(14.34)                | -                              | -                | -                                                               | 42.86<br>(14.34)                 |
|                                                      | <b>105.39</b><br><b>(98.00)</b>  | <b>42.86</b><br><b>(14.34)</b>  | <b>-</b>                       | <b>-</b>         | <b>0.96</b><br><b>(3.52)</b>                                    | <b>149.21</b><br><b>(115.86)</b> |
| <b>Sale of scrap (other operating revenue)</b>       |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 0.05<br>(0.72)                   | -                               | -                              | -                | -                                                               | 0.05<br>(0.72)                   |
| APL Apollo Building Products Private Limited         | 0.44<br>(-)                      | -                               | -                              | -                | -                                                               | 0.44<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 0.63<br>(0.52)                  | -                              | -                | -                                                               | 0.63<br>(0.91)                   |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 0.03<br>(-)                                                     | 0.03<br>(-)                      |
|                                                      | <b>0.49</b><br><b>(0.72)</b>     | <b>0.63</b><br><b>(0.52)</b>    | <b>-</b>                       | <b>-</b>         | <b>0.03</b><br><b>(0.39)</b>                                    | <b>1.15</b><br><b>(1.63)</b>     |
| <b>Sale of property, plant and equipments</b>        |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | (0.84)<br>0.16                   | -                               | -                              | -                | -                                                               | (0.84)<br>0.16                   |
| APL Apollo Building Products Private Limited         | (-)                              | -                               | -                              | -                | -                                                               | (-)                              |
| Apollo Tricoat Tubes Limited                         | -                                | 4.87<br>(1.46)                  | -                              | -                | -                                                               | 4.87<br>(1.12)                   |
|                                                      | <b>0.16</b><br><b>(0.84)</b>     | <b>4.87</b><br><b>(1.46)</b>    | <b>-</b>                       | <b>-</b>         | <b>0.66</b><br><b>(0.66)</b>                                    | <b>5.03</b><br><b>(2.96)</b>     |
| <b>Sale of licenses</b>                              |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Tricoat Tubes Limited                         | -                                | (0.20)                          | -                              | -                | -                                                               | (0.20)                           |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 1.42<br>(0.41)                                                  | 1.42<br>(0.41)                   |
|                                                      | <b>-</b>                         | <b>(0.20)</b>                   | <b>-</b>                       | <b>-</b>         | <b>1.42</b><br><b>(0.41)</b>                                    | <b>1.42</b><br><b>(0.61)</b>     |
| <b>Purchase of property, plant and equipments</b>    |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Pipes Limited                                 | (-)                              | (-)                             | (-)                            | (-)              | 0.01<br>(-)                                                     | 0.01<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | (-)                              | 6.64<br>(0.05)                  | (-)                            | (-)              | -                                                               | 6.64<br>(0.05)                   |
|                                                      | <b>(-)</b>                       | <b>6.64</b><br><b>(0.05)</b>    | <b>(-)</b>                     | <b>(-)</b>       | <b>0.01</b><br><b>(-)</b>                                       | <b>6.65</b><br><b>(0.05)</b>     |
| <b>Purchase of stock-in-trade (net of discounts)</b> |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 350.92<br>(286.70)               | -                               | -                              | -                | -                                                               | 350.92<br>(286.70)               |
| Shri Lakshmi Metal Udyog Limited                     | 49.82<br>(15.51)                 | -                               | -                              | -                | -                                                               | 49.82<br>(15.51)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | 2.72<br>(-)                                                     | 2.72<br>(-)                      |
| Apollo Tricoat Tubes Limited                         | -                                | 220.23<br>(99.79)               | -                              | -                | -                                                               | 220.23<br>(113.66)               |
|                                                      | <b>400.74</b><br><b>(302.21)</b> | <b>220.23</b><br><b>(99.79)</b> | <b>-</b>                       | <b>-</b>         | <b>2.72</b><br><b>(13.87)</b>                                   | <b>623.69</b><br><b>(415.87)</b> |
| <b>Purchase of raw material (net of discounts)</b>   |                                  |                                 |                                |                  |                                                                 |                                  |
| Apollo Metalex Private Limited                       | 18.90<br>(36.29)                 | -                               | -                              | -                | -                                                               | 18.90<br>(36.29)                 |
| Shri Lakshmi Metal Udyog Limited                     | 94.08<br>(35.46)                 | -                               | -                              | -                | -                                                               | 94.08<br>(35.46)                 |
| Apollo Tricoat Tubes Limited                         | -                                | 82.57<br>(24.65)                | -                              | -                | -                                                               | 82.57<br>(24.65)                 |
| Apollo Pipes Limited                                 | -                                | -                               | -                              | -                | (3.68)                                                          | (3.68)                           |
|                                                      | <b>112.98</b><br><b>(71.75)</b>  | <b>82.57</b><br><b>(24.65)</b>  | <b>-</b>                       | <b>-</b>         | <b>(3.68)</b>                                                   | <b>195.55</b><br><b>(100.08)</b> |





(Rupees in crore)

| Particulars                                                       | Subsidiaries                   | Step-down subsidiary         | Key Management Personnel (KMP) | Relatives of KMP             | Enterprises significantly influenced by KMP and their relatives | Total                          |
|-------------------------------------------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|-----------------------------------------------------------------|--------------------------------|
| <b>Purchase of scrap</b>                                          |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 11.73<br>(12.85)               | -                            | -                              | -                            | -                                                               | 11.73<br>(12.85)               |
| Shri Lakshmi Metal Udyog Limited                                  | 1.92<br>(3.16)                 | -                            | -                              | -                            | -                                                               | 1.92<br>(3.16)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.96<br>(5.15)               | -                              | -                            | (2.61)                                                          | 2.97<br>(8.76)                 |
|                                                                   | <b>13.65</b><br><b>(16.01)</b> | <b>2.96</b><br><b>(6.15)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>(2.61)</b><br><b>(2.61)</b>                                  | <b>16.61</b><br><b>(24.77)</b> |
| <b>Job Work</b>                                                   |                                |                              |                                |                              |                                                                 |                                |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.78<br>(-)                  | -                              | -                            | -                                                               | 0.78<br>(-)                    |
|                                                                   | <b>(-)</b>                     | <b>0.78</b><br><b>(-)</b>    | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.78</b><br><b>(-)</b>      |
| <b>Rent paid</b>                                                  |                                |                              |                                |                              |                                                                 |                                |
| APL Infrastructure Private Limited                                | -                              | -                            | -                              | -                            | 0.06<br>(0.06)                                                  | 0.06<br>(0.06)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.24<br>(0.10)               | -                              | -                            | (0.01)                                                          | 0.24<br>(0.11)                 |
| Apollo Pipes Limited                                              | -                              | -                            | -                              | -                            | 0.14<br>(-)                                                     | 0.14<br>(-)                    |
| Apollo Metalex Private Limited                                    | 0.41<br>(0.17)                 | -                            | -                              | -                            | -                                                               | 0.41<br>(0.17)                 |
| Mrs. Neera Gupta                                                  | -                              | -                            | -                              | 0.02<br>(0.02)               | -                                                               | 0.02<br>(0.02)                 |
| Mrs. Vandana Gupta                                                | -                              | -                            | -                              | 0.02<br>(0.02)               | -                                                               | 0.02<br>(0.02)                 |
|                                                                   | <b>0.41</b><br><b>(0.17)</b>   | <b>0.24</b><br><b>(0.10)</b> | <b>-</b><br><b>-</b>           | <b>0.04</b><br><b>(0.04)</b> | <b>0.20</b><br><b>(0.07)</b>                                    | <b>0.89</b><br><b>(0.38)</b>   |
| <b>Interest expense</b>                                           |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 5.62<br>(-)                    | -                            | -                              | -                            | -                                                               | 5.62<br>(-)                    |
|                                                                   | <b>5.62</b><br><b>(-)</b>      | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>5.62</b><br><b>(-)</b>      |
| <b>Interest income</b>                                            |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 0.19<br>(0.23)                 | -                            | -                              | -                            | -                                                               | 0.19<br>(0.23)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.02<br>(1.73)               | -                              | -                            | -                                                               | 2.02<br>(1.73)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 10.23<br>(8.42)                | -                            | -                              | -                            | -                                                               | 10.23<br>(8.42)                |
| APL Apollo Building Products Private Limited                      | 0.20<br>(-)                    | -                            | -                              | -                            | -                                                               | 0.20<br>(-)                    |
| Blue Ocean Projects Private Limited                               | -                              | -                            | -                              | -                            | -                                                               | -                              |
|                                                                   | <b>(0.09)</b>                  | <b>(-)</b>                   | <b>-</b>                       | <b>(-)</b>                   | <b>(-)</b>                                                      | <b>(0.09)</b>                  |
|                                                                   | <b>10.62</b><br><b>(8.74)</b>  | <b>2.02</b><br><b>(1.73)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>12.64</b><br><b>(10.47)</b> |
| <b>Allocation of common expenses (Income of the Company)</b>      |                                |                              |                                |                              |                                                                 |                                |
| <b>(a) Employee benefit expenses:</b>                             |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 2.75<br>(3.65)                 | -                            | -                              | -                            | -                                                               | 2.75<br>(3.65)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 1.52<br>(1.76)               | -                              | -                            | -                                                               | 1.52<br>(1.76)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 1.56<br>(2.03)                 | -                            | -                              | -                            | -                                                               | 1.56<br>(2.03)                 |
|                                                                   | <b>4.31</b><br><b>(5.68)</b>   | <b>1.52</b><br><b>(1.76)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>5.83</b><br><b>(7.44)</b>   |
| <b>(b) Expenses incurred by Company on behalf of</b>              |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 4.42<br>(8.44)                 | -                            | -                              | -                            | -                                                               | 4.42<br>(8.44)                 |
| Apollo Tricoat Tubes Limited                                      | -                              | 2.45<br>(2.96)               | -                              | -                            | -                                                               | 2.45<br>(2.96)                 |
| Shri Lakshmi Metal Udyog Limited                                  | 2.51<br>(4.71)                 | -                            | -                              | -                            | -                                                               | 2.51<br>(4.71)                 |
|                                                                   | <b>6.93</b><br><b>(13.15)</b>  | <b>2.45</b><br><b>(2.96)</b> | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>9.38</b><br><b>(16.11)</b>  |
| <b>(c) Share based expense incurred by Company on behalf of</b>   |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | 0.09<br>(-)                    | -                            | -                              | -                            | -                                                               | 0.09<br>(-)                    |
| Shri Lakshmi Metal Udyog Limited                                  | 0.02<br>(0.07)                 | -                            | -                              | -                            | -                                                               | 0.02<br>(0.07)                 |
|                                                                   | <b>0.11</b><br><b>(0.07)</b>   | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.11</b><br><b>(0.07)</b>   |
| <b>(d) Share based income incurred by Company on behalf of</b>    |                                |                              |                                |                              |                                                                 |                                |
| Apollo Metalex Private Limited                                    | (0.07)                         | -                            | -                              | -                            | -                                                               | (0.07)                         |
|                                                                   | <b>(0.07)</b>                  | <b>-</b>                     | <b>-</b>                       | <b>-</b>                     | <b>-</b>                                                        | <b>(0.07)</b>                  |
| <b>(e) Allocation of common expenses (expense of the Company)</b> |                                |                              |                                |                              |                                                                 |                                |
| Shri Lakshmi Metal Udyog Limited                                  | (1.84)                         | -                            | -                              | -                            | -                                                               | (1.84)                         |
| Apollo Tricoat Tubes Limited                                      | -                              | 0.31<br>(-)                  | -                              | -                            | -                                                               | 0.31<br>(-)                    |
|                                                                   | <b>(1.84)</b>                  | <b>0.31</b><br><b>(-)</b>    | <b>-</b><br><b>-</b>           | <b>-</b><br><b>-</b>         | <b>-</b><br><b>-</b>                                            | <b>0.31</b><br><b>(1.84)</b>   |
| <b>Salary</b>                                                     |                                |                              |                                |                              |                                                                 |                                |
| Mr. Sanjay Gupta                                                  | -                              | -                            | 3.50<br>(3.50)                 | -                            | -                                                               | 3.50<br>(3.50)                 |
| Mr. Ashok Kumar Gupta                                             | -                              | -                            | (1.53)                         | -                            | -                                                               | (1.53)                         |
| Mr. Deepak Goyal                                                  | -                              | -                            | 2.58<br>(1.49)                 | -                            | -                                                               | 2.58<br>(1.49)                 |
| Mr. Adhish Swaroop                                                | -                              | -                            | (0.12)                         | -                            | -                                                               | (0.12)                         |
| Mr. Deepak C S                                                    | -                              | -                            | 0.23<br>(-)                    | -                            | -                                                               | 0.23<br>(-)                    |
|                                                                   | <b>(-)</b>                     | <b>(-)</b>                   | <b>6.31</b><br><b>(6.72)</b>   | <b>(-)</b><br><b>(-)</b>     | <b>(-)</b><br><b>(-)</b>                                        | <b>6.31</b><br><b>(6.72)</b>   |



