Sudesh Group

APL APOLLO STEEL PIPES

APL/SECT/DLH/SE: 2021-22

June 30, 2021

Electronic Filing

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

NSE Symbol : APLAPOLLO

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

Scrip Code : 533758

Dear Sir/Madam,

Re: Annual Report for the Financial Year 2020-21

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2020-21, being sent to those members by email whose email addresses are registered with the Company/Depository participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report is also uploaded on the website of the Company at www.aplapollo.com.

Submitted for your kind reference and records.

Thanking you

Yours faithfully
For APL Apollo Tubes Limited

Deepak C S
Company Secretary

Encl: a/a

WE CRAFT STEEL

APL APOLLO TUBES LIMITED

Integrated Reporting & Financial Statements **2020-21**

Contents

With automation technology solutions increasingly dominating our industrial landscape, it may feel as if the need for craftsmanship in commercial production is sharply diminishing.

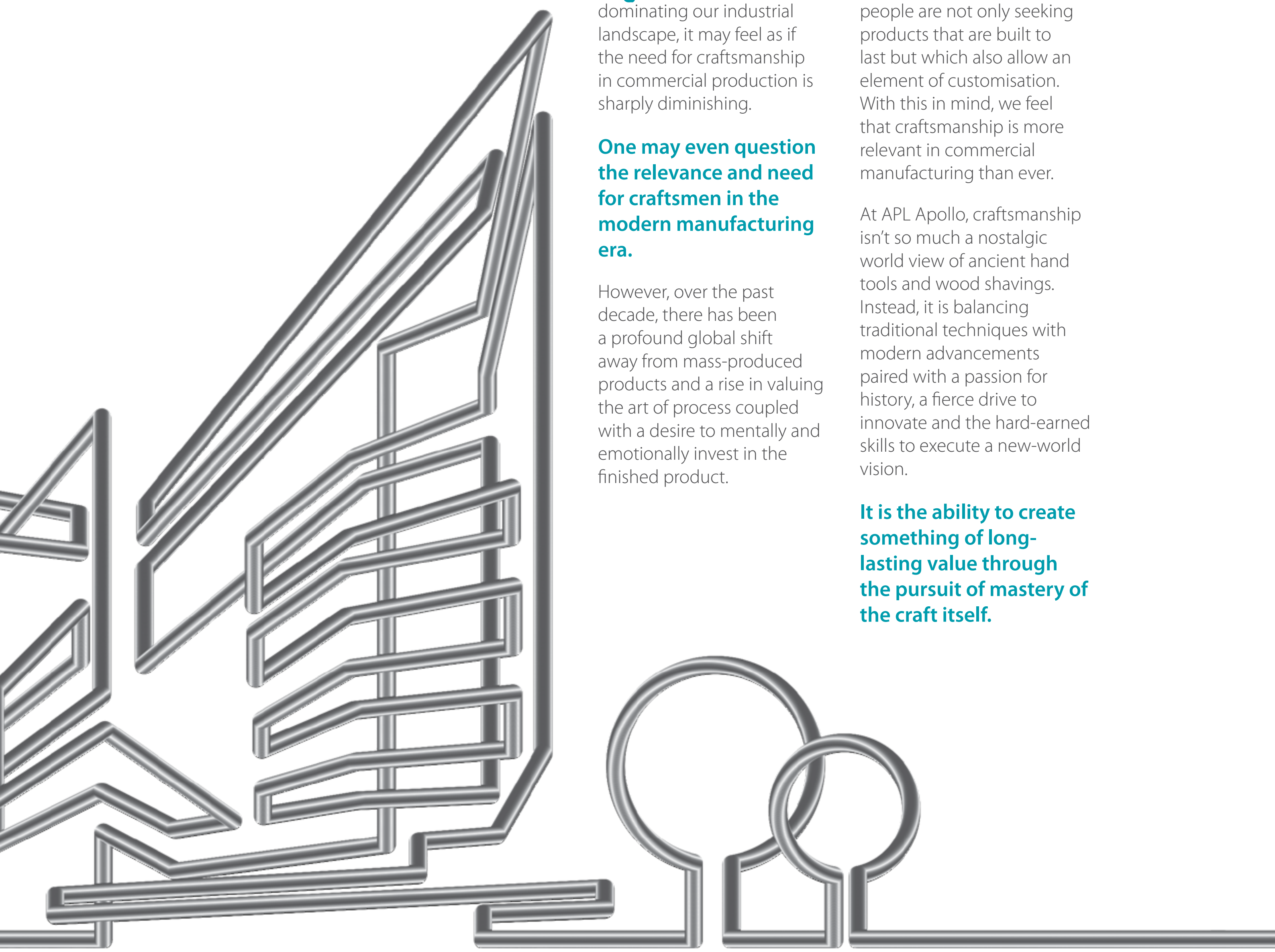
One may even question the relevance and need for craftsmen in the modern manufacturing era.

However, over the past decade, there has been a profound global shift away from mass-produced products and a rise in valuing the art of process coupled with a desire to mentally and emotionally invest in the finished product.

In times of social, environmental and economic uncertainty, it seems people are not only seeking products that are built to last but which also allow an element of customisation. With this in mind, we feel that craftsmanship is more relevant in commercial manufacturing than ever.

At APL Apollo, craftsmanship isn't so much a nostalgic world view of ancient hand tools and wood shavings. Instead, it is balancing traditional techniques with modern advancements paired with a passion for history, a fierce drive to innovate and the hard-earned skills to execute a new-world vision.

It is the ability to create something of long-lasting value through the pursuit of mastery of the craft itself.



At APL Apollo, we do not make steel products.

We craft STEEL

The value we crafted in 2020-21

1

We crafted a simple re-start strategy – start early. Simple!

The lockdown in India, a prudent initiative at that time, unveiled fear and uncertainty for people and enterprises alike. Because their survival was questioned.

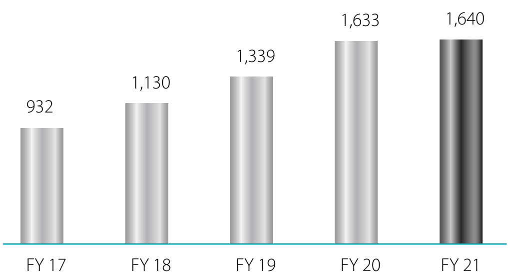
At APL Apollo, rather than being consumed with the prevailing negativity, we looked for the silver lining. We found one. The rural markets. We made good of the prevailing challenges.

- We started our plant operations in the first wave of unlocking – we were the first in our space to commence operations.
- Our operations head start was supported by our supply chain in equal measure.
- Our dealer base in these markets infused confidence in the minds of customers with regard to product quality and availability.
- We revitalised our distribution network in rural markets; we added new dealers to entrench our presence in rural India.

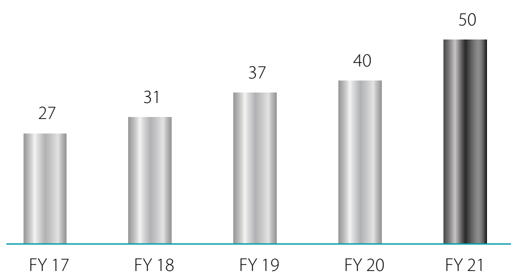
Our faith in the resurgent rural market yielded heart-warming results. 1) Customers replaced the local product with the APL Apollo brand. 2) Our revenue mix tweaked – from an urban centric basket to a rural dominant revenue pie.

We grew our market share by 25% over the previous year in an otherwise challenging environment.

Annual Sales Volumes ('000 tons)



APL's Market Share (%)



2

We re-crafted our sales approach – cash replaced credit.

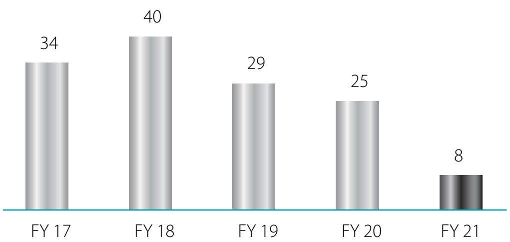
Post the pandemic-mandated lockdowns, we shifted our sales policy from sales on credit to our dealers to a Cash-and-Carry model. This was possible primarily owing to

- Our product basket (products for almost every application)
- Our customisation prowess (owing to the growing awareness and acceptability of the Direct Forming Technology (DFT) products)
- Our serviceability (manufacturing presence proximate to key consuming markets)
- Our brand strength (owing to sustained branding efforts)

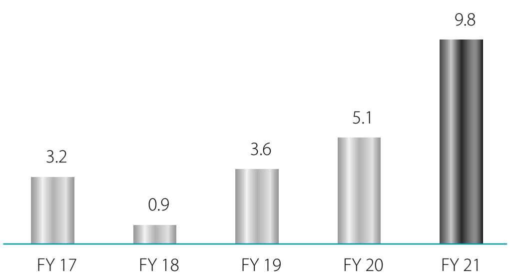
This strategic decision has 1) helped the Company to reduce its net working capital cycle from about 25 days in March 2020 to <10 days in March 21, and 2) released precious liquidity which was deployed to reduce the Company's debt.

We have the lowest Debtor days (5 days) in the Building Products sector in India.

Net Working Capital (Days)



Operating Cash Flow (₹ Bn)



3

We sustained our higher-margin endeavour. Costs declined. Value increased.

Even as business demand trickled in the first quarter, we determined to remain liquid. We focused on pruning our expenses. We analysed and optimised our cost structure.

1) We reduced our marketing costs.
2) We significantly reduced our fixed and discretionary expenses.
3) We curtailed our distribution expenses and pruned our people cost.

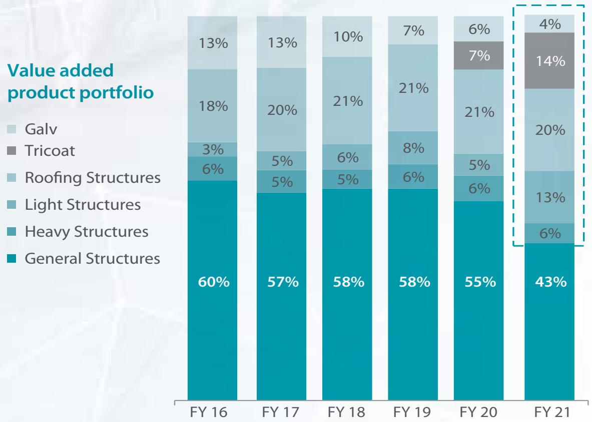
When demand re-surfaced, we concentrated not only on garnering volumes, but growing the share of value-added products. We positioned and communicated our novel solutions as cost-effective substitutes over conventional material.

We moved equipment from our Hyderabad unit to our Raipur unit in East and our Murbad plant (proximate to Mumbai) in the West. This enhanced our capability to manufacture value-added products which helped us to service key markets in the region.

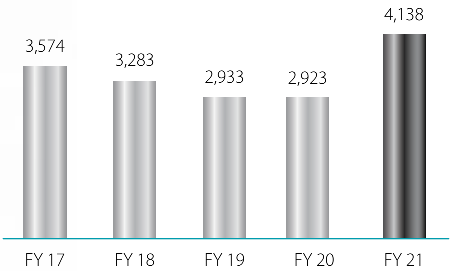
In doing so, our revenue basket altered from a dominance of commodity products in FY20 to the value-added segment emerging as the dominant contributor in FY21 (57%).

Our EBITDA per tonne jumped by about 42% in a year when most others would have been satisfied with survival.

Rising value added product portfolio for APL Apollo



Annual EBITDA/ton (₹)



4

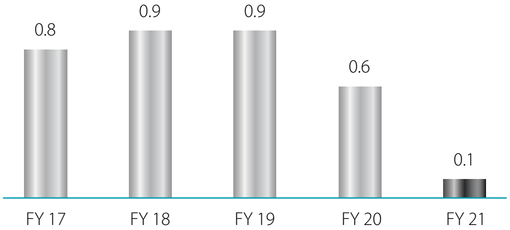
We remained steadfast on our deleveraging focus. Organisation became solid. Business became liquid.

In a fiscal when Government sops (primarily low-cost debt) rekindled hopes of business survival for many, we deleveraged the organisation.

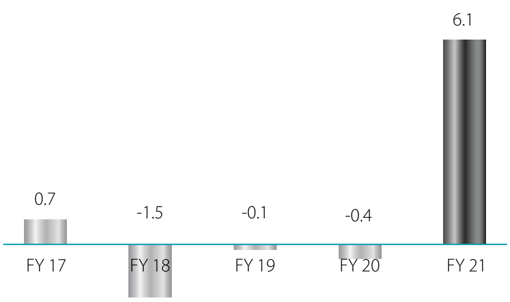
The fund released from an optimised working capital cycle and value earned from decommoditising our sales was prudently deployed in reducing our external liability. We repaid debt cumulating to ₹3,134 mn in FY21 to emerge close to the coveted position of a zero-debt Company. The net debt of the Company reduced to ₹1.6 bn on March 31, 2021 from ₹7.9 bn on March 31, 2020.

We funded our ₹2,798 mn in Capex in FY21 from our internal accruals at a time where the financial world remained parched.

Debt/Equity (x)



Free Cash Flow (₹ Bn)



5

Our performance peaked in a fiscal that was rather bleak. Profitability & Returns.

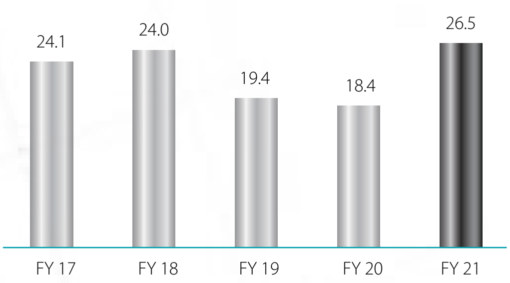
10%
Growth in
Revenue

42%
Growth in
EBITDA

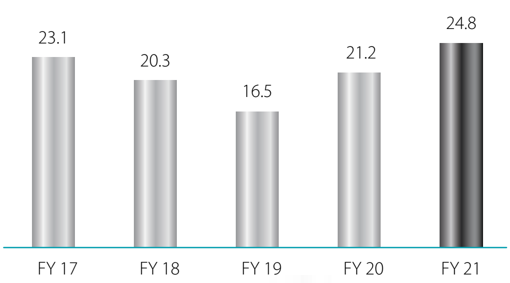
51%
Growth in
Net Profit

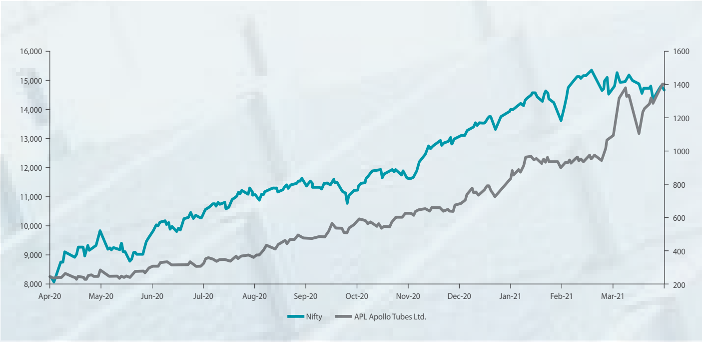
92%
Growth in
Net Cash from Operations

ROCE (%)



ROE (%)





Our Market capitalisation jumped by 476% between the year-start and year-end.

Crafting a superior performance

One quarter at a time

	Q1	Q2	Q3	Q4
Sales volume (tons)	238 k ↓ 39% y-o-y	481 k ↑ 32% y-o-y	486 k ↑ 1% y-o-y	435 k ↑ 9% y-o-y
Revenue (₹ mn)	11,098 ↓ 46% y-o-y	22,021 ↑ 34% y-o-y	26,009 ↑ 23% y-o-y	25,870 ↑ 37% y-o-y
EBITDA (₹ mn)	711 ↓ 41% y-o-y	1,691 ↑ 135% y-o-y	2,321 ↑ 45% y-o-y	2,064 ↑ 72% y-o-y
EBITDA/ton (₹)	2,982 ↓ 4% y-o-y	3,514 ↑ 78% y-o-y	4,780 ↑ 43% y-o-y	4,742 ↑ 58% y-o-y
Net Profit (₹ mn)	168 ↓ 68% y-o-y	921 ↑ 68% y-o-y	1,320 ↑ 78% y-o-y	1,192 ↑ 109% y-o-y
Operating Cash Flow (₹ mn)	5,119	6,520	8,465	9,771

Note: For EBITDA and Net Profit figures across Page 1-76

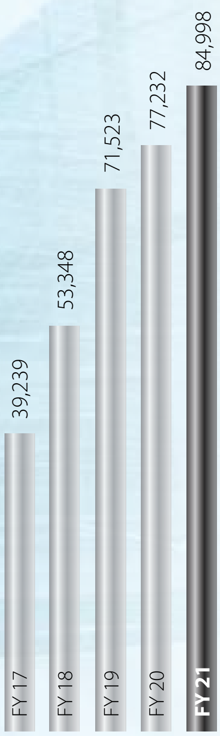
1) EBITDA is excluding Other Income.
2) Net Profit is after non controling interest.

Key Performance Indicators

Ships are safe when moored in the harbour, but is that what ships are meant for? They are to engage with the sea, no matter what. The seas are not always calm. This shore is not always visible. Yet ships sail. And they reach their port of call. Our ship definitely reached ashore with an amazing set of numbers, which is the result of an exemplary effort by the entire team. I am honoured and happy to be a part of such a team.

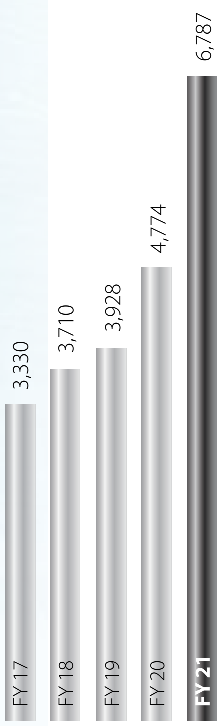
Sanjay Gupta,
Chairman & Managing Director

Net Sales
(₹ mn)



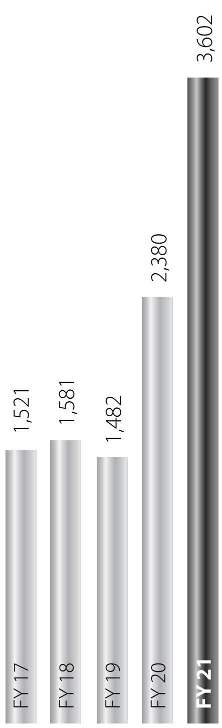
21.3% CAGR

EBITDA
(₹ mn)



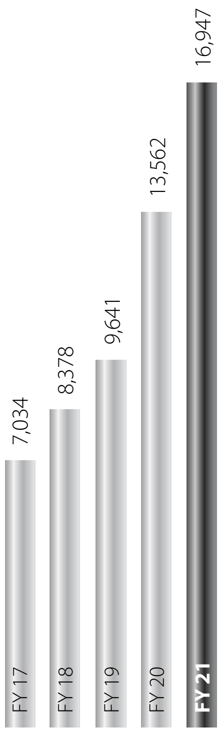
19.5% CAGR

Net Profit
(₹ mn)



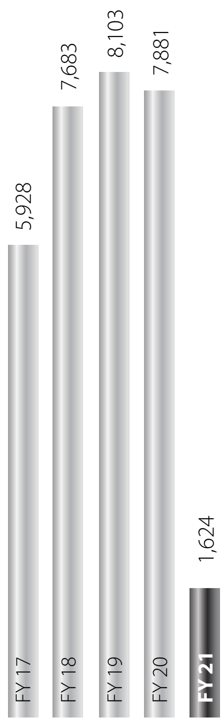
24.1% CAGR

Shareholders Fund
(₹ mn)



24.6% CAGR

Net Debt
(₹ mn)



From the helm

"We will bring in the power of creativity to find newer ways to grow. And then seize these opportunities with disciplined determination."

Sanjay Gupta

Chairman & Managing Director

Dear Shareholders,

It is with great joy and satisfaction that I ink this statement. My happiness stems from our satisfying all-round performance. It could not have been better given the trying circumstances in which we operated for the first half of the year.

Akin to India Inc., we entered FY21 with considerable uncertainty owing to the nation-wide lockdown. The business world had come to a standstill.

We paused too. But only for 21 days.

History proves that adversity has always been a great teacher. It brings out the best. At APL Apollo, it unleashed the animal spirits to not relent to the fear set in by an invisible micro-organism.

With the first ray of unlocking, we started plant and business operations. We gained the all-important edge, even when others in our business space were grappling with the How's, Why's, When's, What's etc…

We started with a difference.

Difference in our approach. Difference in our attitude. Difference in our product mix. Difference in our market focus. Difference in our sales terms.

And these bold strategic initiatives made all the difference.

Our sales of value-added products increased. Our presence in rural markets intensified. Our business liquidity multiplied. More importantly, business profitability leapfrogged.

What is very satisfying is that our ROCE (Return on Capital Employed) was 26.5% despite a near wash out of sales in the first quarter of this fiscal. This, incidentally, also happens to be one of the highest returns reported by any player in the building products space.

It was the best fiscal in living memory.

FY21 was particularly special not only for our financial performance but also for the strategic initiatives we implemented, which, I am confident, will sustain our growth momentum well into the future.

Value-addition: We are in process of crafting two products verticals namely colour coated tubes and 500 sq columns - first time products for the Indian market. Being a pioneering effort, there exists no market today. But our past experience in business has taught us one reality.

You develop a product. You create a market.

The 500 sq columns, for instance, have been developed for tall building (high-rises and skyscrapers), PEB (Pre-Engineered Buildings) and heavy infrastructure namely airports, and the likes.

In addition to creating this new product, we are also developing the market. We inked an MOU (Memorandum of Understanding) with Zamil Steel Buildings India to develop a market for pre-engineered steel buildings (PEB) made from structural steel tubes. The usage of structural steel tubes in India is just 5% in PEB structures against a global average of 20%. Hence, India has a lot of catching up to do. This partnership will help create a new market of 2,00,000 tons (per annum) for our high diameter and high thickness steel tubes 'Apollo Column' in coming years.

Our colour coated tubes is targeted at interior furniture applications. In addition to being aesthetically superior to conventional products, it saves time and cost for the end-user.

We are creating capacity for these new products at our Raipur facility which should be operational in the current year. This initiative, I believe, will go a long way in growing our business profitability.

In addition to product development, we are concentrating our energy on service excellence. Because, in an increasingly competitive world, service will be the lasting competitive edge. Moreover, in the building products space, most players are focused on network creation/addition, very few care to service them well.

We aim to set a new trend.

In keeping with this goal, we are creating mother warehouses pan-India which will service our dealers and distributors with speed. In FY21, we invested in two warehouses in North (Noida) and East (Raipur) which will service our distribution network in these regions. We have planned one warehouse each for the South and West regions which should be operationalised in the current year. Further, we have strengthened and streamlined our supply chain which has reduced our delivery time from 15 days a few years ago to about 4 days now. We aim to achieve a delivery time of 24 hours. This would be a new benchmark in our business space.

Barring unforeseen circumstances, the current year appears to be promising as we aim to up the momentum through volume-driven and value-led initiatives.

We are crafting a profitable & sustainable future.

Our mission is to achieve an annual capacity of 4 mn tonnes of steel crafting. Today, we are at 2.6 mn. The entire new capacity (1 mn at Raipur and 0.4 mn in existing facilities) will manufacture value-added products.

Also, we are merging Apollo Tricoat into APL Apollo. Apollo Tricoat as you are aware, is entirely into niche products which are first-time products for the Indian markets. Our products, Chaukhat, Designer Tubes and Planks have done very well in FY21.

These efforts should translate into increasing the share of value-added products in our revenue basket to about 75% in the next 2-3 years – we are at 57% currently. This, I expect would push our blended EBITDA per ton closer to the ₹5,000 threshold.

From a personal standpoint, I will focus my energy on organisation building. As a first step in this direction, we have done an organisation-wide competency mapping. In addition to providing rich insight into the intellectual capital resident within the organisation, this exercise identified the skill gaps which are necessary for business management. We are encouraging cross-functional movement to fill in these positions. This will upskill the movers and inspire other members to follow suit.

Also we have engaged Ernst and Young Associates, LLP (E&Y) for an ESG (Environment, Social and Governance) quality assessment exercise. This is essential from a sustainability view point. It will highlight where we stand under various parameters against globally accepted benchmarks. More importantly, it sets out the roadmap to achieve targets which will help us reduce the burden of our business operations on the Earth.

The excitement within the organisation is palpable.

I look into the future with optimism. We will bring in the power of creativity to find newer ways to grow. And then seize these opportunities with disciplined determination.

I take this opportunity to thank you all for your unwavering support and commitment that continues to provide us strength to craft a better future for all of us.

Warm regards,

Sanjay Gupta
Chairman & Managing Director

Adding value to our steel craft

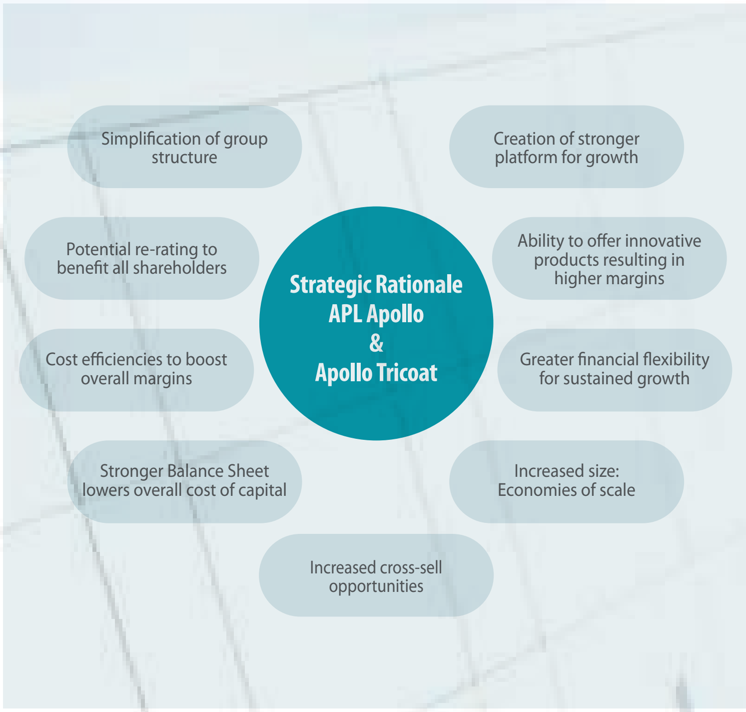
APL Apollo announced the merger of Apollo Tricoat and Shri Lakshmi Metal with itself. This merger would combine the businesses under the 'APL Apollo' brand with wide product offerings and geographical footprint leading to a stronger market presence.