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

(Rupees in crore)

| Particulars                                                         | Subsidiaries | Step-down subsidiary | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total    |
|---------------------------------------------------------------------|--------------|----------------------|--------------------------------|------------------|-----------------------------------------------------------------|----------|
| <b>Dividend paid</b>                                                |              |                      |                                |                  |                                                                 |          |
| APL Infrastructure Private Limited                                  | -            | -                    | -                              | -                | -                                                               | -        |
| Mr. Romi Sehgal                                                     | (-)          | (-)                  | (-)                            | (-)              | (11.80)                                                         | (11.80)  |
| Mr. Deepak Goyal                                                    | (-)          | (-)                  | (0.02)                         | (-)              | (-)                                                             | (0.02)   |
| Mrs. Veera Gupta                                                    | (-)          | (-)                  | (0.01)                         | (-)              | (-)                                                             | (0.01)   |
|                                                                     | (-)          | (-)                  | (0.83)                         | (-)              | (-)                                                             | (0.83)   |
|                                                                     | (-)          | (-)                  | (0.86)                         | (-)              | (11.80)                                                         | (12.66)  |
| <b>Loans taken during the year</b>                                  |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | 100.00       | -                    | -                              | -                | -                                                               | 100.00   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
|                                                                     | 100.00       | (-)                  | (-)                            | (-)              | (-)                                                             | 100.00   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| <b>Loans given during the year</b>                                  |              |                      |                                |                  |                                                                 |          |
| Shri Lakshmi Metal Udyog Limited                                    | 45.00        | -                    | -                              | -                | -                                                               | 45.00    |
|                                                                     | (150.00)     | (-)                  | (-)                            | (-)              | (-)                                                             | (150.00) |
| APL Apollo Building Products Private Limited                        | 7.13         | -                    | -                              | -                | -                                                               | 7.13     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| Blue Ocean Projects Private Limited                                 | 0.16         | -                    | -                              | -                | -                                                               | 0.16     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (-)                                                             | (-)      |
| Apollo Tricoat Tubes Limited                                        | -            | 66.00                | -                              | -                | -                                                               | 66.00    |
|                                                                     | (-)          | (200.00)             | (-)                            | (-)              | (-)                                                             | (200.00) |
|                                                                     | 52.29        | 66.00                | (-)                            | (-)              | (-)                                                             | 118.29   |
|                                                                     | (150.00)     | (200.00)             | (-)                            | (-)              | (-)                                                             | (350.00) |
| <b>Loans received back during the year</b>                          |              |                      |                                |                  |                                                                 |          |
| Shri Lakshmi Metal Udyog Limited                                    | 20.00        | -                    | -                              | -                | -                                                               | 20.00    |
|                                                                     | (75.00)      | (-)                  | (-)                            | (-)              | (-)                                                             | (75.00)  |
| Apollo Tricoat Tubes Limited                                        | -            | 66.00                | -                              | -                | -                                                               | 66.00    |
|                                                                     | (-)          | (200.00)             | (-)                            | (-)              | (-)                                                             | (200.00) |
|                                                                     | 20.00        | 66.00                | (-)                            | (-)              | (-)                                                             | 86.00    |
|                                                                     | (75.00)      | (200.00)             | (-)                            | (-)              | (-)                                                             | (275.00) |
| <b>Advances from customers</b>                                      |              |                      |                                |                  |                                                                 |          |
| APL Apollo Tubes FZE                                                | 19.85        | -                    | -                              | -                | -                                                               | 19.85    |
|                                                                     | (1.41)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.41)   |
|                                                                     | 19.85        | (-)                  | (-)                            | (-)              | (-)                                                             | 19.85    |
|                                                                     | (1.41)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.41)   |
| <b>Issue of equity share capital (including securities premium)</b> |              |                      |                                |                  |                                                                 |          |
| APL Infrastructure Private Limited                                  | -            | -                    | -                              | -                | -                                                               | -        |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (172.00)                                                        | (172.00) |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (172.00)                                                        | (172.00) |
| <b>Investment in equity share capital</b>                           |              |                      |                                |                  |                                                                 |          |
| APL Apollo Tubes FZE                                                | 19.75        | -                    | -                              | -                | -                                                               | 19.75    |
|                                                                     | (1.90)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.90)   |
| APL Apollo Building Products Private Limited                        | 105.69       | -                    | -                              | -                | -                                                               | 105.69   |
|                                                                     | (0.01)       | (-)                  | (-)                            | (-)              | (-)                                                             | (0.01)   |
| Blue Ocean Projects Private Limited                                 | 4.82         | -                    | -                              | -                | -                                                               | 4.82     |
|                                                                     | (1.04)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.04)   |
|                                                                     | 130.26       | (-)                  | (-)                            | (-)              | (-)                                                             | 130.26   |
|                                                                     | (2.94)       | (-)                  | (-)                            | (-)              | (-)                                                             | (2.94)   |
| <b>(c) Balances outstanding at the end of the year</b>              |              |                      |                                |                  |                                                                 |          |
| <b>Trade receivables</b>                                            |              |                      |                                |                  |                                                                 |          |
| Apollo Pipes Limited                                                | -            | -                    | -                              | -                | -                                                               | -        |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (0.33)                                                          | (0.33)   |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (0.33)                                                          | (0.33)   |
| <b>Claim Receivable</b>                                             |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | 4.05         | -                    | -                              | -                | -                                                               | 4.05     |
|                                                                     | (13.77)      | (-)                  | (-)                            | (-)              | (-)                                                             | (13.77)  |
| Apollo Tricoat Tubes Limited                                        | -            | 2.09                 | -                              | -                | -                                                               | 2.09     |
|                                                                     | (-)          | (8.42)               | (-)                            | (-)              | (-)                                                             | (8.42)   |
| Shri Lakshmi Metal Udyog Limited                                    | 1.41         | -                    | -                              | -                | -                                                               | 1.41     |
|                                                                     | (1.06)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.06)   |
|                                                                     | 5.46         | 2.09                 | (-)                            | (-)              | (-)                                                             | 7.55     |
|                                                                     | (14.82)      | (8.42)               | (-)                            | (-)              | (-)                                                             | (23.25)  |
| <b>Expenses payable</b>                                             |              |                      |                                |                  |                                                                 |          |
| Apollo Metalex Private Limited                                      | (1.25)       | (-)                  | (-)                            | (-)              | (-)                                                             | (1.25)   |
|                                                                     | -            | 0.45                 | (-)                            | (-)              | (-)                                                             | 0.45     |
| Apollo Tricoat Tubes Limited                                        | (-)          | (0.33)               | (-)                            | (-)              | (-)                                                             | (0.33)   |
| Shri Lakshmi Metal Udyog Private Limited                            | 0.49         | (-)                  | (-)                            | (-)              | (-)                                                             | 0.49     |
|                                                                     | (3.37)       | (-)                  | (-)                            | (-)              | (-)                                                             | (3.37)   |
|                                                                     | 0.49         | 0.45                 | (-)                            | (-)              | (-)                                                             | 0.94     |
|                                                                     | (4.62)       | (0.33)               | (-)                            | (-)              | (-)                                                             | (4.95)   |
| <b>Security deposits given</b>                                      |              |                      |                                |                  |                                                                 |          |
| Mrs. Neera Gupta                                                    | -            | -                    | -                              | 3.00             | -                                                               | 3.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (3.00)           | (-)                                                             | (3.00)   |
| Mrs. Vandana Gupta                                                  | (-)          | (-)                  | (-)                            | 3.00             | (-)                                                             | 3.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (3.00)           | (-)                                                             | (3.00)   |
| APL Infrastructure Private Limited                                  | (-)          | (-)                  | (-)                            | (-)              | 5.00                                                            | 5.00     |
|                                                                     | (-)          | (-)                  | (-)                            | (-)              | (5.00)                                                          | (5.00)   |
|                                                                     | (-)          | (-)                  | (-)                            | 6.00             | 5.00                                                            | 11.00    |
|                                                                     | (-)          | (-)                  | (-)                            | (6.00)           | (5.00)                                                          | (11.00)  |





(Rupees in crore)

| Particulars                                    | Subsidiaries                    | Step-down subsidiary         | Key Management Personnel (KMP) | Relatives of KMP | Enterprises significantly influenced by KMP and their relatives | Total                           |
|------------------------------------------------|---------------------------------|------------------------------|--------------------------------|------------------|-----------------------------------------------------------------|---------------------------------|
| <b>Interest receivable</b>                     |                                 |                              |                                |                  |                                                                 |                                 |
| Shri Lakshmi Metal Udyog Limited               | 2.44<br>(1.65)                  | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 2.44<br>(1.65)                  |
| Apollo Tricoat Tubes Limited                   | -<br>(-)                        | 0.04<br>(0.28)               | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.04<br>(0.28)                  |
| Blue Ocean Projects Private Limited            | (0.03)                          | (-)                          | (-)                            | (-)              | (-)                                                             | (0.03)                          |
|                                                | <b>2.44</b><br><b>(1.68)</b>    | <b>0.04</b><br><b>(0.28)</b> | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>2.48</b><br><b>(1.96)</b>    |
| <b>Interest Payable</b>                        |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 1.94<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 1.94<br>(-)                     |
|                                                | <b>1.94</b><br><b>(-)</b>       | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>1.94</b><br><b>(-)</b>       |
| <b>Advance recoverable</b>                     |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | (5.16)                          | (-)                          | (-)                            | (-)              | (-)                                                             | (5.16)                          |
| Apollo Tricoat Tubes Limited                   | (-)                             | 8.76<br>(-)                  | (-)                            | (-)              | (-)                                                             | 8.76<br>(-)                     |
|                                                | <b>(5.16)</b>                   | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>8.76</b><br><b>(5.16)</b>    |
| <b>Loans receivable</b>                        |                                 |                              |                                |                  |                                                                 |                                 |
| Shri Lakshmi Metal Udyog Limited               | 100.00<br>(75.00)               | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 100.00<br>(75.00)               |
| APL Apollo Building Products Private Limited   | 7.13<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 7.13<br>(-)                     |
| Blue Ocean Projects Private Limited            | 0.16<br>(-)                     | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 0.16<br>(-)                     |
|                                                | <b>107.29</b><br><b>(75.00)</b> | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>107.29</b><br><b>(75.00)</b> |
| <b>Loans payable</b>                           |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 100.00<br>(-)                   | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 100.00<br>(-)                   |
|                                                | <b>100.00</b><br><b>(-)</b>     | <b>(-)</b>                   | <b>(-)</b>                     | <b>(-)</b>       | <b>(-)</b>                                                      | <b>100.00</b><br><b>(-)</b>     |
| <b>Trade payables</b>                          |                                 |                              |                                |                  |                                                                 |                                 |
| Apollo Metalex Private Limited                 | 40.82<br>(-)                    | -<br>(-)                     | -<br>(-)                       | -<br>(-)         | -<br>(-)                                                        | 40.82<br>(-)                    |
| Shri Lakshmi Metal Udyog Limited               | 17.83<br>(9.23)                 | (-)                          | (-)                            | (-)              | (-)                                                             | 17.83<br>(9.23)                 |
| Apollo Pipes Limited                           | 0.05<br>(-)                     | (-)                          | (-)                            | (-)              | (-)                                                             | 0.05<br>(-)                     |
| Apollo Tricoat Tubes Limited                   | (-)                             | (1.17)                       | (-)                            | (-)              | (-)                                                             | (-)                             |
| Mr. Sanjay Gupta                               | (-)                             | (-)                          | 0.19<br>(0.19)                 | (-)              | (-)                                                             | 0.19<br>(0.19)                  |
| Mr. Deepak Goyal (net of advances recoverable) | (-)                             | (-)                          | 0.01<br>(0.02)                 | (-)              | (-)                                                             | 0.01<br>(0.02)                  |
| Mr. Deepak C S (net of advances recoverable)   | (-)                             | (-)                          | 0.01<br>(0.01)                 | (-)              | (-)                                                             | 0.01<br>(0.01)                  |
|                                                | <b>58.70</b><br><b>(9.23)</b>   | <b>(1.17)</b>                | <b>(0.22)</b>                  | <b>(-)</b>       | <b>(-)</b>                                                      | <b>58.91</b><br><b>(10.62)</b>  |

**Notes :**

- (i) Figures in the bracket relates to previous year ended March 31, 2020.  
(ii) Amount of expense of gratuity and compensated absences is taken on actuarial basis.  
(iii) 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.  
(iv) The Company has given corporate guarantees on behalf of its three subsidiaries i.e. Apollo Metalex Private Limited, Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited for loans and credit facilities taken by them from banks and financial institutions. The loan outstanding as at March 31, 2021 of Apollo Metalex Private Limited is Rupees 70.43 crore (March 31, 2020 Rupees 90.01 crore), Shri Lakshmi Metal Udyog Limited is Rupees Nil crore (March 31, 2020 Rupees 67.28 crore) and Apollo Tricoat Tubes Limited is Rupees 52.03 crore (March 31, 2020 Rupees 112.56 crore).

**42 Income tax expense**

The reconciliation of estimated income tax to income tax expense is as below :-

| Particulars                                                                                             | (Rupees in crore)            |                              |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                         | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Profit before tax as per standalone statement of profit and loss</b>                                 | <b>205.01</b>                | <b>113.79</b>                |
| Income tax expenses calculated as per tax rates of Income tax act of 25.168% (March 31, 2020 : 25.168%) | 51.60                        | 28.84                        |
| (i) Items not deductible                                                                                | (1.12)                       | (1.73)                       |
| (ii) Reversal of deferred tax liabilities as at March 31, 2019 (see note below)                         | -                            | (26.57)                      |
| (iii) Income tax / deferred tax expense / (credit) of earlier year                                      | 0.75                         | (1.56)                       |
| <b>Tax expense as reported</b>                                                                          | <b>51.23</b>                 | <b>(1.22)</b>                |

**Note i**

The Company during the previous year elected to be assessed at lower tax rate of 25.168% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 26.57 crores on account of remeasurement of deferred tax liability as at March 31, 2019.