From a governance standpoint, the Scheme of Amalgamation has been evaluated by

- Big Four Accounting firm KPMG Assurance and Consulting Services LLP as merger advisor
- Renowned Firm SSPA & Co. Chartered Accountants as an independent valuer

The scheme of amalgamation will involve splitting up of one share of Shri Lakshmi Metal of the face value of ₹10 into five shares of the face value of ₹2. Under the merger scheme, Apollo Tricoat's minority shareholders will receive one equity share in APL Apollo for every one equity share held.

Shri Lakshmi Metal and Apollo Tricoat operate businesses that complement each other and the combination will result in stronger consolidated revenue and profitability along with diversification in the product portfolio. The tax-neutral transaction is said to be EPS and margin accretive. "Apollo Tricoat's high margin products will lift APL Apollo's profitability.

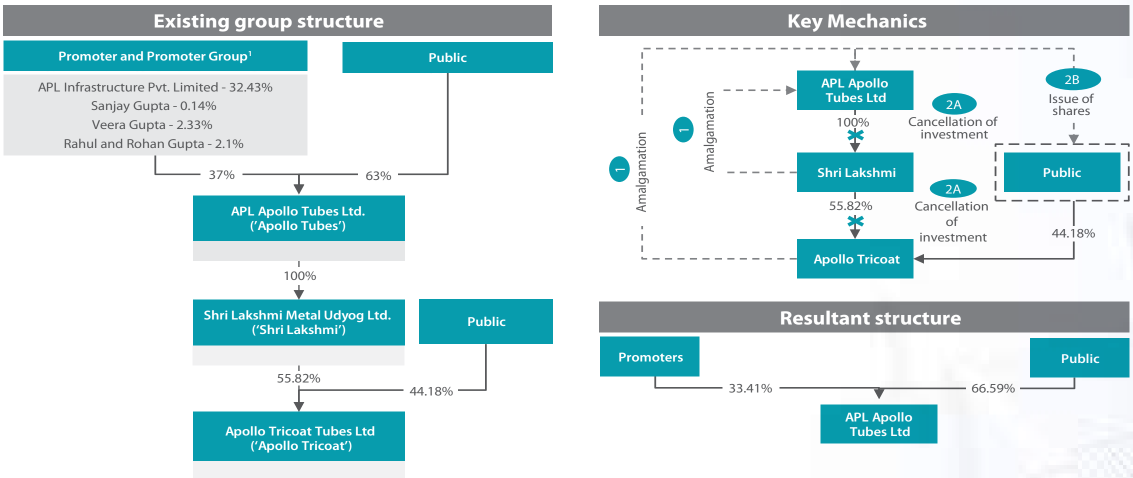


"We see various synergies post the merge between the two companies. One is at the cost level, second is at the product level and third is at the brand level. So all these three scenarios put together, we are looking at good margin expansion.

We have drawn the plan on three areas - plant consolidation, distribution cost and to go to market cost. The overall group has around 10 plants which are divided between APL Apollo 8 and Tricoat 2. We think there could be some cost efficiency if we are able to consolidate some of the capacity there. At the distribution cost, since 50-60% of the distributors are common for both APL Apollo and Apollo Tricoat, reaching out to the distributor should also save some cost."

Anubhav Gupta
Chief Strategy Officer

Merger Arrangements



Source: Shareholding pattern as on 31.03.2021

Benefit for APL Apollo Share holders

- EPS Accretive: Net profit increase by 13.5%, Dilution of 9.7%
- ROE Accretive: 100% of Apollo's Tricoat profit to boost return profile
- Margin Accretive: Apollo Tricoat's high margin products to lift APL Apollo's profitability
- Addition of innovative value added products to APL Apollo's portfolio
- Apollo Tricoat's B2C centric approach will enhance Group's brand equity

Investment case

Intrinsic business optimism

Having transformed its business from developing products to crafting novel solutions for the Indian market, APL Apollo is uniquely positioned to deliver value to its stakeholders over the coming years.

Pan-India Manufacturing

Being the largest and having a pan-India manufacturing presence is a winning combination. One, it caters to the growing demand. Two, it allows the Company to customise products to suit the requirements of local markets.

The new manufacturing facility at Raipur is being expanded in a phased manner which will enable the Company to cater to East India better.

Entrenched Presence

Over the years, the Company has worked untiringly to entrench its presence in Tier B & C towns. Essentially because these smaller towns are the proven drivers of India's economy – even in the recent lockdown. And hence, are the new construction hubs in India.

The Company is looking to add about 20% of its existing dealer strength in FY22 in East India to establish a meaningful presence in this market.

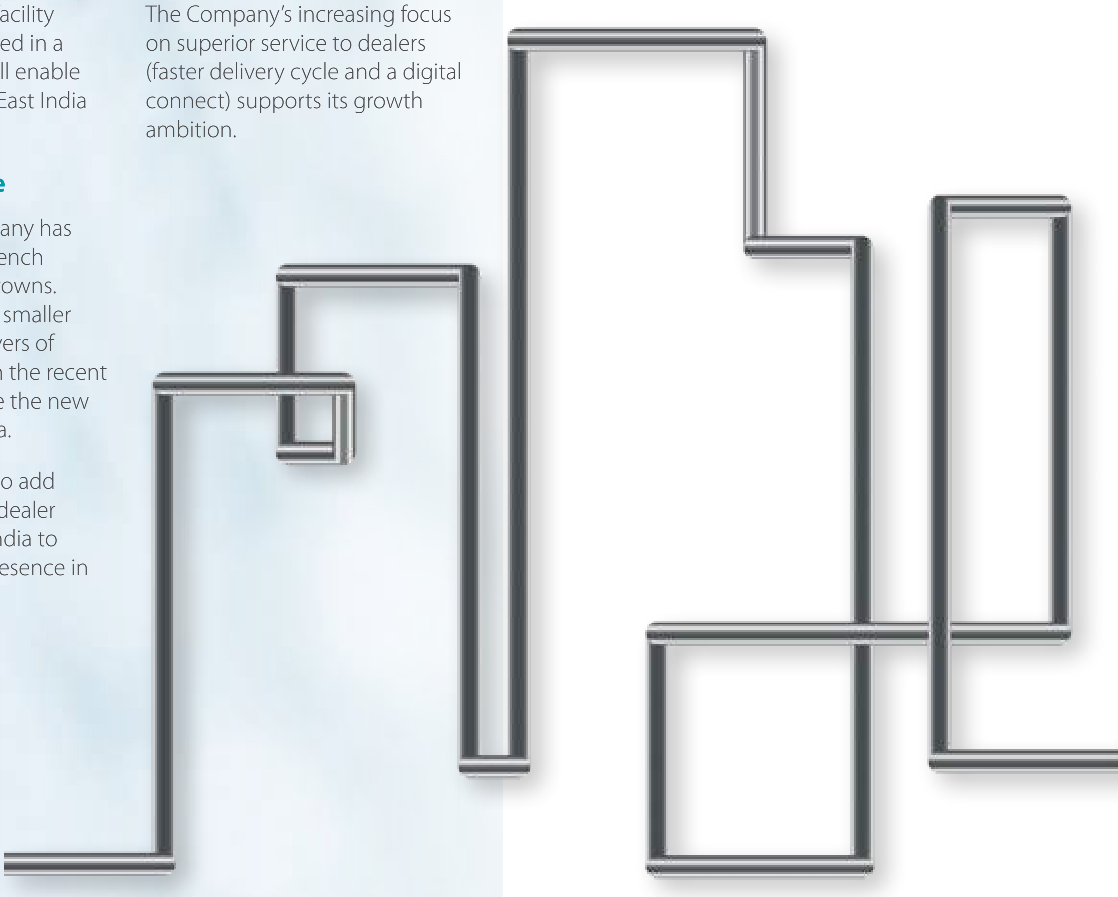
Product Positioning

A large part of the Company's product basket is building material which has multiple applications. Moreover, the unwavering focus on growing retail sales (through the distribution channel) allows superior pricing.

The Company's increasing focus on superior service to dealers (faster delivery cycle and a digital connect) supports its growth ambition.

Value Addition

The Company is respected for the tectonic shifts it has contoured in the structural tubes sector with pioneering technology (high-speed mills, DFT and In-line Galvanizing (ILG) technologies) and launching first-time products.



The Company continues to launch 2-3 SKUs every month in its existing product segments. Also the new first-time product verticals promise to make a healthy contribution to profitable growth.

Powerful Brand

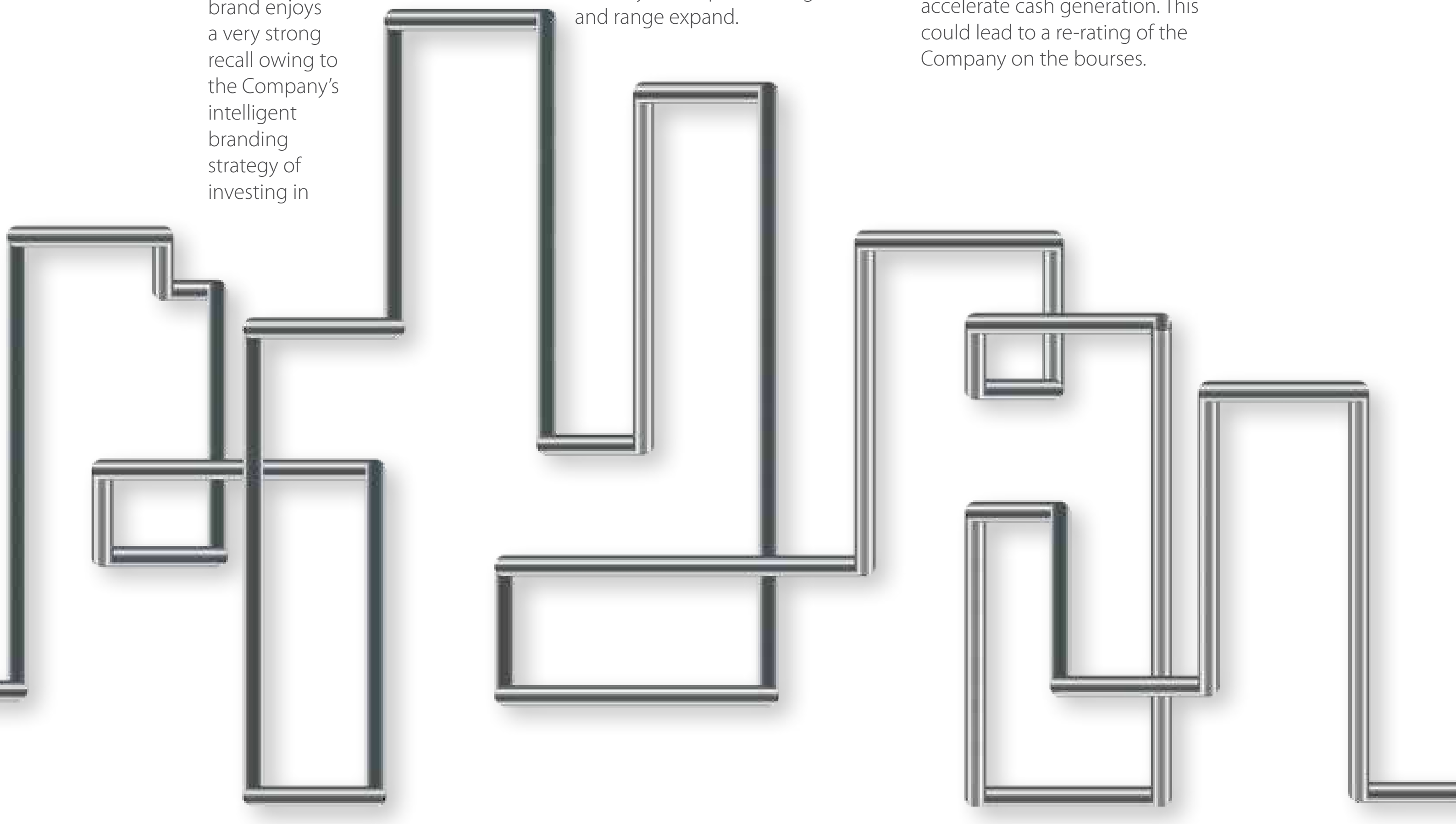
The APL Apollo brand enjoys a very strong recall owing to the Company's intelligent branding strategy of investing in national-level, mass-appeal sporting events and on-boarding Amitabh Bachchan as the brand ambassador. A survey covering 800+ dealers revealed that about 30% of their customers asked for the APL Apollo brand.

Brand investments are expected to intensify as the product segments and range expand.

Assured Liquidity

The recent shift in the terms of sale from credit to cash augurs well for the Company. For two reasons. 1) It becomes a zero-debt Company and 2) It funds its capex requirements through internal funds.

The combination is expected to accelerate cash generation. This could lead to a re-rating of the Company on the bourses.



Reporting Approach

This is APL Apollo Tubes Limited's (APL Apollo) second Integrated Annual Report, prepared with the objective of providing stakeholders a complete and transparent assessment of our ability to create long-standing value. We are presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.

Reporting framework

The report follows the International <IR> Framework as developed by IIRC (www.integratedreporting.org) and should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.

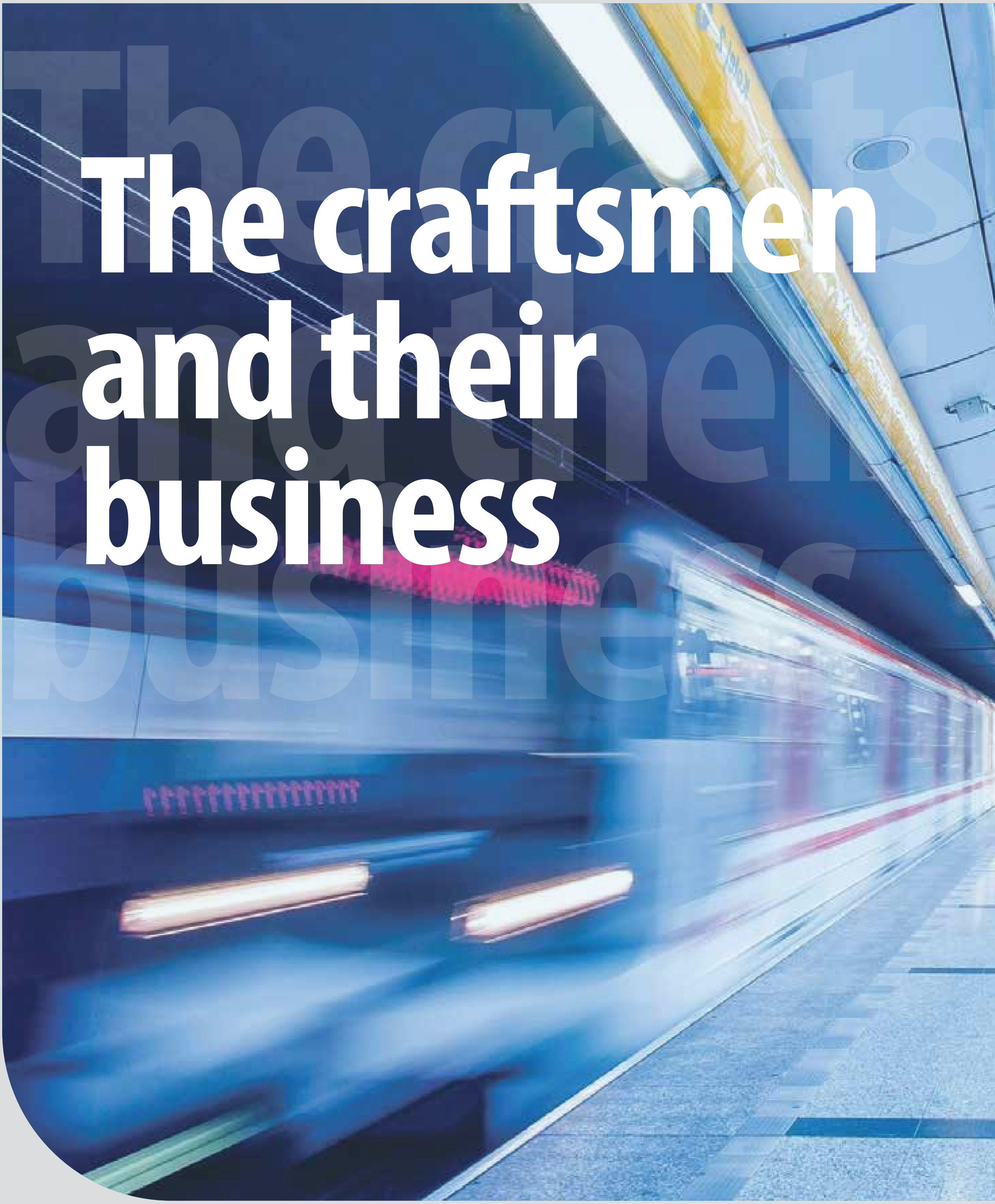
Assurance

To ensure the integrity of facts and information, the Board of Directors and management have reviewed the Integrated Report. The statutory auditors, Deloitte Haskins & Sells LLP, Chartered Accountants have provided assurance on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.

Introducing the Capitals

	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
What it is?	Financial resources that the Company already has or obtains through financing	The Company's tangible and intangible infrastructure used for value creation through business activities	Intangible, knowledge-based assets	Employee knowledge, skills, experience and motivation	Ability to share, relate and collaborate with stakeholders, promoting community development and well-being	Natural resources impacted by the Company's activities
Management approach	Create value for shareholders through sustainable growth	Well maintained functional assets and equipment that deliver quality output	Leverage innovation as a strategic element for business growth	Nurture a committed and qualified workforce that drives business growth	Promote trust with stakeholders, improving the quality of life of people in areas of presence	Ensure sustainable use of natural resources and contribute to combating climate change
Highlights	**₹84,998** mn Revenue **₹6,787** mn EBITDA **₹3,602** mn Profit after Tax	**1.64** MT Steel Output	**02** New products launched	**₹43.4** mn Revenue per employee **271** L&D mandays	**NIL** Dividend for FY21 **₹3.3** mn Investment towards Environment	**₹53.3*** mn CSR spend in FY21

*including ₹ 25.8 mn accrued towards CSR expenses



The craftsmen and their business

About APL Apollo

APL Apollo is the largest and the most innovative producer of Structural steel tubes and pipes in India.

With a strong pan-India presence, it serves as a 'one-stop-shop' for steel products catering to urban infra-structure, automobile, construction, housing, energy, irrigation, solar plants, and greenhouses. Its products are BIS marked and certified by re-puted international agencies like SGS (France) and CE (Europe).

Owing to the dynamic leadership of Sanjay Gupta, Chairman, APL Apollo, the Company has emerged as a leader in all the segments that it operates in.

Over three decades, APL Apollo has built a robust 3-tier distribution and supply chain. It has received the Recognised Export House and is ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified.

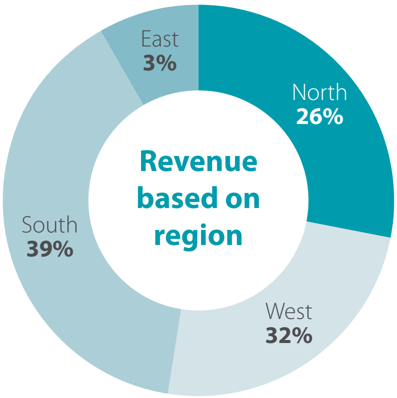
The Company's unwavering focus on meeting the shifting consumer preferences allows it to make sizeable investments in R&D for adopting the latest technologies, developing path-breaking products and utilising resources optimally.

This strengthens the Company's capability to create new products, adopt new applications, strengthen processes, develop new market seg-ments, and enhance existing market shares.

84,998
Revenue
(₹ mn)

57% Revenue from value-added products

43% Revenue from commodity products



Mission

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

Values

Leadership: Our strategy to strengthen our technical capability and operational effi-ciency will enable us to remain an undisputed leader for many years to come.

Milestones: The journey through the years and important turning points in APL Apollo's emergence.

Quality & Management: The Company invested in advanced technology, ensuring the finest product quality and production efficiency for its customers and stakeholders. Michael Porter's 5-forces model

How have we created market...

Conventional Construction Products	Applications	Why Structural Steel Tube replaces these products?
Steel Angle/Channels	Structural support, Towers infrastructure	Uniform Strength, Lower steel consumption
Wood	Furniture, Door Frames, Planks	Cost Effective, Termite Proof, Environmental Friendly
Aluminum Profiles	Facades & Glazing	Cost Effective, Higher Strength
Reinforced Cement Concrete	Construction of Buildings	Faster Construction Environmental Friendly
Fabricated Metal Sheet	Pre-Engineered Steel Buildings	Lower steel consumption Reduces overall project cost

How to replace the conventional products ?

Low Diameter Steel Tubes/Low Load Bearing

High Diameter Steel Tubes/High Load Bearing

Michael Porter's 5-forces analysis

Crafting steel has given us considerable edge in an otherwise competitive landscape.

Threat of entry

Largest player in the structural steel space

Expansive and entrenched distribution network across India

Technology advantage leading to pioneering solution

Significant financial muscle (doubled capacity every 3rd year without debt)

Unmatched brand strength leading to top-of-the-mind recall with end consumers

Bargaining power of distributors

50% market share in structural steel tubing industry

Slew of new SKUs and pioneering products; increases footfalls

Developing a hub-and-spoke model to service dealers faster

Distributors can churn capital upto 8x in a year which helps them generate high ROCE

Industry rivalry

APL Apollo enjoys a more than 50% share of the structural steel market.

Some peers are faced with high debt issues which make them uncompetitive

Some others are not in direct competition as they do not deal with similar application segments

Bargaining power of suppliers

Features among Top 3 customers for large steel producers

Accounts for 2% of Indian steel consumption and 10% of Indian HR coil consumption

Enjoys considerable negotiating leverage with suppliers

Threat of substitute

Structural steel is substituting conventional material

No real substitute to match the strength of structural steel

Regional Presence

Products & Brands

Apollo Structural

Structural steel construction material: Residential, Commercial, Infrastructure

Apollo Z

Galvanized structural steel construction material: Residential, Commercial, Infrastructure

Apollo Galv

Galvanized steel tubes: Residential, Commercial, Agri, Industrial

Apollo Tricoat

Home improvement products

Product Category – Application & Sales Mix*

Product Category	Sales Volume Mix (%)	Applications
Apollo Structural	63%	
Residential Buildings & Independent Homes	25%	Structural, Piling, Sheds, Handrails, Gates, Fencing, Balcony Grills, Staircase, Light Structures
Commercial Buildings, Warehouses & Factories	14%	
Infrastructure	20%	Structural for Metros, Airports, Stadiums, Stations etc
Industrial & agriculture	4%	Heavy Equipment
Apollo Z	19%	
Residential Buildings & Independent Homes	14%	Galvanized structural steel tubes for coastal markets
Commercial Buildings, Warehouses & Factories	5%	
Apollo Tricoat	14%	
Residential Buildings and Independent Homes	11%	Door Frame, Staircase Steps, Furniture, Plank, Designer Tubes, Fencing, Electrical Conduits
Commercial Buildings	3%	
Apollo Galv	4%	
Commercial Buildings	3%	Galvanized Structural, Greenhouse Structures, Plumbing, Firefighting
Industrial & agriculture	1%	
Total	**100%**	

*As per FY21 Sales Volume

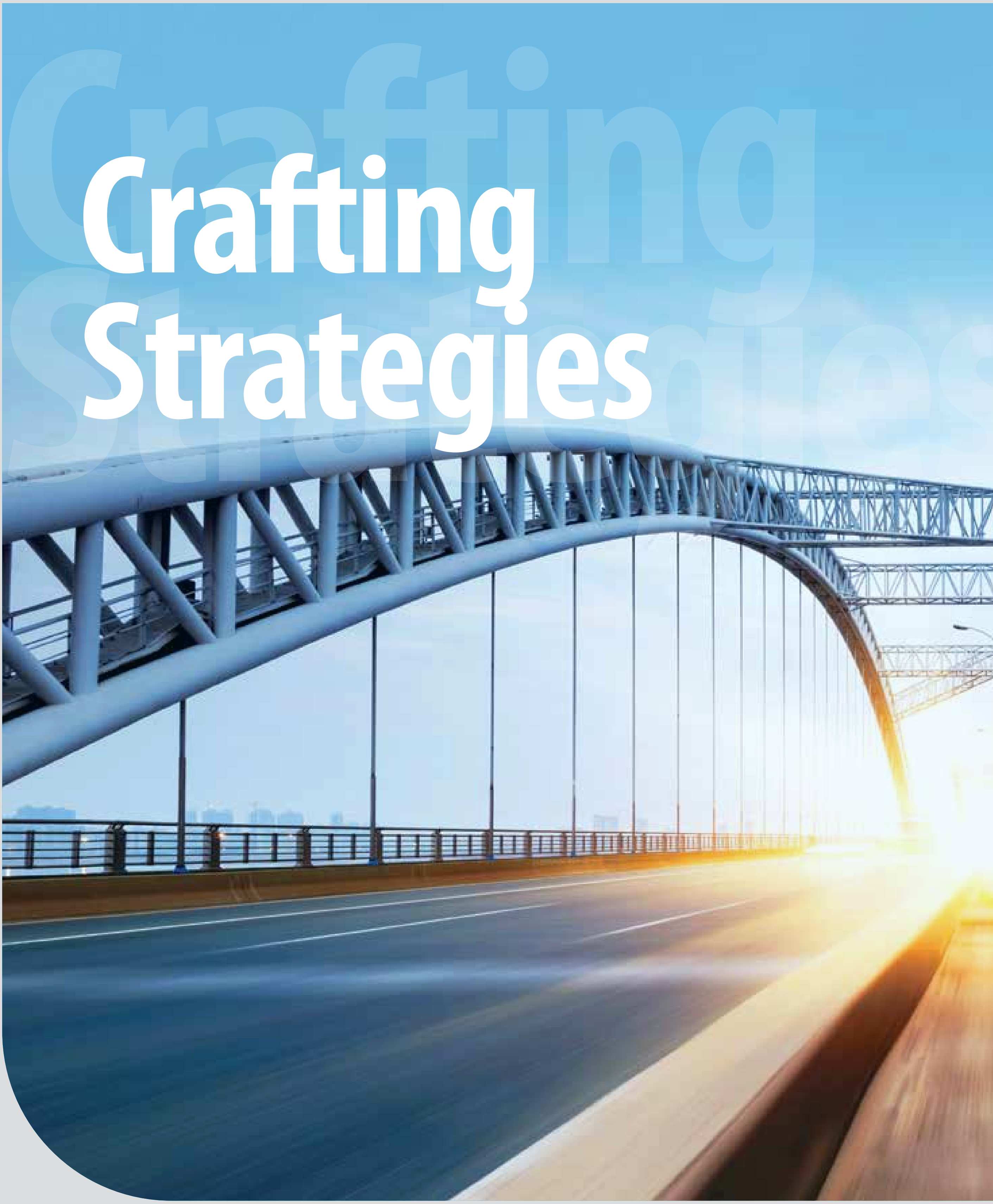
50% Building Material Housing

25% Building Material Commercial

20% Infrastructure

5% Others (Industrial & Agri)