**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, 2021 and March 31, 2020 :-

| Particulars                                                  | (Rupees in crore)    |             |                 |                      |             |                 |
|--------------------------------------------------------------|----------------------|-------------|-----------------|----------------------|-------------|-----------------|
|                                                              | As at March 31, 2021 |             |                 | As at March 31, 2020 |             |                 |
|                                                              | FVTPL                | FVTOCI      | Amortised cost  | FVTPL                | FVTOCI      | Amortised cost  |
| <b>Financial assets - Non Current</b>                        |                      |             |                 |                      |             |                 |
| Investments                                                  |                      |             |                 |                      |             |                 |
| - Other investments                                          | 0.10                 | 1.38        | -               | 0.15                 | 1.37        | -               |
| Loans to subsidiary company                                  | -                    | -           | 107.29          | -                    | -           | 75.00           |
| Security deposit                                             | -                    | -           | 18.50           | -                    | -           | 17.42           |
| Balance in margin money with maturity of more than 12 months | -                    | -           | 0.03            | -                    | -           | -               |
| Claim receivable (net of provision)                          | -                    | -           | 0.10            | -                    | -           | 2.36            |
| <b>Financial assets - Current</b>                            |                      |             |                 |                      |             |                 |
| Loans to employees                                           | -                    | -           | 1.11            | -                    | -           | 1.04            |
| Claim receivable                                             | -                    | -           | 8.04            | -                    | -           | 23.44           |
| Government grants                                            | -                    | -           | -               | -                    | -           | 2.44            |
| Derivative assets (net)                                      | 2.01                 | -           | -               | 2.22                 | -           | -               |
| Trade receivables                                            | -                    | -           | 87.18           | -                    | -           | 305.94          |
| Cash and cash equivalents                                    | -                    | -           | 3.19            | -                    | -           | 38.85           |
| Bank balances other than cash and cash equivalents           | -                    | -           | 341.30          | -                    | -           | 1.07            |
| Others                                                       | -                    | -           | 3.66            | -                    | -           | 2.10            |
| <b>Total financial assets</b>                                | <b>2.11</b>          | <b>1.38</b> | <b>570.40</b>   | <b>2.37</b>          | <b>1.37</b> | <b>468.65</b>   |
| <b>Financial liabilities - Non Current</b>                   |                      |             |                 |                      |             |                 |
| Borrowings                                                   | -                    | -           | 224.48          | -                    | -           | 245.29          |
| Lease liabilities                                            | -                    | -           | -               | -                    | -           | 0.08            |
| Deferred payment                                             | -                    | -           | 0.78            | -                    | -           | 9.72            |
| <b>Financial liabilities - Current</b>                       |                      |             |                 |                      |             |                 |
| Borrowings                                                   | -                    | -           | 263.39          | -                    | -           | 318.61          |
| Lease liabilities                                            | -                    | -           | 0.08            | -                    | -           | 0.52            |
| Interest accrued but not due on borrowings                   | -                    | -           | 2.61            | -                    | -           | 2.01            |
| Security deposit                                             | -                    | -           | 1.00            | -                    | -           | 0.94            |
| Trade payables                                               | -                    | -           | 703.96          | -                    | -           | 588.24          |
| Others                                                       | -                    | -           | 0.51            | -                    | -           | 0.54            |
| <b>Total financial liabilities</b>                           | <b>-</b>             | <b>-</b>    | <b>1,196.81</b> | <b>-</b>             | <b>-</b>    | <b>1,157.05</b> |

**(a) Financial assets and liabilities measured at fair value - recurring fair value measurements :**

| Particulars                                                                   | As at March 31, 2021    |             | As at March 31, 2020 |             |
|-------------------------------------------------------------------------------|-------------------------|-------------|----------------------|-------------|
|                                                                               | Level 1                 | Level 2     | Level 1              | Level 2     |
|                                                                               | <b>Financial Assets</b> |             |                      |             |
| - Assets for foreign currency forward contracts                               | -                       | 2.01        | -                    | 2.22        |
| - Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth | 0.10                    | -           | -                    | -           |
| - Investment in mutual fund of Union Midcap fund - regular plan growth        | -                       | -           | 0.15                 | -           |
| <b>Total financial assets</b>                                                 | <b>0.10</b>             | <b>2.01</b> | <b>0.15</b>          | <b>2.22</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 / investment property (Level 3)**

| Particulars                        | Fair Value as at |                |
|------------------------------------|------------------|----------------|
|                                    | March 31, 2021   | March 31, 2020 |
| Assets classified as held for sale | 64.26            | 2.20           |

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, Company 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.

(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 (INR). 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 raw material. 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 results 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. 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 :-

| (a) Option Outstanding                  | Buy/Sell | As at          | As at          |
|-----------------------------------------|----------|----------------|----------------|
|                                         |          | March 31, 2021 | March 31, 2020 |
| In USD                                  | Buy      | 72,33,289      | 98,63,576      |
| Equivalent amount in Rupees in crore    |          | 52.88          | 74.62          |
| In USD                                  | Sell     | 72,33,289      | 98,63,576      |
| Equivalent amount in Rupees in crore    |          | 52.88          | 74.62          |
| <b>(b) Forward contract outstanding</b> |          |                |                |
|                                         | Buy/Sell | As at          | As at          |
|                                         |          | March 31, 2021 | March 31, 2020 |
| In USD                                  | Sell     | 78,26,864      | 1,00,00,000    |
| Equivalent amount in Rupees in crore    | Sell     | 57.22          | 75.65          |

(2) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Currency                                | As at          | As at          |
|-----------------------------------------|----------------|----------------|
|                                         | March 31, 2021 | March 31, 2020 |
| <b>Payables:</b>                        |                |                |
| USD                                     | 2,09,500       | -              |
| Equivalent amount in Rupees in crore    | 1.53           | -              |
| EURO                                    | -              | 37,803         |
| Equivalent amount in Rupees in crore    | -              | 0.31           |
| <b>Advance paid to vendors:</b>         |                |                |
| USD                                     | 40,28,951      | 35,38,720      |
| Equivalent amount in Rupees in crore    | 29.46          | 26.68          |
| EURO                                    | 3,53,208       | 85,630         |
| Equivalent amount in Rupees in crore    | 3.03           | 0.71           |
| <b>Trade receivables:</b>               |                |                |
| EURO                                    | 64,701         | -              |
| Equivalent amount in Rupees in crore    | 0.56           | -              |
| <b>Advance Received from Customers:</b> |                |                |
| USD                                     | 29,33,629      | 3,48,019       |
| Equivalent amount in Rupees in crore    | 21.45          | 2.62           |
| EURO                                    | -              | 6,277          |
| Equivalent amount in Rupees in crore    | -              | 0.05           |

**Sensitivity**

If INR is depreciated or appreciated by 2.5% vis-a-vis foreign currency, the Impact thereof on the profit and loss (after tax) of the Company are given below:

| Particulars                                        | Impact on profit after tax |                |
|----------------------------------------------------|----------------------------|----------------|
|                                                    | Year ended                 | Year ended     |
|                                                    | March 31, 2021             | March 31, 2020 |
| <b>EURO sensitivity</b>                            |                            |                |
| INR/EURO Increases by 2.5% (March 31, 2020 - 2.5%) | -                          | 0.01           |
| INR/EURO Decreases by 2.5% (March 31, 2020 - 2.5%) | -                          | (0.01)         |
| <b>USD sensitivity</b>                             |                            |                |
| INR/USD Increases by 2.5% (March 31, 2020 - 2.5%)  | 0.03                       | -              |
| INR/USD Decreases by 2.5% (March 31, 2020 - 2.5%)  | (0.03)                     | -              |



(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 and LIBOR rates. 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. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

| Particulars              | (Rupees in crore)       |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Variable rate borrowings | 434.99                  | 489.55                  |
| Fixed rate borrowings    | 52.88                   | 74.35                   |
| <b>Total borrowings</b>  | <b>487.87</b>           | <b>563.90</b>           |

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

| Particulars                              | Balance              |                      | % of total loans |
|------------------------------------------|----------------------|----------------------|------------------|
|                                          | As at March 31, 2021 | As at March 31, 2020 |                  |
| Bank overdrafts, bank loans, Cash Credit | 434.99               | 489.55               | 89%              |
| As at March 31, 2020                     | 489.55               | 489.55               | 87%              |

**Sensitivity**

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                           | Impact on profit after tax   |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| Interest rates – increase by 50 basis points (50 bps) | (1.63)                       | (1.83)                       |
| Interest rates – decrease by 50 basis points (50 bps) | 1.63                         | 1.83                         |

(b) **Credit risk**

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.

**Reconciliation of expected credit loss allowance – Trade receivables**

|                                                                   | (Rupees in crore) |
|-------------------------------------------------------------------|-------------------|
| Opening balance as at April 1, 2019                               | 5.18              |
| Charge in statement of profit and loss                            | 2.32              |
| Utilised during the year                                          | (0.02)            |
| <b>Allowance for expected credit loss on March 31, 2020</b>       | <b>7.48</b>       |
| Charge / (Provision written back) in statement of profit and loss | (1.21)            |
| Utilised during the year                                          | -                 |
| <b>Allowance for expected credit loss on March 31, 2021</b>       | <b>6.27</b>       |

In current year ended March 31, 2021, revenues arising from direct sales of goods as disclosed in note 27(a) does not include revenue from any customer who contributed more than 10% to the Company's revenue.

In previous year ended March 31, 2020, revenues arising from direct sales of goods as disclosed in note 27(a) includes revenue of approximately Rupees 828.11 crore from customer who contributed more than 10% to the Company's revenue.

(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<br>March 31, 2021  | As at<br>March 31, 2020 |
|--------------------|--------------------------|-------------------------|
|                    | Floating rate borrowings | 891.58                  |
| Nature of facility | Working Capital          | Working Capital         |





(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 :-

| (Rupees in crore)                       |                       |                       |                    |                 |
|-----------------------------------------|-----------------------|-----------------------|--------------------|-----------------|
| Particulars                             | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total           |
| <b>As at March 31, 2021</b>             |                       |                       |                    |                 |
| Borrowings (Interest bearing)           | 263.39                | 224.48                | -                  | 487.87          |
| Lease liabilities (Interest bearing)    | 0.08                  | -                     | -                  | 0.08            |
| Interest accrued but due on borrowings  | 2.61                  | -                     | -                  | 2.61            |
| Trade Payables                          | 703.96                | -                     | -                  | 703.96          |
| Security Deposits                       | 1.00                  | -                     | -                  | 1.00            |
| Deferred payment (Interest bearing)     | -                     | 0.78                  | -                  | 0.78            |
| Others                                  | 0.51                  | -                     | -                  | 0.51            |
| <b>Total non-derivative liabilities</b> | <b>971.55</b>         | <b>225.26</b>         | <b>-</b>           | <b>1,196.81</b> |
| <b>As at March 31, 2020</b>             |                       |                       |                    |                 |
| Borrowings (Interest bearing)           | 318.61                | 245.29                | -                  | 563.90          |
| Lease liabilities (Interest bearing)    | 0.08                  | 0.52                  | -                  | 0.60            |
| Interest accrued but due on borrowings  | 2.01                  | -                     | -                  | 2.01            |
| Trade Payables                          | 588.34                | -                     | -                  | 588.34          |
| Security Deposits                       | 0.94                  | -                     | -                  | 0.94            |
| Deferred payment (Interest bearing)     | -                     | -                     | 0.72               | 0.72            |
| Others                                  | 0.54                  | -                     | -                  | 0.54            |
| <b>Total non-derivative liabilities</b> | <b>910.52</b>         | <b>245.81</b>         | <b>0.72</b>        | <b>1,157.05</b> |

**45 Reconciliation of liabilities arising from financing activities**

| (Rupees in crore)                                  |                                     |                 |                                            |                      |
|----------------------------------------------------|-------------------------------------|-----------------|--------------------------------------------|----------------------|
| Particulars                                        | Opening balance as at April 1, 2019 | Net Cash flows  | Non-cash changes-foreign exchange movement | As at March 31, 2020 |
| Non-current borrowings                             | 139.93                              | 110.22          | (4.86)                                     | 245.29               |
| Current borrowings                                 | 451.89                              | (208.61)        | 1.33                                       | 244.61               |
| Current maturities of non-current borrowings       | 140.09                              | (66.09)         | -                                          | 74.00                |
| <b>Total liabilities from financing activities</b> | <b>731.91</b>                       | <b>(164.48)</b> | <b>(3.53)</b>                              | <b>563.90</b>        |

| (Rupees in crore)                                  |                      |                |                                            |                      |
|----------------------------------------------------|----------------------|----------------|--------------------------------------------|----------------------|
| Particulars                                        | As at March 31, 2020 | Net Cash flows | Non-cash changes-foreign exchange movement | As at March 31, 2021 |
| Non-current borrowings                             | 245.29               | (18.51)        | (2.30)                                     | 224.48               |
| Current borrowings                                 | 244.61               | (36.19)        | -                                          | 208.42               |
| Current maturities of non-current borrowings       | 74.00                | (19.03)        | -                                          | 54.97                |
| <b>Total liabilities from financing activities</b> | <b>563.90</b>        | <b>(73.73)</b> | <b>(2.30)</b>                              | <b>487.87</b>        |

**46 Acquisition of business**

During the previous year ended March 31, 2020, The Company completed the acquisition of a production unit (located at Chegunta, Hyderabad), of M/s Taurus Value Steel & Pipes Private Limited, a subsidiary of M/s Shankara Building Products Limited, Bangalore. The acquisition was approved by the Board of Directors of the Company in their meeting held on April 12, 2019 and completed on May 27, 2019. The acquisition of above unit (assets) was accounted for under 'Ind-AS 103 : Business Combination' whereby assets acquired were fair valued. Details of purchase consideration, fair value of net assets acquired and resultant capital reserve is as under :-

| Particulars                                                         |  | (Rupees in crore)                 |
|---------------------------------------------------------------------|--|-----------------------------------|
|                                                                     |  | Fair value as on acquisition date |
| Property, plant and equipment                                       |  | 83.36                             |
| Capital work-in-progress                                            |  | 3.60                              |
| <b>Fair Value of identifiable net assets (A)</b>                    |  | <b>86.96</b>                      |
| <b>Consideration paid (B)</b>                                       |  | <b>70.00</b>                      |
| <b>Capital Reserve (C=A-B)</b>                                      |  | <b>16.96</b>                      |
| Less : Deferred tax liability recognised on fair valuation gain (D) |  | 3.58                              |
| <b>Net Capital Reserve recognised (C-D)</b>                         |  | <b>13.38</b>                      |

**Note :**

Acquisition-related costs amounting to Rupees 2.36 crores was excluded from the consideration transferred and was recognised as an expense in the standalone statement of profit and loss within other expenses.