Crafting Strategies



Operating environment

The ecosystem in which we operated

FY21 was an unprecedented year in which businesses had to cope with two extremes – the year started with shut doors (owing to the lockdown) that forced business entrepreneurs to redraft their annual plans from a growth blueprint to a survival roadmap. In the second half of the year, demand suddenly surged, leaving most players thinking of ways of how to meet the demand. It was an interesting U-curve for India's economy and for most of Indian enterprises, small and large.

Q1/FY21

The nationwide lockdown to contain the pandemic dented industrial sector as manufacturing came to a grinding halt. Although phased unlocking was initiated in May 2020, commercial activity was abysmal. Most business operations remained throttled as demand evaporated. As a result, India's GDP contracted by 24.4%.

APL Apollo's response

APL Apollo was among the first in its business space off the block - the Company commenced manufacturing operations at some of its plants while strictly adhering to government protocols. By the end of the first quarter, all its manufacturing facilities had commenced operations – demand for its products constrained.

Q2/FY21

The July – September period was when most large enterprises, kickstarted business operations. But demand remained tepid as the average Indian, especially in urban centers, adopted the conservatism over consumerism. Demand also remained affected owing to the continuing of certain restrictions to flatten the pandemic curve. In keeping with these realities, India's GDP contracted by 7.3%.

APL Apollo's response

APL Apollo's registered a healthy performance. This was owing to its inherent advantages 1) an entrenched network 2) significantly strong rural and semi-urban presence and 3) its dispersed manufacturing presence. The potent combination allowed it to capitalise on demand originating from rural and semi-urban markets. These markets were relatively less impacted by the pandemic and were largely responsible to India's economic resurgence.

Q3/FY21

The sharp pickup in the capital spending by the Government spurred growth in gross fixed capital formation in Q3 FY2021, even as state government capital spending contracted, and private sector participation remained uneven and subdued. Rural India was alive, demand from these areas continued to grow. India's economy posted a positive GDP growth of 0.4%.

APL Apollo's response

APL Apollo operated its manufacturing units at optimum utilisation. Sales volumes ramped up. The Company also received the benefit of an increase in steel prices which was passed on to customers.

Q4/FY21

This period marked the resurgence of business activity as consumerism in urban centers increased while demand from semi-urban and rural markets continue to gain momentum. Also the vaccination drive enhanced confidence among fellow Indians. The real estate sector and related business spaces witnessed significant demand. GST collection peaked at an all-time high.

APL Apollo's response

The momentum of the earlier quarter continued. Sales volume and revenue remained robust. By the year end, the Company had not only exceeded its previous year benchmark, it also strengthened its dominance in the market place.

Mega trends

Infrastructure gets the much needed impetus

Union Budget 2021-22 highlighted infrastructure and healthcare as the biggest gainers. The Finance Minister focused this year's budget on infrastructure development which received the much-needed impetus. The government allocated 34.5% more than last year to infrastructure development giving emphasis to roads and highways, railways, urban infrastructure, power, port, shipping, and airways. This is expected to accelerate the demand for structural steel.

APL Apollo focuses on certain key sectors which provide impetus to its growth momentum. Interestingly, the growth prospects in these business spaces provide considerable optimism for the Company's performance over the coming years.

1) Organised warehousing: Still in its infancy

E-commerce operators and Third Party Logistics (3PL) providers are accelerating the decade-long transformation of warehouses (from 'godowns') into organised, tech-savvy storage spaces. This transformation has only started.

India's organised warehousing sector is only taking it's baby steps currently. According to data by property advisory JLL India, the top eight cities of Indian namely Delhi-NCR, Mumbai, Bengaluru, Chennai, Pune, Kolkata, Hyderabad and Ahmedabad—added 28 million sq. ft to India's warehousing inventory to reach a total storage space capacity of 238 million sq. ft in 2020. For the current year, the global advisory estimates that India will add another 35 million sq. ft of fresh supply, some of which is a spillover from 2020 when construction got disrupted due to pandemic restrictions.

Warehousing majors are scouting for space beyond the outskirts of major metros to cater to large and growing e-commerce marketplaces such as Flipkart and Amazon who are determined to establish their presence in every serviceable pincode in the country. JLL projects that there will be 344 mn sq. ft of warehousing space in India by 2022.

2) Airport creation: Touching new heights

The Government had announced the creation of 100 additional airports in India by 2024. Majority of these airports are to be located in Tier I and II cities with an objective of strengthening connectivity. While a few airports have commenced operations and some others are under construction, construction of majority of the planned airports are yet to kick off.

In addition, large expansions have also been planned (some initiated) for some of India's premier airports - in New Delhi, Hyderabad, Mumbai and Kolkata. These large projects provide considerable growth opportunity for structural steel players.

3) High-rise buildings: Will be the new default

The growth of cities has exploded laterally across all directions; except one – vertical direction. This has emerged as the only scope for future development in cities. Moreover, the growing migration from the rural to urban pincodes, has positioned tall buildings to emerge as the new normal, not by choice, but by default.

According to the Council of Tall Building and Urban Habitat (CTBUH), in India, 37 buildings above 150 meters were completed (by 2017) while about double than number are at various stages of construction.

A report by the Mckinsey Global Institute mentions that to meet the ever growing urban demand, the economy has to build between 700 million and 900 million square meters of residential and commercial spaces every year.

Moreover, with about 15% of India's population living in only few large cities namely, Delhi, Mumbai, Kolkata, Bengaluru, Hyderabad and Chennai (with the density of population exceeding 1000 persons per square meter) there is no option but to develop high-rise buildings to offset the scaling land costs, thereby maximising FSI on a given piece of land.

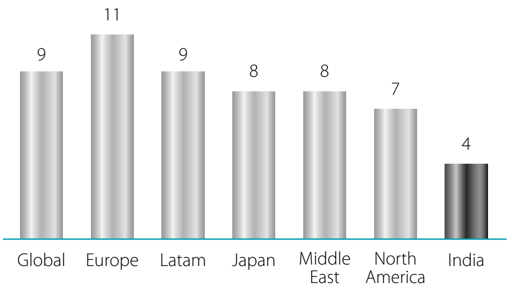
4) Independent homes: Aligning with the New Normal

The pandemic and the subsequent lockdown have considerably altered lifestyle across the world and India – forcing it to adapt with a New Normal. This paradigm shift has also altered the preferences of the present day home seekers – it has significantly affected their purchase and investment decisions. The more recent trend that is visible among recent home buyers is that of independent homes or villas provided they are accompanied with two requirements 1) the discretion to customise homes as per one's preferences and 2) they are accompanied with larger multi-purpose usable spaces.

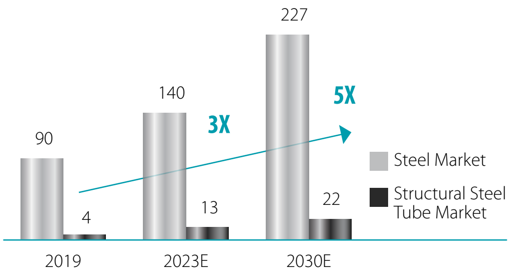
Mumbai's Development Control and Promotion Regulations, 2034 (DCPR-2034) has introduced a new policy which permits construction of high-rise buildings, for narrower plot widths.

India is at the start of Structural Steel Usage

Structural Steel Tubes Market as % of Steel Market (2020)



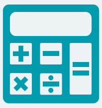
Potential Structural Steel Tubes Market in India (Mn Tons)



Strategic Direction

APL Apollo has drawn a strategic blueprint that allows it to capitalise on emerging opportunities with speed with the objective of sustaining profitable growth and strengthening the organisational edifice. The Company continues to work on this blueprint each year. This disciplined effort has positioned it as the dominant player in its business space.

Strategy 1



Balance Sheet strengthening

Enhance free cash flow generation

Reduce Debt

Increase capacity utilisation

In 2020-21

* Changed the business model from credit to cash-and carry; this collapsed the working cycle to less than 10 days – the lowest in the building product sector
* Deployed cash generated prudently between growth initiatives (Capex ₹2,798 mn in FY21) and reduction of debt (Debt repaid ₹3,134 mn in FY21) – debt equity ratio strengthened to 0.1x. The Net debt of the Company reduced to ₹1.6 bn as on March 31, 2021 from ₹7.9 bn as on March 31, 2020.

Strategy 2

Value-driven growth

Widen the basket of value-added products

Invest in R&D initiatives

Identify opportunities/markets for value-added products

In 2020-21

* Developed Colour Coated Tubes and 500 sq Columns – pioneering products for the Indian market
* Decided to merge Apollo Tricoat into APL Apollo which promises to enhance the value-added product portfolio of APL Apollo considerably

Strategy 3

Cement customer connect

Strengthening connect with dealer network

Tap newer markets including semi-urban and rural market

In 2020-21

* Rolled-out the concept of Mother Warehouses to service dealers and sub-dealers faster and better – created two such warehouses in North and East
* Intensified interaction with fabricators and other opinion influencers through the digital platform
* Continued to strengthen the multi-layered distribution channel at all levels, especially in semi-urban locations which are emerging as new construction hubs.

Strategy 4

Build brand recognition

Invest in Brand to strengthen connect with all stakeholders

Enabling Brand reach through multiple channels

In 2020-21

* Continued our contract with Mr. Amitabh Bachchan as the brand ambassador for all brands housed under 'APL Apollo'
* Undertook mass branding with TV commercials and BTL activities
* Leveraged high visibility sporting events to maximise APL Apollo's brand visibility across a diverse domestic market

Strategy 5

Build a sustainable business

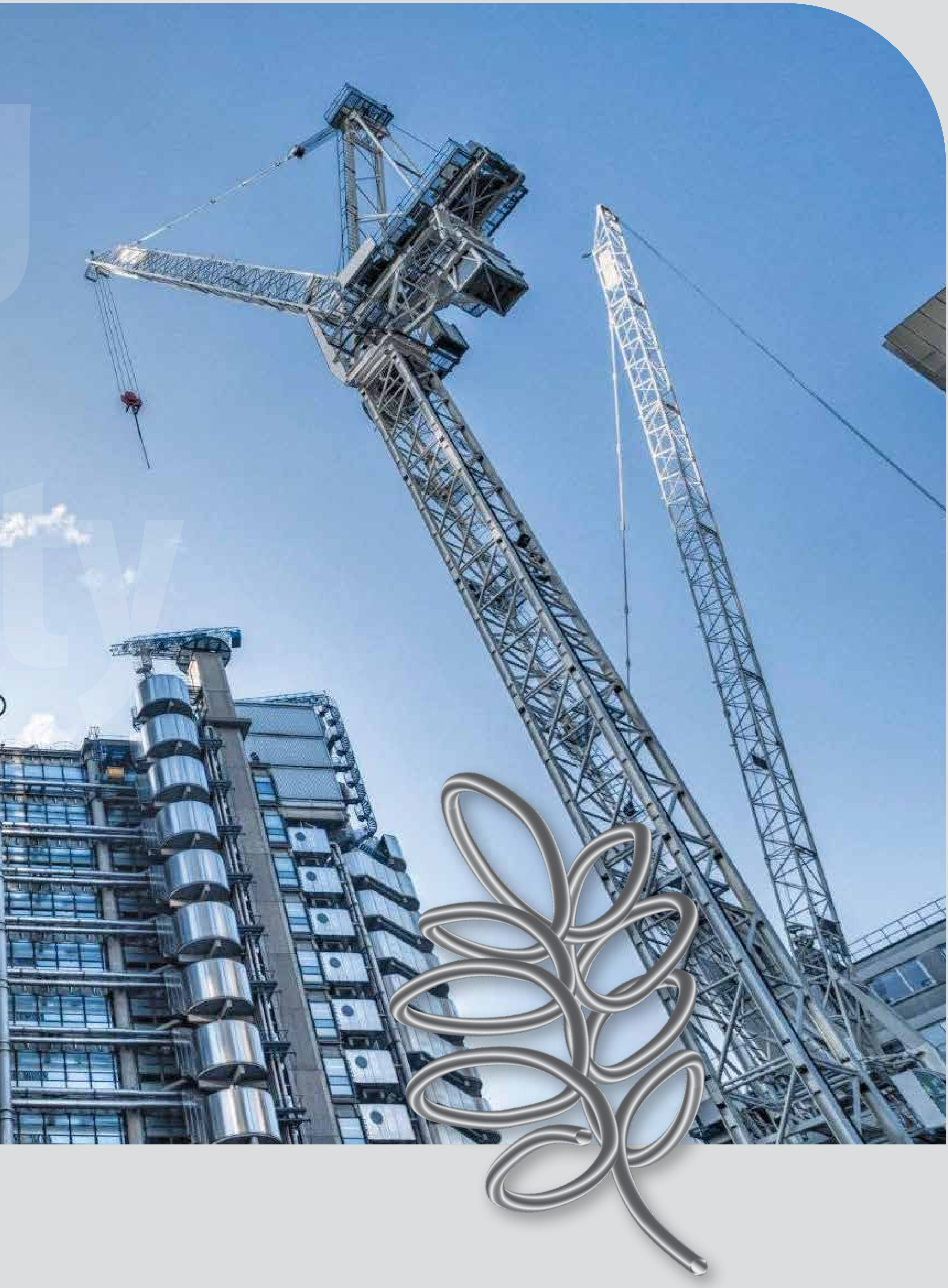
Invest and nurture in building business for tomorrow

Ensure our products are used to save the environment

In 2020-21

* Undertook a organisation-wide ESG (Environment, Social & Governance) evaluation in partnership with E&Y to create a roadmap that will make business sustainable
* Continued nurturing the knowledge and expertise of second level managers with an objective of building a leadership pipeline

Managing business uncertainty



Risk management

Being better in making business safer

At APL Apollo, we believe that systematic risk management practices ensure effective navigation to achieve business objectives and enable sustainable growth in a volatile and complex environment. Our Enterprise Risk Management (ERM) framework has been designed to identify, monitor and minimise the adverse impact of strategic, operational, financial and compliance risks faced by the organisation.

Strategy 1: Balance Sheet strengthening

Uncertainty risk: Uncertainties akin to the recent pandemic could impact business and erode the strength of the Balance Sheet.

Minimising its impact: The Company's robust performance points to the reality that the Company is geared to take on uncertainty. Further, it liquidity war-chest of ₹3,579 mn and deleveraged position provides enough headroom to source funds to tide over challenging phases in its business journey.

Demand risk: Demand may drop which could impact business performance and impact the Company's financial stability.

Minimising its impact: A drop in demand would impact the entire structural steel tube sector and APL Apollo too. But this is not likely to occur in the immediate future considering the huge infrastructure spend articulated by the Government in its Budget 2021-22. Also, the sizeable projects being worked upon by the private sector indicate healthy demand going forward. Further, the Company has such a huge array of products (now Apollo Tricoat included) that a blip in demand for a product category would not impact the Company's growth momentum significantly

Capacity risk: The Company's manufacturing capacity may not be enough to capitalise on growth opportunities.

Minimising its impact: The Company is creating capacity at its Raipur unit to establish a strong presence in East India. Also, the Company plans to increase capacity of Apollo Tricoat unit at Dadri marginally. This it believes will take care of its growth aspiration for the next 2-3 years, during which it aims to generate returns from its assets to create sufficient funds for its next round of investments. In the interim the Company will focus on altering its product basket towards value-added products which will assist in improving business profitability.

Our Business Moat...

Liquidity risk: The Company needs to build up its liquidity to strengthen organisational solidity.

Minimising its impact: The Company's near zero-debt position and its cash-and-carry sales model ensures organisational liquidity. Moreover, the Company's practice of keeping capex spends at 20-25% of the EBITDA on an annualised basis ensures that it never gets into an overleveraged position.

Strategy 2: Value-driven growth

Portfolio risk: The Company may not be able to launch value added products going forward.

Minimising its impact: With the passage of time, value-added product become commodity. This necessitates that the Company needs to introduce new products at regular intervals to achieve its aspiration of value added growth. It has done well in this regard for the following reasons

- It launched Colour Coated Tubes and 500 sq Columns – pioneering products for the Indian market
- It has decided to Apollo Tricoat into itself which promises to enhance the value-added product portfolio of APL Apollo considerably
- Apollo Tricoat recently commissioned its ILG unit, a value-added product which should be launched in India in the current year.

These new additions should help in sustaining its goal of increasing the proportion of value added products in its revenue mix.

Strategy 3: Cement network connect

Dealer attrition risk: Dealers could leave the Company's network to join competition.

Minimising its impact: Dealers generally do not leave the APL Apollo network because the Company has demonstrated its ability to grow their business in multiple ways

1) Rejuvenating their product basket with pioneering products with diverse applications at regular intervals
2) Maintaining regular supplies of material through its multi-regional manufacturing presence and a robust supply chain backbone
3) Sustaining investments in branding and advertisement campaigns and organising meets with fabricators and architects – it generates volumes for dealers
4) Introducing schemes that reward performers in the short-term and the long-term

The most recent cash sales policy adopted by the Company has prompted dealers to sell faster – making their business more agile and liquid. These factors not only encourage existing dealers to grow their business, but also pull others to join the Company's network.

Dealer connect risk: The Company could lose its connect with its expansive dealer base. This could impact business volumes going forward.

Minimising its impact: Maintaining a strong dealer connect is a high priority for the Company for which the Company has adopted a multi-pronged approach.

- Members from the marketing team set up in each region is entrusted with the responsibility of interacting with dealers on a regular basis.
- Regional meets, product launches and other Company events provide a platform for the senior leadership to connect with the dealer family
- The reward and recognition platform also assists dealers in connecting with the Management team.

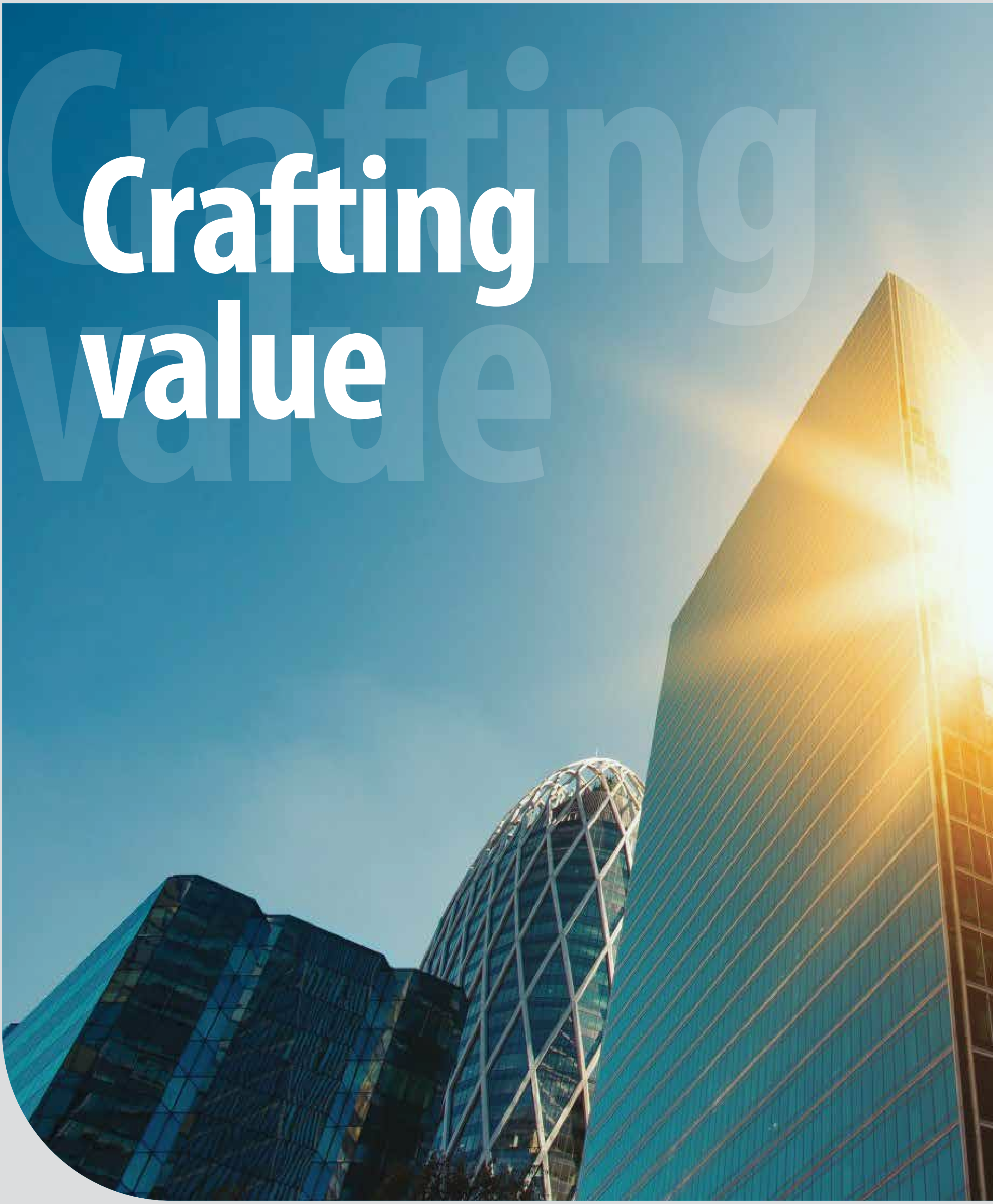
This multi-channel connect helps create a cohesive dealer base.

Stakeholder engagement

At APL Apollo, we believe that success of our business depends on strong relationships. This belief fosters an inclusive approach towards all stakeholders and is aimed at understanding the needs, interests and expectations of all our stakeholders, enabling us to create better value for them and the business.

Stakeholder Group	Why are they important	Material matters	Engagement forums	How we create value
Shareholders & Investors	As providers of financial capital, they are key stakeholders in our growth and expansion plans.	• Good Corporate Governance • Sustainability of the business • Strategy implementation • Inclusivity and transformation	Investor calls, analyst meets and general meetings	• Sound and transparent Corporate Governance policies • Timely engagement with shareholders • Regularly monitor the implementation of the strategic plan
Employees	Our people are at the centre of all our operations. Their collective experience, skill and knowledge are essential for our growth	• Skill development • Well-being • Retention • Employee satisfaction • Performance management	Employee engagement initiatives, continuous interaction with management, appraisals, grievance redressal mechanism	• Understand employee needs and create a conductive work environment • Manage talent effective and create a leadership pipeline • Institutionalise L&D as a business imperative • Encourage diversity and inclusivity in the workplace • Focus on health and safety management
Suppliers / Partners	Our operations are closely linked with the timely availability of supplies, quality of raw materials and services that we source. These, in turn, have a material impact on the efficiency of the production process.	• Product awareness • Visibility and relationship management • Service satisfaction • Timely payments	Regular meetings with key suppliers by senior management, supplier visits, suppliers' meet, supplier tour of manufacturing facilities	• Strategic brand and product awareness approach • Timely payment to all vendors • Grow their business • Improve their value-creation model
Customers/ Dealers	Customer feedback is key to process improvements, quality enhancement, service performance and cost optimisation.	• Product satisfaction and awareness • Brand awareness • Sustainability and viability of the • organisation • Information sharing • Market dynamics • Consumer complaints and grievances	Regional meets, visits to dealers, need-based visits, Customer meets, Customer visits by marketing team and senior management	• Develop products based on consumer needs • Institutionalise a culture of quality perfection • Establish an effective claims and complaint management system • Entrench a culture of fair treatment of consumers
Community	A harmonious relation with communities where we are located is key to our social license to operate. They are partners in our progress and are crucial to our operations.	• Investment in CSR programmes • Focus on sustainability	Need-based assessment surveys, community visits by company management, periodic cultural meets	• Empowering communities by creating employment and self-employment opportunities • Upliftment of underprivileged sections of the society • Reducing the environment impact of our operations

Crafting value



Our value-creation model

APL Apollo's business model is the foundation upon which it seeks to effectively implement and drive a sustainable business strategy. The business model is driven with an aim to craft steel for all building applications. It encourages and inspires our employees and partners to strive for excellence in what they do, keeping ethics, transparency and good governance practices in mind.

INPUTS

Financial Capital

Funds available to create value through production processes, or funds generated by operations. We have a strong, net debt-free balance sheet and focus on efficient capital allocation.

Shareholder's fund: ₹**16,947** mn

Net Debt ₹**1,624** mn

Manufactured Capital

Infrastructure created and equipment used for manufacturing products. Our state-of-the-art pan-India infrastructure provides a superior mind-to-market cycle.