**47 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.

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.



**APL APOLLO TUBES LIMITED**  
Notes to the standalone financial statements for the year ended March 31, 2021

| Particulars                                              | (Rupees in crore)       |                         |
|----------------------------------------------------------|-------------------------|-------------------------|
|                                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Non current borrowings                                   | 224.48                  | 245.29                  |
| Current maturities of non current borrowings             | 54.97                   | 74.00                   |
| Current borrowings                                       | 208.42                  | 244.61                  |
| Less: Cash and cash equivalents                          | (3.19)                  | (38.85)                 |
| Less: Bank balances other than cash and cash equivalents | (341.30)                | (1.07)                  |
| <b>Total Debts (net)</b>                                 | <b>143.38</b>           | <b>523.98</b>           |
| Total equity                                             | 1,448.79                | 1,275.24                |
| <b>Gearing Ratio</b>                                     | <b>0.10</b>             | <b>0.41</b>             |

Equity includes all capital and reserves of the Company that are managed as capital.



For and on behalf of the Board of Directors of  
APL APOLLO TUBES LIMITED

*[Signature]*  
**SANJAY GUPTA**  
Chairman & Managing  
Director  
DIN : 00233188

*[Signature]*  
**VINAY GUPTA**  
Director  
DIN : 00005149

*[Signature]*  
**DEEPAK GOYAL**  
Chief Financial Officer

*[Signature]*  
**DEEPAK C S**  
Company Secretary  
ICSI Membership No. : F5060



Place : Ghaziabad  
Date : June 3, 2021

# Walker Chandok & Co LLP

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## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Apollo Tricoat Tubes Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Apollo Tricoat Tubes Limited ('the Holding Company') and its associate (refer Annexure 1 for the list of associate included in the Statement) for the quarter ended 30 September 2021 and the consolidated year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandok & Co LLP is registered with limited liability  
VAB identification number AAC-2085 and is registered  
office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandniok & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the Holding Company share of net profit after tax of ₹ Nil and ₹ Nil and total comprehensive income of ₹ Nil and ₹ Nil for the quarter and year-to-date period ended on 30 September 2021 respectively, in respect of an associate, based on their interim financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Holding Company.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

**For Walker Chandniok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Neeraj Sharma**  
Partner  
Membership No. 502103  
UDIN: 21502103AAAAFP7972



**Place: Noida**  
**Date: 27 October 2021**

Chartered Accountants



# Walker Chandiook & Co LLP

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

## **Annexure 1**

### **List of entity included in the Statement**

1. Radiance KA Sunrise Two Private Limited



**Chartered Accountants**

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED  
 SEPTEMBER 30, 2021**

| Particulars                                                                          | (Rupees in Crores, except EPS)                        |                                                         |
|--------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|
|                                                                                      | Quarter ended<br>September 30,<br>2021<br>(Unaudited) | Half year ended<br>September 30,<br>2021<br>(Unaudited) |
| <b>I Revenue from operations</b>                                                     |                                                       |                                                         |
| (a) Sale of products                                                                 | 579.79                                                | 1,142.48                                                |
| (b) Other operating income                                                           | 20.27                                                 | 39.22                                                   |
| <b>Total revenue from operations</b>                                                 | <u>600.06</u>                                         | <u>1,181.70</u>                                         |
| <b>II Other income</b>                                                               | 0.53                                                  | 0.94                                                    |
| <b>III Total income</b>                                                              | <u><u>600.59</u></u>                                  | <u><u>1,182.64</u></u>                                  |
| <b>IV Expenses</b>                                                                   |                                                       |                                                         |
| (a) Cost of materials consumed                                                       | 485.76                                                | 954.93                                                  |
| (b) Purchase of stock-in-trade                                                       | 18.32                                                 | 36.46                                                   |
| (c) Changes in Inventories of finished goods, stock in trade and rejection and scrap | 13.71                                                 | 3.41                                                    |
| (d) Employee benefit expenses                                                        | 5.63                                                  | 11.08                                                   |
| (e) Finance cost                                                                     | 1.05                                                  | 2.75                                                    |
| (f) Depreciation and amortisation expense                                            | 4.57                                                  | 9.05                                                    |
| (g) Other expenses                                                                   | 26.75                                                 | 56.40                                                   |
| <b>Total expenses</b>                                                                | <u>555.79</u>                                         | <u>1,074.08</u>                                         |
| <b>V Profit before taxes (III-IV)</b>                                                | <b>44.80</b>                                          | <b>108.56</b>                                           |
| <b>VI Tax Expense:</b>                                                               |                                                       |                                                         |
| (a) Current tax                                                                      | 9.91                                                  | 25.04                                                   |
| (b) Deferred tax charge (net)                                                        | 1.46                                                  | 2.40                                                    |
| <b>Total tax expense</b>                                                             | <u>11.37</u>                                          | <u>27.44</u>                                            |
| <b>VII Profit for the period (V-VI)</b>                                              | <u><u>33.43</u></u>                                   | <u><u>81.12</u></u>                                     |
| <b>VIII Other Comprehensive Income</b>                                               |                                                       |                                                         |
| <b>Items that will not be reclassified to profit or loss</b>                         |                                                       |                                                         |
| (a) Remeasurement of post employment benefit obligation                              | (0.11)                                                | (0.22)                                                  |
| (b) Income tax relating to above item                                                | 0.03                                                  | 0.06                                                    |
| <b>Other Comprehensive Income for the period</b>                                     | <u>(0.08)</u>                                         | <u>(0.16)</u>                                           |
| <b>IX Total Comprehensive Income for the period (VII+VIII)</b>                       | <b>33.35</b>                                          | <b>80.96</b>                                            |
| <b>X Paid up equity share capital (Face Value of Rupees 2 each)</b>                  | 12.16                                                 | 12.16                                                   |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each #</b>                        |                                                       |                                                         |
| Basic (in Rs.)                                                                       | 5.50                                                  | 13.34                                                   |
| Diluted (in Rs.)                                                                     | 5.50                                                  | 13.34                                                   |

#EPS is not annualised for the quarter and half year ended September 30, 2021 (Refer note 5)

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**APOLLO TRICOAT TUBES LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2021**

| Particulars                                                                  | (Rupees in Crores)<br>As at<br>September 30, 2021<br>(Unaudited) |
|------------------------------------------------------------------------------|------------------------------------------------------------------|
| <b>I. ASSETS</b>                                                             |                                                                  |
| <b>(1) Non-current assets</b>                                                |                                                                  |
| (a) Property, plant and equipment                                            | 341.56                                                           |
| (b) Capital work-in-progress                                                 | 13.04                                                            |
| (c) Right of use assets                                                      | 13.39                                                            |
| (d) Other intangible assets                                                  | 0.13                                                             |
| (e) Financial assets                                                         |                                                                  |
| (i) Investments                                                              | 1.36                                                             |
| (ii) Other financial assets                                                  | 1.75                                                             |
| (f) Other non-current assets                                                 | 7.61                                                             |
| <b>Total non-current assets</b>                                              | <b>378.84</b>                                                    |
| <b>(2) Current assets</b>                                                    |                                                                  |
| (a) Inventories                                                              | 93.20                                                            |
| (b) Financial assets                                                         |                                                                  |
| (i) Trade receivables                                                        | 94.45                                                            |
| (ii) Cash and cash equivalents                                               | 50.65                                                            |
| (iii) Bank balance other than (ii) above                                     | 10.45                                                            |
| (iv) Loans                                                                   | -                                                                |
| (v) Other financial assets                                                   | 0.81                                                             |
| (c) Other current assets                                                     | 3.56                                                             |
| <b>Total current assets</b>                                                  | <b>253.12</b>                                                    |
| <b>Total Assets</b>                                                          | <b>631.96</b>                                                    |
| <b>II. EQUITY AND LIABILITIES</b>                                            |                                                                  |
| <b>(1) Equity</b>                                                            |                                                                  |
| (a) Equity share capital                                                     | 12.16                                                            |
| (b) Other equity                                                             | 373.06                                                           |
| <b>Total equity</b>                                                          | <b>385.22</b>                                                    |
| <b>LIABILITIES</b>                                                           |                                                                  |
| <b>(2) Non-current liabilities</b>                                           |                                                                  |
| (a) Financial liabilities                                                    |                                                                  |
| (i) Borrowings                                                               | 42.47                                                            |
| (b) Provisions                                                               | 1.15                                                             |
| (c) Deferred tax liabilities (net)                                           | 14.48                                                            |
| (d) Other non-current liabilities                                            | 20.12                                                            |
| <b>Total non-current liabilities</b>                                         | <b>78.22</b>                                                     |
| <b>(3) Current liabilities</b>                                               |                                                                  |
| (a) Financial liabilities                                                    |                                                                  |
| (i) Borrowings                                                               | 13.04                                                            |
| (ii) Lease liabilities                                                       | 0.04                                                             |
| (iii) Trade payables                                                         |                                                                  |
| - total outstanding dues of micro and small enterprises                      | 0.89                                                             |
| - total outstanding dues of creditors other than micro and small enterprises | 119.93                                                           |
| (iii) Other financial liabilities                                            | 2.43                                                             |
| (b) Other current liabilities                                                | 6.50                                                             |
| (c) Provisions                                                               | 0.36                                                             |
| (d) Current tax liabilities (net)                                            | 25.33                                                            |
| <b>Total current liabilities</b>                                             | <b>168.52</b>                                                    |
| <b>Total Equity and Liabilities</b>                                          | <b>631.96</b>                                                    |

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# Walker Chandniok & Co LLP

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Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

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## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

### To the Board of Directors of Apollo Tricoat Tubes Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Apollo Tricoat Tubes Limited ('the Company') for the quarter ended 30 September 2021 and the year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandniok & Co LLP is registered with limited liability with identification number PAC-2085 and its registered office at LAL Kishanbhai Circus, New Delhi, 110001, India



# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Neeraj Sharma**  
Partner  
Membership No. 502103  
UDIN: 21502103AAAAFO8935



**Place:** Noida  
**Date:** 27 October 2021

Chartered Accountants

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021**

| Particulars                                                                          | (Rupees in Crores, except EPS)                        |                                               |                                                       |                                                         |                                                      |                                           |
|--------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------|-------------------------------------------|
|                                                                                      | Quarter ended<br>September 30,<br>2021<br>(Unaudited) | Quarter ended<br>June 30, 2021<br>(Unaudited) | Quarter ended<br>September 30,<br>2020<br>(Unaudited) | Half year ended<br>September 30,<br>2021<br>(Unaudited) | Half year ended<br>September 30, 2020<br>(Unaudited) | Year ended March<br>31, 2021<br>(Audited) |
| <b>I Revenue from operations</b>                                                     |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Sale of products                                                                 | 579.79                                                | 562.69                                        | 313.54                                                | 1,142.48                                                | 480.27                                               | 1,410.78                                  |
| (b) Other operating Income                                                           | 20.27                                                 | 18.95                                         | 16.94                                                 | 39.22                                                   | 21.20                                                | 62.03                                     |
| <b>Total revenue from operations</b>                                                 | <b>600.06</b>                                         | <b>581.64</b>                                 | <b>330.48</b>                                         | <b>1,181.70</b>                                         | <b>501.47</b>                                        | <b>1,472.81</b>                           |
| <b>II Other Income</b>                                                               | <b>0.53</b>                                           | <b>0.41</b>                                   | <b>0.64</b>                                           | <b>0.94</b>                                             | <b>0.94</b>                                          | <b>1.80</b>                               |
| <b>III Total Income</b>                                                              | <b>600.59</b>                                         | <b>582.05</b>                                 | <b>331.12</b>                                         | <b>1,182.64</b>                                         | <b>502.41</b>                                        | <b>1,474.61</b>                           |
| <b>IV Expenses</b>                                                                   |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Cost of materials consumed                                                       | 485.76                                                | 469.17                                        | 242.78                                                | 954.93                                                  | 344.77                                               | 1,087.22                                  |
| (b) Purchase of stock-in-trade                                                       | 18.37                                                 | 18.14                                         | 35.38                                                 | 36.46                                                   | 55.75                                                | 122.86                                    |
| (c) Changes in inventories of finished goods, stock in trade and rejection and scrap | 13.71                                                 | (10.30)                                       | (14.70)                                               | 3.41                                                    | (1.21)                                               | (7.73)                                    |
| (d) Employee benefit expenses                                                        | 5.63                                                  | 5.45                                          | 5.07                                                  | 11.08                                                   | 8.96                                                 | 19.05                                     |
| (e) Finance cost                                                                     | 1.05                                                  | 1.70                                          | 1.89                                                  | 2.75                                                    | 5.11                                                 | 9.70                                      |
| (f) Depreciation and amortisation expense                                            | 4.57                                                  | 4.48                                          | 4.11                                                  | 9.05                                                    | 7.65                                                 | 16.53                                     |
| (g) Other expenses                                                                   | 26.75                                                 | 29.65                                         | 24.62                                                 | 56.80                                                   | 37.41                                                | 87.73                                     |
| <b>Total expenses</b>                                                                | <b>555.79</b>                                         | <b>518.29</b>                                 | <b>299.15</b>                                         | <b>1,074.08</b>                                         | <b>458.44</b>                                        | <b>1,335.36</b>                           |
| <b>V Profit before taxes (III-IV)</b>                                                | <b>44.80</b>                                          | <b>63.76</b>                                  | <b>31.97</b>                                          | <b>108.56</b>                                           | <b>43.97</b>                                         | <b>139.25</b>                             |
| <b>VI Tax Expense:</b>                                                               |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Current tax                                                                      | 9.91                                                  | 15.13                                         | 6.80                                                  | 25.04                                                   | 8.74                                                 | 30.25                                     |
| (b) Deferred tax charge (net)                                                        | 1.46                                                  | 0.94                                          | 1.30                                                  | 2.40                                                    | 2.46                                                 | 4.56                                      |
| (c) Adjustment of Tax relating to earlier periods                                    | -                                                     | -                                             | -                                                     | -                                                       | -                                                    | (0.57)                                    |
| <b>Total tax expense</b>                                                             | <b>11.37</b>                                          | <b>16.07</b>                                  | <b>8.16</b>                                           | <b>27.44</b>                                            | <b>11.20</b>                                         | <b>34.24</b>                              |
| <b>VII Profit for the period/ year (V-VI)</b>                                        | <b>33.43</b>                                          | <b>47.69</b>                                  | <b>23.81</b>                                          | <b>81.12</b>                                            | <b>32.77</b>                                         | <b>105.01</b>                             |
| <b>VIII Other Comprehensive Income</b>                                               |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| <b>Items that will not be reclassified to profit or loss</b>                         |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| (a) Remeasurement of post employment benefit obligation                              | (0.11)                                                | (0.11)                                        | (0.16)                                                | (0.22)                                                  | (0.17)                                               | (0.40)                                    |
| (b) Income tax relating to above item                                                | 0.03                                                  | 0.03                                          | 0.04                                                  | 0.05                                                    | 0.04                                                 | 0.10                                      |
| <b>Other Comprehensive Income for the period/year</b>                                | <b>(0.08)</b>                                         | <b>(0.08)</b>                                 | <b>(0.12)</b>                                         | <b>(0.16)</b>                                           | <b>(0.13)</b>                                        | <b>(0.30)</b>                             |
| <b>IX Total Comprehensive Income for the period/year (VII+VIII)</b>                  | <b>33.35</b>                                          | <b>47.61</b>                                  | <b>23.69</b>                                          | <b>80.96</b>                                            | <b>32.64</b>                                         | <b>104.71</b>                             |
| <b>X Paid up equity share capital (Face Value of Rupees 2 each)</b>                  | <b>12.16</b>                                          | <b>6.08</b>                                   | <b>6.08</b>                                           | <b>12.16</b>                                            | <b>6.08</b>                                          | <b>6.08</b>                               |
| <b>XI Other equity</b>                                                               |                                                       |                                               |                                                       |                                                         |                                                      | <b>298.18</b>                             |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each #</b>                        |                                                       |                                               |                                                       |                                                         |                                                      |                                           |
| Basic (In Rs.)                                                                       | 5.50                                                  | 7.84                                          | 3.92                                                  | 13.34                                                   | 5.39                                                 | 17.27                                     |
| Diluted (In Rs.)                                                                     | 5.50                                                  | 7.84                                          | 3.92                                                  | 13.34                                                   | 5.39                                                 | 17.27                                     |

#EPS is not annualised for the quarter and half year ended September 30, 2021, quarter ended June 30, 2021 and half year ended September 30, 2020 (Refer note 5)



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**Notes to the statement of standalone and consolidated financial results :**

1. The above Unaudited Financial Results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The above Unaudited Financial Results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 27, 2021.
2. The Statutory Auditors have carried out the 'Limited Review' of the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2021 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Board of Directors of Apollo Tricoat Tubes Limited ("Company"), at its meeting on February 27, 2021, has considered and approved a draft scheme of amalgamation ('scheme') of the Company and Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") with APL Apollo Tubes Limited ("APL Apollo"), its Holding Company and their respective shareholders and creditors, as may be modified from time to time ('scheme'), under Section 230 to 232 of the Companies Act, 2013. The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), stock exchanges and approval of other regulatory or statutory authorities as may be required.
4. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
5. The Board of Directors of Apollo Tricoat Tubes Limited ("Company") in its meeting held on August 6, 2021 have recommended for approval by shareholders, bonus issue of 1 (one) equity share of Rupees 2 each for every 1 (one) equity share of Rupees 2 each held by shareholders of the Company as on the record date.  
Pursuant to the approval of the shareholders through postal ballot (including e-voting), the Company has allotted 30,400,000 bonus equity shares of Rupees 2 each as fully paid-up bonus equity shares, in the proportion of 1 (one) equity share of Rupees 2 each for every 1 (one) existing equity shares of Rupees 2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently the Company capitalised a sum of Rupees 6.08 crores from other equity.  
The earning per share have been adjusted for bonus issue for previous periods presented.
6. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.
7. The Company had entered into Power Purchase Agreement entered with Radiance Ka Sunrise Two Private Limited (Radiance) for purchase of solar power. Pursuant to this agreement, the Company has acquired 26% stake in Radiance with effect from September 13, 2021 for meeting the regulatory requirements of Power Purchase Agreement. This investment has been accounted for in accordance with Indian Accounting Standard 28 "Investment in associates and joint ventures" leading to first time presentation of Consolidated Financial Results. However the Company does not have any share of profit in Radiance and hence there is no impact on consolidated profit of the Company.
8. Figures for the previous period / year have regrouped wherever necessary.

Ghaziabad  
October 27, 2021

For APOLLO TRICOAT TUBES LIMITED  
  
RAHUL GUPTA  
MANAGING DIRECTOR

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APOLLO TRICOAT TUBES LIMITED  
STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2021

| Particulars                                                                  | (Rupees in Crores)                         |                                      |
|------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------|
|                                                                              | As at<br>September 30, 2021<br>(Unaudited) | As at<br>March 31, 2021<br>(Audited) |
| <b>I. ASSETS</b>                                                             |                                            |                                      |
| <b>(1) Non-current assets</b>                                                |                                            |                                      |
| (a) Property, plant and equipment                                            | 341.56                                     | 322.93                               |
| (b) Capital work-in-progress                                                 | 13.04                                      | 12.39                                |
| (c) Right of use assets                                                      | 13.39                                      | 13.47                                |
| (d) Other intangible assets                                                  | 0.13                                       | 0.21                                 |
| (e) Financial assets                                                         | 1.36                                       | -                                    |
| (i) Investments                                                              | 1.75                                       | 1.75                                 |
| (ii) Other financial assets                                                  | 7.61                                       | 3.40                                 |
| (f) Other non-current assets                                                 | -                                          | -                                    |
| <b>Total non-current assets</b>                                              | <b>378.84</b>                              | <b>354.15</b>                        |
| <b>(2) Current assets</b>                                                    |                                            |                                      |
| (a) Inventories                                                              | 93.20                                      | 64.38                                |
| (b) Financial assets                                                         |                                            |                                      |
| (i) Trade receivables                                                        | 94.45                                      | 11.62                                |
| (ii) Cash and cash equivalents                                               | 50.65                                      | 9.80                                 |
| (iii) Bank balance other than (ii) above                                     | 10.45                                      | -                                    |
| (iv) Loans                                                                   | -                                          | 0.05                                 |
| (v) Other financial assets                                                   | 0.81                                       | 0.40                                 |
| (c) Other current assets                                                     | 3.56                                       | 16.02                                |
| <b>Total current assets</b>                                                  | <b>253.12</b>                              | <b>102.27</b>                        |
| <b>Total Assets</b>                                                          | <b>631.96</b>                              | <b>456.42</b>                        |
| <b>II. EQUITY AND LIABILITIES</b>                                            |                                            |                                      |
| <b>(1) Equity</b>                                                            |                                            |                                      |
| (a) Equity share capital                                                     | 12.16                                      | 6.08                                 |
| (b) Other equity                                                             | 373.06                                     | 298.18                               |
| <b>Total equity</b>                                                          | <b>385.22</b>                              | <b>304.26</b>                        |
| <b>LIABILITIES</b>                                                           |                                            |                                      |
| <b>(2) Non-current liabilities</b>                                           |                                            |                                      |
| (a) Financial liabilities                                                    |                                            |                                      |
| (i) Borrowings                                                               | 42.47                                      | 48.99                                |
| (b) Provisions                                                               | 1.15                                       | 0.88                                 |
| (c) Deferred tax liabilities (net)                                           | 14.48                                      | 12.12                                |
| (d) Other non-current liabilities                                            | 20.12                                      | 20.74                                |
| <b>Total non-current liabilities</b>                                         | <b>78.22</b>                               | <b>82.73</b>                         |
| <b>(3) Current liabilities</b>                                               |                                            |                                      |
| (a) Financial liabilities                                                    |                                            |                                      |
| (i) Borrowings                                                               | 13.04                                      | 13.04                                |
| (ii) Lease liabilities                                                       | 0.04                                       | 0.06                                 |
| (iii) Trade payables                                                         |                                            |                                      |
| - total outstanding dues of micro and small enterprises                      | 0.89                                       | 0.80                                 |
| - total outstanding dues of creditors other than micro and small enterprises | 119.93                                     | 33.09                                |
| (iv) Other financial liabilities                                             | 2.43                                       | 2.05                                 |
| (b) Other current liabilities                                                | 6.50                                       | 18.43                                |
| (c) Provisions                                                               | 0.36                                       | 0.26                                 |
| (d) Current tax liabilities (net)                                            | 25.33                                      | 1.70                                 |
| <b>Total current liabilities</b>                                             | <b>168.52</b>                              | <b>69.43</b>                         |
| <b>Total Equity and Liabilities</b>                                          | <b>631.96</b>                              | <b>456.42</b>                        |

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

**TO THE BOARD OF DIRECTORS OF APL APOLLO TUBES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **APL APOLLO TUBES LIMITED** ("the Company"), for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Place: Ghaziabad  
Date: October 28, 2021

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
(UDIN: 21095540AAAACX5744)

**APL APOLLO TUBES LIMITED**  
 Regd. Office : 37, Hargobind Enclave, Vikas Marg, Delhi - 110092  
 Statement of Standalone Financial Results for the quarter and half year ended September 30, 2021  
 CIN : L74899DL1986PLC023443

| Particulars                                                                                         | (Rupees in crore, except EPS)          |                                   |                                        |                                          |                                          |                                 |
|-----------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------|----------------------------------------|------------------------------------------|------------------------------------------|---------------------------------|
|                                                                                                     | Quarter ended<br>September 30,<br>2021 | Quarter ended<br>June 30,<br>2021 | Quarter ended<br>September 30,<br>2020 | Half year ended<br>September 30,<br>2021 | Half year ended<br>September 30,<br>2020 | Year ended<br>March 31,<br>2021 |
|                                                                                                     | (Unaudited)                            | (Unaudited)                       | (Unaudited)                            | (Unaudited)                              | (Unaudited)                              | (Audited)                       |
| <b>I Revenue from operations</b>                                                                    |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Sale of products                                                                                | 2,028.85                               | 1,620.62                          | 1,528.24                               | 3,649.47                                 | 2,290.01                                 | 5,815.93                        |
| (b) Other operating income                                                                          | 71.78                                  | 56.92                             | 53.35                                  | 128.70                                   | 75.28                                    | 192.03                          |
| Total revenue from operations                                                                       | 2,100.63                               | 1,677.54                          | 1,581.59                               | 3,778.17                                 | 2,365.29                                 | 6,007.96                        |
| <b>II Other Income</b>                                                                              | 8.56                                   | 9.46                              | 12.41                                  | 18.02                                    | 18.78                                    | 44.11                           |
| <b>III Total income (I +II)</b>                                                                     | <b>2,109.19</b>                        | <b>1,687.00</b>                   | <b>1,594.00</b>                        | <b>3,796.19</b>                          | <b>2,384.07</b>                          | <b>6,052.07</b>                 |
| <b>IV Expenses</b>                                                                                  |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Cost of materials consumed                                                                      | 1,460.98                               | 1,422.65                          | 1,181.83                               | 2,913.63                                 | 1,751.65                                 | 4,475.04                        |
| (b) Purchase of stock-in-trade (traded goods)                                                       | 232.54                                 | 308.50                            | 180.73                                 | 541.04                                   | 288.39                                   | 894.04                          |
| (c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap | 158.49                                 | (245.55)                          | 34.71                                  | (87.06)                                  | 50.01                                    | (20.24)                         |
| (d) Employee benefits expense                                                                       | 21.36                                  | 20.84                             | 19.51                                  | 42.20                                    | 36.48                                    | 76.12                           |
| (e) Finance costs                                                                                   | 8.57                                   | 11.15                             | 13.75                                  | 19.72                                    | 29.09                                    | 54.89                           |
| (f) Depreciation and amortisation expense                                                           | 18.18                                  | 17.52                             | 16.63                                  | 35.70                                    | 32.70                                    | 68.18                           |
| (g) Other expenses                                                                                  | 88.65                                  | 90.38                             | 89.21                                  | 179.03                                   | 135.48                                   | 299.03                          |
| Total expenses                                                                                      | 2,018.77                               | 1,625.49                          | 1,536.37                               | 3,644.26                                 | 2,323.80                                 | 5,847.06                        |
| <b>V Profit before tax (III-IV)</b>                                                                 | <b>90.42</b>                           | <b>61.51</b>                      | <b>57.63</b>                           | <b>151.93</b>                            | <b>60.27</b>                             | <b>205.01</b>                   |
| <b>VI Tax expense :</b>                                                                             |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Current tax                                                                                     | 21.92                                  | 15.98                             | 14.93                                  | 37.90                                    | 14.99                                    | 47.38                           |
| (b) Deferred tax charge / (credit) (net)                                                            | 1.00                                   | (0.41)                            | (0.10)                                 | 0.59                                     | 0.72                                     | 3.10                            |
| (c) Income tax / deferred tax expense of earlier year                                               | -                                      | -                                 | -                                      | -                                        | 0.75                                     | 0.75                            |
| Total tax expense                                                                                   | 22.92                                  | 15.57                             | 14.83                                  | 38.49                                    | 16.46                                    | 51.23                           |
| <b>VII Profit for the period / year (V-VI)</b>                                                      | <b>67.50</b>                           | <b>45.94</b>                      | <b>42.80</b>                           | <b>113.44</b>                            | <b>43.81</b>                             | <b>153.78</b>                   |
| <b>VIII Other Comprehensive Income</b>                                                              |                                        |                                   |                                        |                                          |                                          |                                 |
| <b>Add / (less) : Items that will not be reclassified to profit or loss</b>                         |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Remeasurement of post employment benefit obligation                                             | 0.40                                   | 0.40                              | (0.41)                                 | 0.80                                     | (0.82)                                   | 1.49                            |
| (b) Income tax relating to above item                                                               | (0.10)                                 | (0.10)                            | 0.10                                   | (0.20)                                   | 0.20                                     | (0.38)                          |
| Other Comprehensive Income for the period / year                                                    | 0.30                                   | 0.30                              | (0.31)                                 | 0.60                                     | (0.62)                                   | 1.11                            |
| <b>IX Total Comprehensive Income for the period / year (VII+VIII)</b>                               | <b>67.80</b>                           | <b>46.24</b>                      | <b>42.49</b>                           | <b>114.04</b>                            | <b>43.19</b>                             | <b>154.89</b>                   |
| <b>X Paid up Equity Share Capital (Face value of Rupees 2 each - Refer note 4)</b>                  | 49.96                                  | 24.98                             | 24.93                                  | 49.96                                    | 24.93                                    | 24.98                           |
| <b>XI Other equity</b>                                                                              |                                        |                                   |                                        |                                          |                                          | 1,423.81                        |
| <b>XII Earnings per equity share (EPS) of Rupees 2 each # :</b><br>(Refer note 4 & 6)               |                                        |                                   |                                        |                                          |                                          |                                 |
| (a) Basic (In Rupees)                                                                               | 2.70                                   | 1.84                              | 1.72                                   | 4.54                                     | 1.76                                     | 6.17                            |
| (b) Diluted (In Rupees)                                                                             | 2.69                                   | 1.84                              | 1.71                                   | 4.53                                     | 1.75                                     | 6.15                            |