Installed capacity **2.6** MnT

Cold rolling capacity **1** MnT

Intellectual Capital

Knowledge and experience that helps graduate our business model to stand out of the clutter. Our thirst for knowledge and our confidence to walk the road-less travelled helps in developing innovative products and processes developed.

Cumulative experience of Board **276** Man-years

Cumulative experience of Key Management **150** Man-years

Collaborations with institutes/ organisations: **IIT, Roorkee and Zamil Steel Buildings India**

R&D investment ₹**50** mn

Human Capital

The skills, knowhow, capabilities, experience, diversity and level of motivation of direct and contractual employees. We promote innovative thinking and equip them with the right development tools and trainings.

Employees on roll **1,957**

Training & Development expense through **Internal Trainers**

People benefits ₹**7** mn

Social & Relationship Capital

Trust-based, mutually beneficial relationships with key stakeholders such as investors, customers, vendors, society and government, among others, which play a vital role in our success.

Dealers & distributors **800+**

Institutional customers **50+**

Vendors **10+**

CSR spend ₹**53.3** mn

Shareholders **55607**

Natural capital

Natural resources such as air, water, energy, land and biodiversity, which are either utilised by us or impacted by our operations. We continuously endeavour to reduce the load of our operations on the Earth.

Raw material used **1.72** MnT

Fresh Water consumption **12,521** Mega Ltrs

Energy consumption **550,172** GJ

VALUE CREATION APPROACH

Strategic objectives

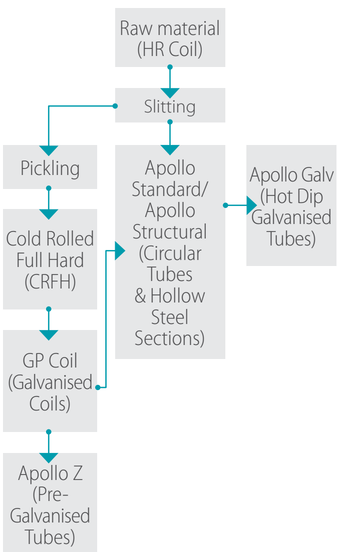
1) **Balance Sheet Strengthening**

2) **Value-Driven growth**

3) **Strengthen the distribution network**

4) **Build brand recognition**

Process flow



OUTPUT

1.64 MnT
Total production

1.64 Mn T
Total sales

0.31 MnT
Apollo Structural (Hollow sections)

0.32 MnT
Apollo Z (Pregalvanised [GP])

0.07 MnT
Apollo Build (Galvanised [GI])

0.71 Mn T
Apollo Standard (MS Standard Tubes)

0.23 Mn T
Apollo Tricoat (Consumer centric products)

OUTCOME

Revenue ₹**84,998** mn
EBITDA ₹**6,787** mn
EBITDA margin **8**%
Net Profit ₹**3,602** mn
Capital Employed (March 31, 2021) ₹**21,995** mn

Capacity Utilisation **63**%

New products developed **2** to be launched in FY 22

Employee productivity **69.8** tonnes /month
Revenue per employee ₹**36,19,380** /month
Fatalities **Nil**
LTIFR **36**

New dealers & distributors added **20**
Customer complaints resolved **98**%
CSR beneficiaries Financial Assistance provided **12** NGO's

Recycled water utilisation **9,849** Mega Liters
Solid waste recycled **48,363** tons
Reduction in energy consumption per tonne of production **2**%

Financial Capital

Crafting a liquid organisation

"We built a cash war-chest that will enable APL Apollo sail through every challenge." Deepak Goyal, Chief Financial Officer

₹3,579mn

Cash in Hand & Bank and Liquid investments

The journey

This war chest is owing to the Company's unwavering focus on increasing its basket of niche value-added products that, over the years, have altered the structural tube landscape in India.

Growing volumes and increasing value-addition has resulted in higher operating profit and cash generation which was prudently deployed in retiring debt and augmenting capabilities. This virtuous cycle has helped the Company in maintaining its growth momentum which reducing its leveraged position.

This judicious utilisation of cash flow has been the hallmark achievement for APL Apollo.

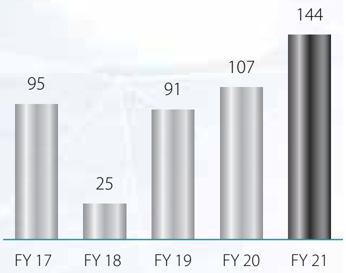
The year: FY21

FY21 was unique for it necessitated abundant caution for initial few months owing to the challenges put forth by the pandemic followed by a full throttle business acceleration and growth opportunity for the rest of the year.

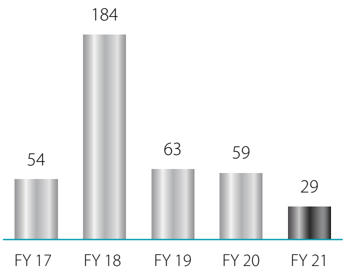
APL Apollo was upto the challenges of the duality. It financial strength allowed it to stay afloat when business ebbed and to come back with speed when demand spiked.

The old adage that adversity is a great teacher applied to APL Apollo. The pandemic induced lockdown hardened the Management's belief in cliché 'Cash is King'.

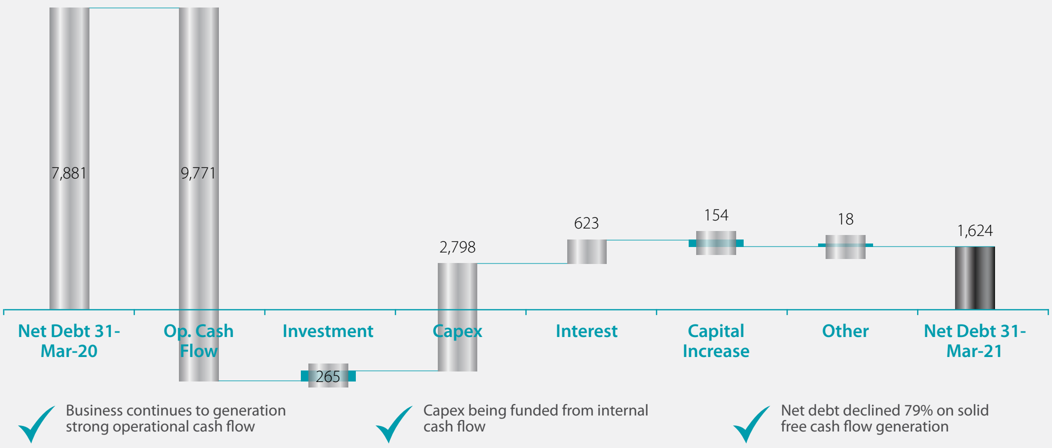
Operating Cash Flow to EBITDA (%)



Capex to Operating Cash Flow (%)



Consolidated Cash Flow Bridge (₹ mn)



The Company took a bold decision of altering its sales policy from credit sales to cash-and-carry. This daunting change triggered a chain reaction – it collapsed the receivable cycle, it reduced the working capital requirement, it reduced interest cost and improved the cash flow and bottomline. APL Apollo utilised these funds to retire its debt. Now, the Company aspires to become a zero-debt company in the current year.

The blueprint

APL Apollo will continue to focus on strengthening its Return on Capital Employed in business. This will be achieved by the following

1) Adding value-added products: The Colour coated tubes 500 sq columns and the merger of Apollo Tricoat (who only manufactures niche, high-margin products) will further increase the proportion of revenue from value-added product.

2) Sweating its assets: Having created enough capacity to meet its growth aspiration for the next 2-3 years, the Company will focus on upping its asset utilisation. While this will provide economies of scale, it will only reduce funds for capex.

3) Achieve zero-debt: The Company plans to utilise the cash from operations to retire its debt completely. The zero-debt status will help in re-rating of the Company on the bourses.

Manufactured Capital

Crafting value from steel

"We focused on enhancing our value-addition capability. This is an edge that will help us sustain our momentum over the forseeable future."

Arun Agarwal, *Chief Operating Officer*

57%

Proportion of revenue from value-added products in FY21

The journey

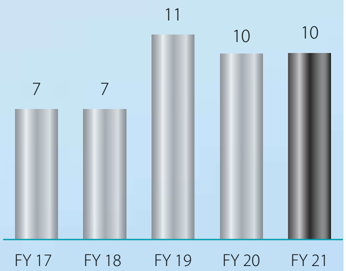
APL Apollo believed that sustaining leadership in a cluttered business space would come only by investing in global technologies that are yet to reach the Indian shores.

With this objective the Company continued to invest in new-age technologies which enabled it to launch path-breaking products in the Indian markets. The Company brought to India high-speed mills from Europe (which increased speed by 5x), strip galvanizing lines and the unique Rotary Sizing Mills. It introduced pre-galvanized tubes (GP) in India for the first time in 2003. Recently, the Company introduced the cutting-edge DFT technology into India which enables it to customise products in a cost effective manner.

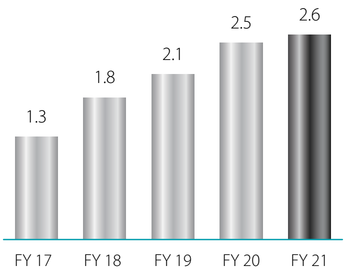
Apollo Tricoat, which manufactures and markets first-time products to the Indian markets, became a subsidiary of APL Apollo in FY20, adding to the latter's value-added product basket.

The unwavering focus on developing and delivering first-time products, has been the game-changer for APL Apollo. It has increased the proportion of value-added products in its sales mix year-on-year. This in turn has strengthened its business prospects.

Number of Plants



Capacity (Mn Tons)



De-commoditising Product Portfolio

Gradually improved our value added product contribution

Product Category	Application	FY 18			FY 19			FY 20			FY 21			Annual Capacity (K'Ton)
		Sales Mix (%)	Volume	EBITDA/Ton (₹)	Sales Mix (%)	Volume	EBITDA/Ton (₹)	Sales Mix (%)	Volume	EBITDA/Ton (₹)	Sales Mix (%)	Volume	EBITDA/Ton (₹)	
Apollo Structural	Heavy Structures	5	52	3,707	6	80	3,775	6	101	4,000	6	95	4,721	200
	Light Structures	6	70	3,658	8	108	3,707	5	87	3,800	13	213	4,717	430
	General Structures	58	656	2,052	58	777	1,615	55	898	1,361	43	713	1,658	1,000
Apollo Z	Rust-proof structures	21	241	5,691	21	279	5,568	20	333	5,021	18	294	6,728	450
	Rust-proof sheet	0	0	4,704	0	3	4,703	0	2	5,000	1	23	4,720	50
Apollo Tricoat	Home improvement	0	0	0	0	0		7	113	6,589	14	231	7,072	350
Apollo Galv	Agri/Industrial	10	111	4,880	7	92	4,362	6	99	3,952	4	71	6,040	120
Total		100	1,130	3,283	100	1,339	2,933	100	1,633	2,923	100	1,640	4,138	2,600

Standard products with EBITDA less than ₹2,000/ Ton

Value added products with EBITDA more than ₹4,000/Ton

The year: FY21

APL Apollo registered its best performance in one of the most unprecedented years in its journey – the most successful achievement being the uptick in demand for value-added products. As a result, revenue from its high-value products was 57% in FY21 against 40% in the previous fiscal. Moreover, the Company made important investments to shore up its manufacturing capabilities

- Installed a GP (galvanized Tubes) line at its Raipur and Murbad facility respectively
- Initiated the setting up of CRM facilities at Murbad and Hosur; these will help increase the output of high-value products
- Set up a heavy rolling mill at its Sikandrabad unit to manufacture high thickness Structural Tubes for the automotive sector – another value-added product positioned as a replacement to seamless pipes.

The Company decided to merge Apollo Tricoat into itself. This merger should help in increasing the average EBITDA per tonne for APL Apollo by about ₹180-200 in the coming year. The Company also increased the capacity of Apollo Tricoat by 0.10 Mn TPA in FY21, which is likely to increase further in the current year.

The blueprint

For APL Apollo, the current year will see significant activity on the ground as the Company has a sizeable blueprint

1) Capacity commissioning: The Company will commission the CRM mills at Murbad and Hosur.

2) New products: The Company is setting up production lines (200,000 TPA each) for two product lines in the value added category: 1) 500x500mm sq diameter tubes under heavy structural tubes segment and, 2) colour coated tubes under home décor segment. This project is being implemented in the Company's greenfield Raipur facility in Chhattisgarh. The total capex of around ₹4 bn is being funded entirely from the internal accruals.

Crafting a smarter APL Apollo.

"Our Intellectual Capital includes our industry insight, competitive intelligence, understanding of markets, opportunities and technologies that will result in customer delight."

Anubhav Gupta, *Chief Strategy Officer*

₹16 mn

Revenue in FY21 from products that were launched in FY20

Superior technology

For APL Apollo, 'Doing the New' has been a continuous endeavour. This passion has allowed the Company to introduce new technologies into India and alter the structural steel tube landscape. Its superior technologies have created products that continue to gain traction. Case in point are its High Dia High Thickness Tubes (Apollo Column), Low Dia High Thickness Tubes (Apollo Mechanical), Door frames (Apollo Chaukhat), and Roofing Solutions (Apollo Z).

What differentiates APL Apollo is its ability to listen patiently to customers' pain points, identify relevant technologies and craft solutions that address their issues, resulting in immediate market acceptance.