# EPS is not annualised for the quarter and half year ended September 30, 2021, quarter ended June 30, 2021 and quarter and half year ended September 30, 2020. (Refer note 4 & 6)

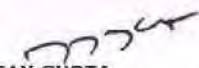


### Notes to the Statement of Standalone Unaudited Financial Results :

1. The above Standalone Unaudited Financial Results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 28, 2021.
2. The Statutory Auditors have carried out the 'Limited Review' of the Standalone Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2021 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Company has made an assessment of the likely adverse impact on economic environment in general post the outbreak of COVID-19 and potential impact on its operations including the carrying values of its current and non current assets including property, plant and equipment and other financial exposure. The Company has also evaluated its ability to meet the financial commitments towards its lenders etc. The Company as of the reporting date has used internal and external sources on the expected future performance of the Company and accordingly does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.
4. The Board of Directors of APL Apollo Tubes Limited ('Company') in its meeting held on October 28, 2020, approved a proposal for sub-division of the face value of the equity shares of the Company from Rupees 10 per equity share to Rupees 2 per equity share i.e. 1 equity share to be split into 5 equity shares. Subsequent to the approval of above proposal by the shareholders of the Company, w.e.f. December 16, 2020 the sub-division became effective. Accordingly, Earnings per equity share (EPS) for the quarter and half year ended September 30, 2020 has been adjusted to reflect the above share split.
5. The Board of Directors of APL Apollo Tubes Limited ("Company"), at its meeting held on February 27, 2021, has 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 ('Shri Lakshmi' - wholly owned subsidiary company) and Apollo Tricoat Tubes Limited ('Apollo Tricoat' - subsidiary company of wholly owned subsidiary) with the Company. The Scheme is subject to receipt of approvals from the shareholders and creditors of the respective Companies as may be directed by the Hon'ble National Company Law Tribunal, Delhi bench ("NCLT"), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required.
6. The Board of Directors of APL Apollo Tubes Limited ('Company') in its meeting held on August 5, 2021 have recommended for approval by shareholders, bonus issue of 1 (one) equity share of Rupees 2 each for every 1 (one) equity shares of Rupees 2 each held by shareholders of the Company as on the record date, subject to approval of the shareholders.  
  
Pursuant to the approval of the shareholders through postal ballot (including remote e-voting) on September 9, 2021, the Company allotted 124,896,000 bonus equity shares of Rupees 2 each as fully paid-up bonus equity shares, in the proportion of 1 (One) equity share of Rupees 2 each for every 1 (One) existing equity shares of Rupees 2 each to the equity shareholders of the Company as on record date of September 18, 2021. Consequently, the Company capitalised a sum of Rupees 24.98 crores from 'other equity' to 'equity share capital'.  
  
The earning per share has been adjusted for bonus issue for previous periods presented.
7. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.
8. The above Standalone Unaudited Financial Results have been prepared in accordance with the amended Scheduled III and accordingly previous period / year's figures have been regrouped/reclasses (as necessary) to compare with current period results.

Ghaziabad  
October 28, 2021

For APL APOLLO TUBES LIMITED

  
SANJAY GUPTA  
CHAIRMAN AND MANAGING DIRECTOR





**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021**

| Particulars                                                                       | (Rupees in crore)                     |                                       |
|-----------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                   | Half year ended<br>September 30, 2021 | Half year ended<br>September 30, 2020 |
|                                                                                   | (Unaudited)                           | (Unaudited)                           |
| <b>A. Cash flow from operating activities</b>                                     |                                       |                                       |
| Profit before tax                                                                 | 151.93                                | 60.27                                 |
| Adjustments for:                                                                  |                                       |                                       |
| Depreciation and amortisation expense                                             | 35.70                                 | 32.70                                 |
| Loss / (gain) on sale of property, plant and equipment (net)                      | 0.39                                  | (0.05)                                |
| Finance costs                                                                     | 19.72                                 | 29.09                                 |
| Interest income on fixed deposits                                                 | (7.78)                                | (7.08)                                |
| Interest income on others                                                         | (2.45)                                | (6.59)                                |
| Share based expenses                                                              | 0.93                                  | 1.86                                  |
| Provision for slow moving inventory of spares & consumables                       | 0.45                                  | 0.28                                  |
| Provision for doubtful trade receivables written back                             | (0.42)                                | (0.13)                                |
| Derivatives measured at fair value through profit & loss account                  | (1.77)                                | (2.26)                                |
| Net unrealized foreign exchange loss / (gain)                                     | 3.55                                  | (0.65)                                |
| Government grant income                                                           | (3.32)                                | (4.46)                                |
| <b>Operating profit before working capital changes</b>                            | <b>196.93</b>                         | <b>102.98</b>                         |
| <b>Changes in working capital:</b>                                                |                                       |                                       |
| Adjustments for (Increase) / decrease in operating assets:                        |                                       |                                       |
| Inventories                                                                       | (89.52)                               | 142.78                                |
| Trade receivables                                                                 | (7.49)                                | 204.04                                |
| Current loans and other financial assets                                          | (2.08)                                | 2.86                                  |
| Non-current loans and other financial assets                                      | 109.33                                | (44.17)                               |
| Other current assets                                                              | 20.69                                 | (19.94)                               |
| Other non-current assets                                                          | 0.72                                  | 0.58                                  |
| Adjustments for increase / (decrease) in operating liabilities:                   |                                       |                                       |
| Trade payables                                                                    | 20.18                                 | 64.21                                 |
| Other current liabilities                                                         | (18.96)                               | 0.34                                  |
| Other current financial liabilities                                               | 0.20                                  | 0.01                                  |
| Other non current liabilities                                                     | 2.17                                  | 3.35                                  |
| Other non current financial liabilities                                           | -                                     | 0.03                                  |
| Provisions (current & non-current)                                                | 1.28                                  | 1.65                                  |
| <b>Cash generated from operations</b>                                             | <b>233.45</b>                         | <b>458.72</b>                         |
| Income tax (paid)                                                                 | (45.39)                               | (12.58)                               |
| <b>Net cash flow from operating activities (A)</b>                                | <b>188.06</b>                         | <b>446.14</b>                         |
| <b>B. Cash flow from investing activities</b>                                     |                                       |                                       |
| Capital expenditure on property, plant and equipment (including capital advances) | (18.24)                               | (43.03)                               |
| Proceeds from sale of property, plant and equipment                               | 2.88                                  | 4.24                                  |
| Investment in mutual funds                                                        | (0.05)                                | (0.05)                                |
| Investment in subsidiaries                                                        | (101.39)                              | -                                     |
| Loan given to subsidiary                                                          | (20.65)                               | -                                     |
| Proceeds from maturity of fixed deposits                                          | 177.39                                | -                                     |
| Investment in fixed deposits                                                      | -                                     | (500.02)                              |
| Interest received                                                                 |                                       |                                       |
| fixed deposits                                                                    | 7.12                                  | 0.29                                  |
| - others                                                                          | 4.87                                  | 4.88                                  |
| <b>Net cash flow from / (used in) investing activities (B)</b>                    | <b>51.93</b>                          | <b>(533.69)</b>                       |
| <b>C. Cash flow from financing activities</b>                                     |                                       |                                       |
| Proceeds from non-current borrowings                                              | -                                     | 75.00                                 |
| Proceeds from current borrowings                                                  | 65.75                                 | 87.90                                 |
| Repayment of non-current borrowings                                               | (127.18)                              | (94.87)                               |
| Proceeds from issue of equity share capital                                       | -                                     | 7.85                                  |
| Payment on account of lease liabilities                                           | (0.29)                                | (0.27)                                |
| Finance costs                                                                     | (19.56)                               | (24.77)                               |
| <b>Net cash flow (used in) / from financing activities (C)</b>                    | <b>(81.28)</b>                        | <b>50.84</b>                          |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>             | <b>158.71</b>                         | <b>(36.71)</b>                        |
| Cash and cash equivalents at the beginning of the period                          | 3.19                                  | 38.85                                 |
| <b>Cash and cash equivalents at the end of the period</b>                         | <b>161.90</b>                         | <b>2.14</b>                           |





**APL APOLLO TUBES LIMITED**  
 Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi-110092  
 Statement of Assets and Liabilities as at September 30, 2021  
 CIN : L74899DL1986PLC023443

| Particulars                                                     | Consolidated                   |                            | Standalone                     |                            |
|-----------------------------------------------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|
|                                                                 | As at<br>September 30,<br>2021 | As at<br>March 31,<br>2021 | As at<br>September 30,<br>2021 | As at<br>March 31,<br>2021 |
|                                                                 | (Unaudited)                    | (Audited)                  | (Unaudited)                    | (Audited)                  |
| (Rupees in crore)                                               |                                |                            |                                |                            |
| <b>A. ASSETS</b>                                                |                                |                            |                                |                            |
| <b>(1) Non-current assets</b>                                   |                                |                            |                                |                            |
| (a) Property plant and equipment                                | 1,492.26                       | 1,501.41                   | 907.59                         | 872.45                     |
| (b) Capital work-in-progress                                    | 175.58                         | 107.67                     | 16.55                          | 52.89                      |
| (c) Investment property                                         | 62.51                          | -                          | 62.51                          | -                          |
| (d) Right of use assets                                         | 95.43                          | 94.94                      | 18.20                          | 17.56                      |
| (e) Goodwill                                                    | 137.50                         | 137.50                     | -                              | -                          |
| (f) Other intangible assets                                     | 1.25                           | 1.84                       | 1.12                           | 1.62                       |
| (g) Investment in subsidiaries                                  |                                |                            | 625.72                         | 524.33                     |
| (h) Financial assets                                            |                                |                            |                                |                            |
| (i) Investments                                                 | 4.43                           | 1.48                       | 1.53                           | 1.48                       |
| (ii) Loans                                                      | -                              | -                          | 20.65                          | 107.29                     |
| (iii) Other financial assets                                    | 26.65                          | 26.92                      | 18.36                          | 18.63                      |
| (i) Non-current tax assets (net)                                | 13.36                          | 5.78                       | 12.72                          | 5.23                       |
| (j) Other non-current assets                                    | 164.08                         | 122.30                     | 31.27                          | 50.71                      |
| <b>Total non-current assets</b>                                 | <b>2,173.06</b>                | <b>1,999.84</b>            | <b>1,716.22</b>                | <b>1,652.19</b>            |
| <b>(2) Current assets</b>                                       |                                |                            |                                |                            |
| (a) Inventories                                                 | 918.22                         | 759.92                     | 639.46                         | 550.39                     |
| (b) Financial assets                                            |                                |                            |                                |                            |
| (i) Trade receivables                                           | 186.63                         | 130.59                     | 91.54                          | 87.18                      |
| (ii) Cash and cash equivalents                                  | 216.67                         | 16.12                      | 161.90                         | 3.19                       |
| (iii) Bank balances other than (ii) above                       | 203.57                         | 341.81                     | 154.91                         | 341.30                     |
| (iv) Loans                                                      | 1.68                           | 1.29                       | 1.50                           | 1.11                       |
| (v) Other financial assets                                      | 3.19                           | 3.15                       | 13.65                          | 13.71                      |
| (c) Other current assets                                        | 130.47                         | 146.23                     | 87.62                          | 108.31                     |
| <b>Total current assets</b>                                     | <b>1,660.43</b>                | <b>1,399.11</b>            | <b>1,160.58</b>                | <b>1,105.19</b>            |
| <b>Assets classified as held for sale</b>                       | -                              | -                          | -                              | 62.51                      |
| <b>Total current assets</b>                                     | <b>1,660.43</b>                | <b>1,399.11</b>            | <b>1,160.58</b>                | <b>1,167.70</b>            |
| <b>Total Assets</b>                                             | <b>3,833.49</b>                | <b>3,398.95</b>            | <b>2,876.80</b>                | <b>2,819.89</b>            |
| <b>B. EQUITY AND LIABILITIES</b>                                |                                |                            |                                |                            |
| <b>(1) Equity</b>                                               |                                |                            |                                |                            |
| (i) Equity share capital                                        | 49.96                          | 24.98                      | 49.96                          | 24.98                      |
| (ii) Other equity                                               | 1,925.04                       | 1,669.60                   | 1,513.82                       | 1,423.81                   |
| <b>Equity Attributable to the owners of the Company</b>         | <b>1,975.00</b>                | <b>1,694.66</b>            | <b>1,563.78</b>                | <b>1,448.79</b>            |
| Non-controlling interests                                       | 174.07                         | 138.30                     | -                              | -                          |
| <b>Total equity</b>                                             | <b>2,149.07</b>                | <b>1,832.96</b>            | <b>1,563.78</b>                | <b>1,448.79</b>            |
| <b>(2) Non-current liabilities</b>                              |                                |                            |                                |                            |
| (a) Financial liabilities                                       |                                |                            |                                |                            |
| (i) Borrowings                                                  | 150.38                         | 183.47                     | 100.18                         | 224.46                     |
| (i)a) Lease liabilities                                         | 0.54                           | -                          | 0.54                           | -                          |
| (ii) Other financial liabilities                                | 0.82                           | 1.00                       | 0.82                           | 0.78                       |
| (b) Provisions                                                  | 17.53                          | 16.44                      | 12.11                          | 11.69                      |
| (c) Deferred tax liabilities (net)                              | 114.12                         | 111.16                     | 77.18                          | 76.39                      |
| (d) Other non-current liabilities                               | 76.87                          | 75.54                      | 50.94                          | 48.77                      |
| <b>Total non-current liabilities</b>                            | <b>360.26</b>                  | <b>387.61</b>              | <b>241.77</b>                  | <b>362.11</b>              |
| <b>(3) Current liabilities</b>                                  |                                |                            |                                |                            |
| (a) Financial liabilities                                       |                                |                            |                                |                            |
| (i) Borrowings                                                  | 401.09                         | 336.86                     | 326.26                         | 263.39                     |
| (i)a) Lease liabilities                                         | 0.40                           | 0.14                       | 0.36                           | 0.08                       |
| (ii) Trade payables                                             |                                |                            |                                |                            |
| - total outstanding dues of micro and small enterprises         | 6.85                           | 5.70                       | 4.72                           | 3.85                       |
| - total outstanding dues other than micro and small enterprises | 815.03                         | 780.15                     | 713.32                         | 693.02                     |
| (iii) Other financial liabilities                               | 10.81                          | 12.03                      | 8.04                           | 11.21                      |
| (b) Other current liabilities                                   | 33.03                          | 34.85                      | 16.90                          | 35.85                      |
| (c) Provisions                                                  | 1.25                           | 1.23                       | 0.63                           | 0.57                       |
| (d) Current tax liabilities (net)                               | 55.70                          | 7.42                       | 1.02                           | 1.02                       |
| <b>Total current liabilities</b>                                | <b>1,324.16</b>                | <b>1,178.38</b>            | <b>1,071.25</b>                | <b>1,008.99</b>            |
| <b>Total Equity and Liabilities</b>                             | <b>3,833.49</b>                | <b>3,398.95</b>            | <b>2,876.80</b>                | <b>2,819.89</b>            |



**SHRI LAKSHMI METAL UDYOG LIMITED**  
**MANAGEMENT CERTIFIED BALANCE SHEET AS AT SEP 30, 2021**

| Particulars                                                     | (Rupees in crore)     |                         |
|-----------------------------------------------------------------|-----------------------|-------------------------|
|                                                                 | As at<br>Sep 30, 2021 | As at<br>March 31, 2021 |
| <b>I. ASSETS</b>                                                |                       |                         |
| <b>(1) Non-current assets</b>                                   |                       |                         |
| (a) Property, plant and equipment                               | 41.33                 | 42.53                   |
| (b) Capital work-in-progress                                    | 0.01                  | 0.35                    |
| (c) Investment in subsidiary                                    | 252.38                | 252.38                  |
| (d) Financial assets                                            |                       |                         |
| (i) Other financial assets                                      | 0.72                  | 0.72                    |
| (e) Non-current tax assets (net)                                | 0.12                  | 0.12                    |
| (f) Other non current assets                                    | 0.54                  | 0.31                    |
| <b>Total non-current assets</b>                                 | <b>295.10</b>         | <b>296.42</b>           |
| <b>(2) Current assets</b>                                       |                       |                         |
| (a) Inventories                                                 | 29.45                 | 39.35                   |
| (b) Financial assets                                            |                       |                         |
| (i) Trade receivables                                           | 24.37                 | 24.97                   |
| (ii) Cash and cash equivalents                                  | 0.07                  | 1.28                    |
| (iii) Bank balance other than (ii) above                        | 0.50                  | -                       |
| (iv) Loans                                                      | 0.05                  | 0.03                    |
| (v) Other financial assets                                      | 0.46                  | 0.49                    |
| (c) Other current assets                                        | 1.96                  | 3.31                    |
| <b>Total current assets</b>                                     | <b>56.86</b>          | <b>69.44</b>            |
| <b>Total Assets</b>                                             | <b>351.96</b>         | <b>365.85</b>           |
| <b>II. EQUITY AND LIABILITIES</b>                               |                       |                         |
| <b>(1) Equity</b>                                               |                       |                         |
| (a) Equity share capital                                        | 5.90                  | 5.90                    |
| (b) Other equity                                                | 253.17                | 209.96                  |
| <b>Total equity</b>                                             | <b>259.07</b>         | <b>215.86</b>           |
| <b>(2) Non-current liabilities</b>                              |                       |                         |
| (a) Financial liabilities                                       |                       |                         |
| (i) Borrowings                                                  | -                     | 100.00                  |
| (b) Provisions                                                  | 0.98                  | 1.07                    |
| (c) Deferred tax liabilities (net)                              | 4.30                  | 4.48                    |
| <b>Total non-current liabilities</b>                            | <b>5.28</b>           | <b>105.55</b>           |
| <b>(3) Current liabilities</b>                                  |                       |                         |
| (a) Financial liabilities:                                      |                       |                         |
| (i) Borrowings                                                  | 0.99                  | -                       |
| (ii) Trade payables                                             |                       |                         |
| - total outstanding dues of micro and small enterprises         | 0.33                  | 0.32                    |
| - total outstanding dues other than micro and small enterprises | 65.31                 | 36.02                   |
| (iii) Other financial liabilities                               | 1.13                  | 2.46                    |
| (b) Other current liabilities                                   | 4.11                  | 4.21                    |
| (c) Provisions                                                  | 0.03                  | 0.02                    |
| (d) Current tax liabilities (net)                               | 15.72                 | 1.40                    |
| <b>Total current liabilities</b>                                | <b>87.61</b>          | <b>44.43</b>            |
| <b>Total equity and liabilities</b>                             | <b>351.96</b>         | <b>365.84</b>           |

For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

*Vinay Gupta*  
**VINAY GUPTA**  
 Director  
 DIN : 00005148

*Sanjay Gupta*  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

*Shivam*

**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

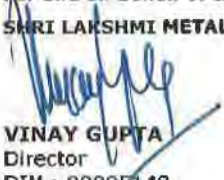



Place: Delhi  
 Date: October 27, 2021

**SHRI LAKSHMI METAL UDYOG LIMITED**  
**MANAGEMENT CERTIFIED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

| Particulars                                                                         | (Rupees in crore) |                              |
|-------------------------------------------------------------------------------------|-------------------|------------------------------|
|                                                                                     | H1 FY 22          | Year ended<br>March 31, 2021 |
| <b>I</b> Revenue from operations                                                    | 511.02            | 730.36                       |
| <b>II</b> Other income                                                              | 0.85              | 0.11                         |
| <b>III Total income (I + II)</b>                                                    | <b>511.88</b>     | <b>730.47</b>                |
| <b>IV Expenses</b>                                                                  |                   |                              |
| (a) Cost of materials consumed                                                      | 346.28            | 555.23                       |
| (b) Purchase of stock-in-trade                                                      | 68.25             | 57.20                        |
| (c) Changes in inventories of finished goods, work-in-progress, rejection and scrap | 9.97              | (6.25)                       |
| (d) Employee benefits expense                                                       | 3.61              | 6.91                         |
| (e) Finance costs                                                                   | 3.28              | 12.29                        |
| (f) Depreciation expense                                                            | 1.80              | 3.51                         |
| (g) Other expenses                                                                  | 20.94             | 39.41                        |
| <b>Total expenses</b>                                                               | <b>454.13</b>     | <b>668.30</b>                |
| <b>V Profit before tax (III - IV)</b>                                               | <b>57.75</b>      | <b>62.17</b>                 |
| <b>VI Tax expense:</b>                                                              |                   |                              |
| (a) Current tax                                                                     | 14.90             | 16.40                        |
| (b) Deferred tax (credit) (net)                                                     | (0.23)            | (0.28)                       |
| (c) Income tax expense of earlier year                                              | -                 | -                            |
| <b>Total tax expense</b>                                                            | <b>14.67</b>      | <b>16.12</b>                 |
| <b>VII Profit for the year (V-VI)</b>                                               | <b>43.08</b>      | <b>46.05</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                           | -                 | -                            |
| (b) Remeasurement of post employment benefit obligation                             | 0.17              | 0.32                         |
| (c) Income tax relating to (b) above                                                | (0.04)            | (0.08)                       |
| <b>Other comprehensive income for the year</b>                                      | <b>0.13</b>       | <b>0.24</b>                  |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                        | <b>43.21</b>      | <b>46.29</b>                 |
| <b>X Earnings per equity share of Rupees 10 each</b>                                |                   |                              |
| (a) Basic (in rupees)                                                               | 73.08             | 78.12                        |
| (b) Diluted (in rupees)                                                             | 73.08             | 78.12                        |

For and on behalf of the Board of Directors of  
**SHRI LAKSHMI METAL UDYOG LIMITED**

  
**VINAY GUPTA**  
 Director  
 DIN : 00005149

  
**SANJAY GUPTA**  
 Director  
 DIN : 00233188

  
**SHIVAM MAHESHWARI**  
 Company Secretary  
 ICSI Membership No. : A38467

Place: Delhi  
 Date: October 27, 2021





Date: December 27, 2021

Ref. No.: CPC/MB/128/2021-22

The Board of Directors

**Shri Lakshmi Metal Udyog Limited**

37, Hargobind Enclave, Vikas Marg, Delhi – 110092

Dear Sir(s),

**Subject: Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited (“Scheme”) and their respective shareholders and creditors**

**Re: Due Diligence Certificate in adherence to para 3 of Part I of the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021**

**PURPOSE:**

This has reference to our engagement for providing Due Diligence Certificate (“Certificate”) on the accuracy and adequacy of the disclosures made in the Abridged Prospectus by **Shri Lakshmi Metal Udyog Limited** (“the Company”) as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021. The Scheme, under Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Company on February 27, 2021 and shall be effective from the Appointed Date i.e. April 01, 2021 or such other date as may be fixed or approved by the Hon’ble National Company Law Tribunal or any other Appropriate Authority.

The information contained herein and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance of the SEBI’s Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021.

**SCOPE AND LIMITATIONS:**

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI’s Master Circular dated November 23, 2021 and hence should not be used for any other purpose or transaction.




- Our due diligence and result are specific to the date of this Certificate and based on information as at December 24, 2021. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company have drawn our attention to all the matters, which they are aware of concerning inter-alia the financial position of the Company, its business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or are likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

**CONCLUSION:**

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated December 24, 2021 is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate.

Yours Faithfully,

For Corporate Professionals Capital Private Limited

  
(Ruchika Sharma)

Associate Partner – M&A and Transactions



**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR  
ABRIDGED PROSPECTUS  
(AS PROVIDED IN PART E OF SCHEDULE VI OF SEBI (ISSUE OF CAPITAL AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)**

The information mentioned hereinafter are in terms of the provisions of SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021 for the Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited and their respective shareholders and creditors.

**THIS INFORMATION MEMORANDUM CONTAINS 6 PAGES. PLEASE ENSURE THAT  
YOU HAVE RECEIVED ALL THE PAGES**

**SHRI LAKSHMI METAL UDYOG LIMITED**

The Company was incorporated under the provisions of the Companies Act, 1956  
**Registered Office:** 37, Hargobind Enclave, Vikas Marg, Delhi – 110092  
**Corporate Office:** 36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad, UP – 201010  
**Contact Person:** Mr. Shivam Maheshwari  
**Tel. No.:** +91-20-4041400  
**Fax No.:** +91-20-4041444  
**E-mail:** [shivam@aplapollo.com](mailto:shivam@aplapollo.com)  
**Website:** [www.aplapollo.com](http://www.aplapollo.com)  
**CIN:** U85110DL1994PLC224835

**STATUTORY AUDITORS OF THE COMPANY**

Deloitte Haskins & Sells LLP, Chartered Accountants  
**Address:** 7<sup>th</sup> Floor, Building 10, Tower B, DLF Cyber City Complex,  
 DLF City Phase –II, Gurugram – 122002  
**Tel No.:** +91-24-6792000  
**Fax No.:** +91-24-6792012  
**Website:** [www.deloitte.com](http://www.deloitte.com)

**PROMOTERS OF SHRI LAKSHMI METAL UDYOG LIMITED**

APL Apollo Tubes Limited is the Promoter of Shri Lakshmi Metal Udyog Limited

**PROCEDURE**

Pursuant to the Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited:

- Shareholding of APL Apollo Tubes Limited in Shri Lakshmi Metal Udyog Limited will be cancelled without any consideration
- Shareholding of Shri Lakshmi Metal Udyog Limited in Apollo Tricoat Tubes Limited will be cancelled without any consideration;
- Shares of APL Apollo Tubes Limited will be issued in the ratio of 1:1 to the public shareholders of Apollo Tricoat Tubes Limited.

**DETAILS OF APL APOLLO TUBES LIMITED, I.E. PROMOTER OF SHRI LAKSHMI  
METAL UDYOG LIMITED**

| PARTICULARS               | DETAILS                                               |
|---------------------------|-------------------------------------------------------|
| PAN                       | AAACB0960D                                            |
| Educational Qualification | Not Applicable, as the Promoter is a Corporate entity |





|                                                                |                                                                                                                                                                                                                    |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Experience in business or employment                           | The Company was incorporated in the year 1986 and is primarily engaged in the business of production of ERW steel tubes and GP Coils.                                                                              |
| List of Companies promoted                                     | <ul style="list-style-type: none"> <li>▪ APL Apollo Building Products Private Limited</li> <li>▪ APL Apollo Mart Limited</li> <li>▪ Blue Ocean Projects Private Limited</li> <li>▪ APL Apollo Tubes FZE</li> </ul> |
| List of Companies in which person is Director                  | Not Applicable, as the Promoter is a Corporate entity                                                                                                                                                              |
| No. & % of shares held in Shri Lakshmi Metal Udyog Limited     | 58,95,000 Equity Shares of Rs.10/- each (100%)                                                                                                                                                                     |
| Ultimate Beneficial owners of Shri Lakshmi Metal Udyog Limited | None                                                                                                                                                                                                               |

#### CHANGES IN THE SHAREHOLDING STRUCTURE OF PROMOTERS

| Date                                                                                                                                                                                                                    | Name of the Promoter     | No. of Shares | Shares (%) | Cumulative Shares (%) | Particular of Change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|------------|-----------------------|----------------------|
| 25.04.1994                                                                                                                                                                                                              | Erstwhile Promoters      | 400           | 0.01       | 0.01                  | Subscription to MOA  |
| APL Apollo Tubes Limited acquired 5395000 (91.52%) equity shares of Shri Lakshmi Metal Udyog Limited in April 2008, thus details of change in shareholding structure of promoters prior to April 2008 is not available. |                          |               |            |                       |                      |
| 31.03.2009                                                                                                                                                                                                              | APL Apollo Tubes Limited | 500000        | 8.48       | 100.00                | Preferential Issue   |
| As on date                                                                                                                                                                                                              |                          | 5895000       | 100.00     |                       |                      |

#### BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Shri Lakshmi Metal Udyog Limited is a company incorporated under the Companies Act, 1956 on 25.04.1994. Shri Lakshmi Metal Udyog Limited is engaged in the business of production of ERW steel tubes and GP Coils.

#### BOARD OF DIRECTORS

| Sr. No. | Name            | Designation (Independent/ Whole-time/ Executive/ Nominee) | Experience including current/past position held in other firms<br><br>Add DIN details<br><br>Please provide Qualification, Experience and position of present and past Directorship in other companies                                                                                                                                                                                                                  |
|---------|-----------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Mr. Vinay Gupta | Non-Executive                                             | DIN: 00005149<br><br><ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ Apollo Metalex Private Limited – Managing Director</li> <li>▪ APL Infrastructure Private Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Blue Ocean Projects Private Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> </ul> |



|    |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                  |               | <ul style="list-style-type: none"> <li>▪ SG Air Travel Private Limited – Director</li> <li>▪ Apollo Tricoat Tubes Limited – Director</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2. | Mr. Sanjay Gupta | Non-Executive | <p>DIN: 00233188</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ Apollo Pipes Limited – Chairman</li> <li>▪ Apollo Metalex Private Limited – Director</li> <li>▪ APL Infrastructure Private Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Blue Ocean Projects Private Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> <li>▪ Greenera Farm Villas Private Limited – Director</li> </ul> <p>Resigned from the following company in last 3 years</p> <ul style="list-style-type: none"> <li>▪ SG Air Travel Private Limited – Director- 15/03/2021</li> </ul>                                                                                                                                                                                                                                                                        |
| 3. | Ms. Neeru Abrol  | Independent   | <p>DIN: 01279485</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Independent Director</li> <li>▪ Apollo Metalex Private Limited – Independent Director</li> <li>▪ Apollo Pipes Limited – Independent Director</li> <li>▪ APL Apollo Tubes Limited – Independent Director</li> <li>▪ Apollo Tricoat Tubes Limited – Independent Director</li> <li>▪ TCNS Clothing Co. Limited – Independent Director</li> <li>▪ STECOL International Private Limited – Independent Director</li> </ul> <p>Resigned from the following company in last 3 years</p> <ul style="list-style-type: none"> <li>▪ RDF Power Projects Limited – Independent Director - 05/09/2018</li> <li>▪ Dakshin Dilli Swachh Initiatives Limited – Independent Director -12/09/2018</li> <li>▪ East Delhi Waste Processing Company limited – Independent Director -12/09/2018</li> <li>▪ Jindal United Steel Limited – Independent Director - 20/05/2019</li> </ul> |
| 4. | Ms. Romi Sehgal  | Non-Executive | <p>DIN: 03320454</p> <ul style="list-style-type: none"> <li>▪ Shri Lakshmi Metal Udyog Limited – Director</li> <li>▪ APL Apollo Tubes Limited – Director</li> <li>▪ Apollo Metalex Private Limited – Director</li> <li>▪ Apollo Tricoat Tubes Limited – Director</li> <li>▪ APL Apollo Building Products Private Limited – Director</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |





### CHANGE IN THE DIRECTORSHIP OF THE COMPANY IN LAST 3 YEARS

| S. No. | Name                                   | Designation (Independent/ Whole-time/ Executive/ Nominee) | Experience including current/past position held in other firms<br><br>Please provide Qualification, Experience and position of present and past Directorship in other companies |
|--------|----------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Ms. Anita Bhatnagar<br>(DIN: 07581512) | Independent Director                                      | Appointed on 03/11/2018 and resigned on 08/11/20219                                                                                                                             |
| 2.     | Ms. Neeru Abrol<br>(DIN: 01279485)     | Independent Director                                      | Appointed on 25/09/2020                                                                                                                                                         |
| 3.     | Shri S.T. Gerela<br>(DIN: 01565534)    | Independent Director                                      | Resigned on 28/09/2019                                                                                                                                                          |

### SHAREHOLDING PATTERN (AS ON DATE)

| S. No.       | Particulars               | Number of Shares   | Percentage holding of pre-scheme |
|--------------|---------------------------|--------------------|----------------------------------|
| 1.           | Promoter & Promoter Group | 58,95,000**        | 100%                             |
| 2.           | Public                    | 0                  | 0.00                             |
| <b>Total</b> |                           | <b>58,95,000**</b> | <b>100%</b>                      |

\*\* Includes 6 nominee shareholders holding 1 equity share each on behalf of APL Apollo Tubes Limited, the holding company.

### CHANGES OF CAPITAL STRUCTURE OF THE COMPANY

| Details of Capital structure |               |       |                            |        |                     |                       |
|------------------------------|---------------|-------|----------------------------|--------|---------------------|-----------------------|
| Date of allotment            | Shares issued |       | Cumulative paid up capital |        | Mode of allotment   | Identity of allottees |
|                              | No.           | %     | No.                        | %      |                     |                       |
| On Incorporation             | 400           | 0.01  | 400                        | 0.01   | Subscription to MOA | Promoter              |
|                              | 5394600*      | 91.51 | 5395000                    | 91.52  | -                   | -                     |
| 31.03.2009                   | 500000        | 8.48  | 5895000                    | 100.00 | Preferential Issue  | Promoter              |

\*It may be noted that APL Apollo Tubes Limited acquired the equity shares of Shri Lakshmi Metal Udyog Limited in April 2008, thus change in capital structure prior to April, 2008 is not available.

### RESTATED AUDITED FINANCIALS

| Particulars                        | (Amount in INR)                         |                              |                              |                              |                              |                              |
|------------------------------------|-----------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                    | For the period as at September 30, 2021 | Audited as on March 31, 2021 | Audited as on March 31, 2020 | Audited as on March 31, 2019 | Audited as on March 31, 2018 | Audited as on March 31, 2017 |
| Total Income from operations       | 511.02                                  | 730.36                       | 679.70                       | 814.46                       | 632.19                       | 518.17                       |
| Net Profit / (Loss) before tax and | 57.75                                   | 62.17                        | 57.48                        | 41.10                        | 58.79                        | 51.66                        |





| Particulars                                           | For the period as at September 30, 2021 | Audited as on March 31, 2021 | Audited as on March 31, 2020 | Audited as on March 31, 2019 | Audited as on March 31, 2018 | Audited as on March 31, 2017 |
|-------------------------------------------------------|-----------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| extraordinary items                                   |                                         |                              |                              |                              |                              |                              |
| Net Profit / (Loss) after tax and extraordinary items | 43.08                                   | 46.05                        | 45.23                        | 26.46                        | 38.23                        | 33.05                        |
| Equity Share Capital                                  | 5.90                                    | 5.90                         | 5.90                         | 5.90                         | 5.90                         | 5.90                         |
| Reserves and Surplus                                  | 253.17                                  | 209.96                       | 163.67                       | 116.56                       | 120.96                       | 116.80                       |
| Net Worth                                             | 259.07                                  | 215.86                       | 169.57                       | 122.46                       | 126.86                       | 122.70                       |
| Basic earnings per share                              | 73.08                                   | 78.12                        | 76.72                        | 44.88                        | 64.85                        | 56.06                        |
| Diluted Earnings per share                            | 73.08                                   | 78.12                        | 76.72                        | 44.88                        | 64.85                        | 56.06                        |
| Return on net worth (%)                               | 16.63                                   | 21.33                        | 26.67                        | 21.61                        | 30.14                        | 26.94                        |
| Net asset value per share                             | 439.10                                  | 365.86                       | 287.41                       | 207.56                       | 215.02                       | 207.97                       |

**Note 1:** Networth = Equity Share Capital + Free Reserves - Miscellaneous Expenditure written off, along with the detailed working

**Note 2:** Return on Net Worth = Net Profit or (Loss) after tax and extraordinary items/ Net Worth \* 100

**Note 3:** EPS = PAT / Equity paid up capital

**Note 4:** Net Asset Value per Share = Assets – Liabilities/ Share outstanding

### RISK FACTORS

- The proposed Scheme is subject to the approval of jurisdictional NCLTs. If the proposed Scheme does not receive the requisite approvals, the objects and benefits mentioned in the proposed Scheme will not be achieved.
- Pandemic like Covid-19 can adversely affect the operations and results of the Company.
- The success of the business being merged into APL Apollo Tubes Limited is largely dependent upon the knowledge and experience of the senior management, key management personnel and skilled manpower and any inability to attract and retain key personnel may adversely impact the business prospects.
- The Amalgamating Companies operate businesses that complement each other and hence the integration is expected to help leverage the resources and capabilities of the amalgamated company and also eliminate administrative costs and compliance resulting from the current group structure. Thus no company specific risk on account of merger is envisaged."

### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company and amount involved: Following two income tax litigations pertaining to disputed demands are pending:

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (net of payment ) (Rupees in crore) | Amount paid under protest (Rupees in crore) |
|----------------------|----------------|--------------------------------|------------------------------------|--------------------------------------------|---------------------------------------------|
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2016-17                            | 1.21                                       | 0.30                                        |
| Income Tax Act, 1961 | Income Tax     | Assessing Officer              | 2018-19                            | 0.77                                       | -                                           |





- B. Brief details of top 5 material outstanding litigations against the Company and amount involved:  
As mentioned in clause A above.
- C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Promoters: Nil

#### **RATIONALE OF THE SCHEME OF ARRANGEMENT**

The proposed Scheme of Arrangement for Amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited is in the interest of shareholders and creditors on account of following reasons—

- a) Combined business under “APL Apollo” brand resulting in wider product offerings and geographical footprint thereby leading to a stronger market presence which is best suitable for long term growth market;
- b) Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the Amalgamated entity;
- c) The Amalgamating Companies operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies;
- d) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- e) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated entity; and
- f) Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.

#### **ANY OTHER IMPORTANT INFORMATION**

Not Applicable

#### **DECLARATION**

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the scheme is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this scheme are true and correct.

**For Shri Lakshmi Metal Udyog Limited**

*Shivam*  
Shivam Maheshwari  
Company Secretary  
Place: Delhi

Date: December 24, 2021