In FY21, the Company worked on development of interesting products like Colour Coated Tubes and 500x500 Sq dia columns.

1) Color coated Tubes will be used for home décor in offices, eateries, restaurants, high-street retail shops and even residences. APL Apollo will be the first in India to cater to this market segment.

2) India is increasingly adopting the verticalisation model. This demand the higher size steel columns, which are light-weight yet very strong to take the additional load. APL Apollo will emerge as the first to capitalise on this opportunity.

In addition to products, the Company is also leveraging its expertise to launch comprehensive solutions. The success of door frames have strengthened the Company's resolve to move a notch higher. It plans to launch ready-steel door solutions aligned to global standards.

These smart moves promise to expand the structural steel tubes market size, and APL Apollo's market share in it.

Information technology

APL Apollo's intellectual prowess was reflected in FY21. The pandemic-induced lockdowns had almost abruptly halted business activities, But not for APL Apollo.

Alive to the possibility, the Company's IT infrastructure, systems and policies were ready for a 'Work from Anywhere' environment. This helped it to seamlessly transition from Office to Home without hampering business activity.

In addition, the IT team successfully transitioned Apollo Tricoat, its subsidiary, from its legacy system to a SAP environment, bringing it at par with APL Apollo. This included data transfer and people training on the operation and nuances of working on the new platform.

The Company expanded its Robotics Process Automation solution from creating purchase order (for raw material) to include processing Goods Received Notes. This trend will be carried forward to other processes where application of human mind is limited.

The success of launching SAP Ariba for managing logistics bids prompted the Company to extend this solution for purchasing high-value items. Over a period of time the Company will continue to on-board existing vendors to this system to make its purchasing system-based.

Going forward, APL Apollo will sharpen its focus on digitalisation at its operating units and its offices in a phased manner with the objective of providing real time information for informed decision making. The three ongoing processes are: 1) Pan-India fabricator enrolment on a common IT based platform, 2) distributor application to streamline ordering and inventory management and, 3) real-time monitoring of key production parameters on 47 existing rolling mills across 10 plants.

8

Patents held by APL Apollo

14

APL Apollo's Brand portfolio

Crafting leaders of the future

"We strive to harness the passion and commitment of our people to strengthen our competitive edge. We differentiate ourselves through our people-centric approach making APL Apollo a preferred career option."

Sumedh Singh | *General Manager (Human Resources)*

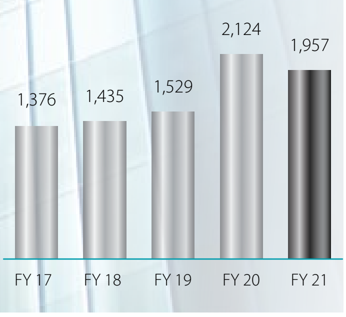
271

Training man-days in FY21

The journey

People have been the corner stones for APL Apollo's growth. Along with the Company, people have grown to greater heights from a knowledge perspective and from a financial standpoint. This has happened because the Company, over the last decade, has brought new technologies into India, enabling its people to learn on the job. Moreover, aggressive growth in business operations has mandated people to work smarter to improve productivity and enhance their multi-tasking skills to deliver on their KRAs. The tough ask has resulted in wholistic development of its people. More than 40% of the team is with the Company for more than five year.

Team size* (as on March 31)



* Permanent employees

The year: FY21

APL Apollo's stellar performance is primarily owing to its people who braved the challenges of the prevailing pandemic to come to work and deliver on the Company's commitment to its customers.

Covid management: The Company ensured all its employees were covered for COVID under the corporate insurance policy in addition to providing home isolation benefit. It also tied-up with hospitals for getting RT-PCR tests done – cost of which was borne by the Company. It also assisted in hospitalisation of employees when the need arose – minimising the mental stress on its team members.

The Company instilled Covid-appropriate behaviour by ensuring that individuals maintained social distancing, frequent sanitisation of high-footfall areas in offices and manufacturing facilities, wearing masks and providing sanitisers on every table.

It also moved away from finger-print based biometric attendance system to a face recognition system minimising an indirect person-to-person contact at its premises.

Safety: The HR team introduced a new safety policy aligned to the recent health emergency across the globe. This more comprehensive document covered detailed aspects about safety at the manufacturing facilities. The HR team intensified its training efforts to ensure that its shopfloor staff clearly understand the do's and don'ts of the new policy.

Training: The HR team revisited its Learning & Development framework. It introduced an intensive monthly training structure where in-house faculty members would impart knowledge to other team members. This training mechanism was initiated in some units, it will be institutionalised across the organisation in the current year.

Reward & Recognition (R&R): The HR team instituted the R&R initiative as a motivation to improve performance. It created a team to select the employee of the month from every establishment – operating unit and office. Selected members would be financially rewarded and their effort would be showcased in other operating units and offices.

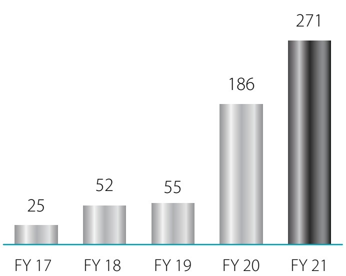
Inclusivity: As a means to cross-pollinate ideas between teams and operating units, the HR team initiated the suggestion scheme program in two plants. It was well received by the team members of those units. Based on the learnings from the initial launch, the HR team have made improvements in the program and plans to roll out this programme across all its units in the current year.

Organisational structure: With the expansive growth of the organisation in size and spread, the organisational structure needed a re-look. The HR team undertook this challenging task. As a first step, the team identified critical gaps in the sales and marketing and operating teams which will be filled in the current year. During the exercise some positions were re-designated and redundant positions were eliminated.

Performance management system (PMS): In its effort to make the PMS increasingly dispassionate, the HR team strategised to define clear KRAs for the team members. Towards this objective, the team developed KRAs for critical positions among staff members at the shop floor. Going forward, this exercise would be done for all key positions within the organisation.

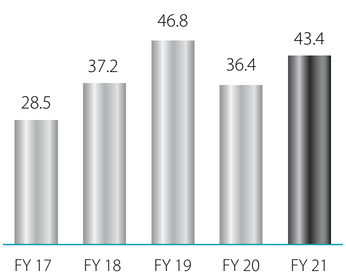
On-boarding: The HR team continued to infuse fresh energy into the team to manage the expanding business operations. Moreover, the HR team recruited fresh talent to manage the new units which were commissioned in FY21 and to be commissioned in FY22. During FY21, the HR team on-boarded 198 on rolls members to the APL Apollo team.

Training man-days



Revenue per employee

(₹ mn)



The blueprint

FY22 is planned to be an important fiscal for the HR team as a number of programs initiated in the previous year will be rolled out across the organisation in the current year. The Company is also working on a vaccination drive for its team members.

Social & Relationship capital

Crafting stronger relations

"We remain focused on strengthening our ties with the external world, directly and indirectly, to ensure that they benefit from our success in equal measure."

Ravindra Tiwari | *Head Sales & Marketing*

10%

Market share gain in 12 months

Our front face

Over the years, APL Apollo has created the largest distribution networks in its business space. Its expansive and entrenched network is its front face to the end consumers.

APL Apollo focuses on nurturing healthy relations with its distribution network. The result of its efforts is reflected in the rising sales volumes and the dominant market share in an increasingly competitive and dynamic market place.

Why do the dealers stick to APL Apollo?

This is because APL Apollo maintains a sharp focus on growing their business, which strengthens its dominance in the marketplace. This happens owing to the following:

1) Product basket: The Company continues to rejuvenate its large product basket (1500+ SKUs) with pioneering products and solutions; the recent addition being the niche products of Apollo Tricoat which have generated significant interest in the markets. This positions dealers as one-stop solutions for all structural steel tube products.

B2C Channel

Distributors

800+ Distributors - Solid Relationships, Incentive plans

Retailers

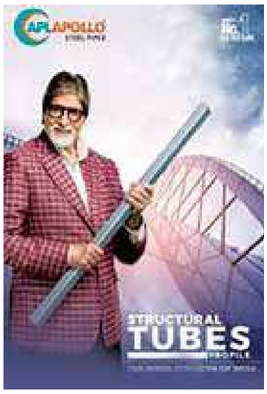
50,000+ Retailers - Retailer bonding program

Fabricators, Architects & Structural Engineers

200,000+ Fabricators, Architects, Structural Engineers & Developers - Apollo Connect Programs, Fabricator/ Architect meets for Brand promotion

End Consumer

End Customer Connect- Indian Premier League, Football, Kabaddi League, Amitabh Bachchan Campaign, TV Commercials, Radio, Social Media



2) Branding initiatives: APL Apollo continues to invest heavily in branding – at the local, regional and national levels to create product awareness. Its string of branding and awareness initiatives through its association with Indian sports has positioned APL Apollo as a household name.

3) Other facilities: It logistics support to dealers, its channel financing scheme and other support services have positioned APL Apollo as a preferred business partner.

4) Growing awareness: The Company continued to solidify its relation with key opinion influencers – the fabricator segment - through multiple forums. This helped in growing dealer footfalls.

5) Model change: In FY21, the Company adopted the cash-and-carry sales model for majority of its dealer base. This change benefitted the dealer community immensely. It made them sharper in capitalising on business opportunities and agile in recovering funds. Overall it increased their business volumes.

Creating a demand pull

APL Apollo's branding initiatives through its association with Indian sports magnified its brand reach and visibility across India and strengthened its recall among the masses.

The APL Apollo Group continued to retain Mr. Amitabh Bachchan as the ambassador for all brands housed under 'APL Apollo'. This association has elevated the brand out of the competitive clutter.

- Sponsored the Delhi Team in the IPL 2021, India's biggest sporting event with mass appeal and viewership.
- Principal sponsor of Haryana Steelers during the 7th season of the Pro Kabbadi League.
- Sponsored four teams in the Hero Super League.
- Branding sponsor for the 'India versus West Indies' cricket series.

The net impact

40% Market share in FY20

50% Market share in FY21

Creating Societal value

APL Apollo remains committed to improving the quality of life for communities around its operating units. The Company has invested ₹53.3 million in FY21 for people upliftment initiatives by collaborating with NGOs like Vardan Sewa Sansthan, JSW Foundation, World Hope etc.

The agreement with JSW Foundation is for part financing the construction of 'Museum of Solutions' in Mumbai. This world-class museum aims to grow knowledge, skills, and actions of kids who wish to solve challenges they see around them and create awareness in line with the UN Sustainable Development Goals.

Natural Capital

Crafting sustainable operations

"We remain committed to operating in a sustainable and responsible manner."

J M Singhal, *Senior Consultant*

9,974nos

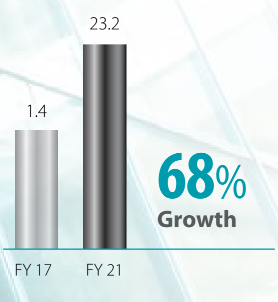
Total Plantation Done in Last 3 years

Our efforts towards sustainability

Sustainability is at the core of APL Apollo. Every business strategy is viewed from this prism to ensure that the Company manages its business operations responsibly.

APL Apollo firmly believes that environmental impacts are synonymous to climate change and have long-term implications on its business. The Company endeavours to play its part in tackling climate change and reduce the depletion of natural resources. Making sure that, the Company helps in creating a better world than what it was before.

Chaukhat sales (Mn)



Products

The Company has products which are environment friendly and which help in optimising the use of resources. Its steel tubes, while providing more strength to the structure, optimise the consumption of steel. It door frames (marketed under the Chaukhat brand) replace conventional wooded door frames. Its planks help replace the usage of wood.

Technology

At the forefront of technological transformation in the Indian structural steel tube space, APL Apollo has introduced path-breaking technologies that have played an important role in optimising resources

APL Apollo introduced the state-of-the-art Galvant Process in India. This process minimises the consumption of harmful chemicals and extends the life of the product.

The Company introduced the Direct Forming Technology (DFT) which allows it to produce any customised size of Hollow Section, included into the mill range, without roll change. This leads to significant savings in steel utilised as raw material. This technology also helps in significant power saving and saving in time.

Resource optimisation

Steel: As the Company's production is entirely dependent on the availability of high-quality steel, judicious use of resources has always been a high priority. It has taken necessary steps to ensure minimal wastage at every stage of processing. Since FY20, the team has managed to reduce raw material consumption by ~5% in the manufacturing process while increasing production by 10%.

Energy: Given the energy intensive nature of its operation, energy conservations assumes significant importance for the Company. During the recent past, the Company has integrated energy efficient systems throughout the production value chain and adopted energy conservation measures wherever possible - such as, process optimisation, replacing normal bulbs with LED bulbs, and reducing power losses, which has resulted in significant energy saving at our plants. These initiatives have helped the Company save 1,577 MWh in FY'20 and 2,258 MWh in FY'21.

Water: The Company has invested in water recycling facilities at all its plants. Each operating unit is equipped with their Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) commensurate to their size of operation. While some of the Company's units namely AMPL-22, Hosur and Malur, Murbad, Raipur, SLMU and Sikandrabad have become Zero Liquid Discharge (ZLD) facilities the Company aims to make all its operating units Zero Liquid Discharge facilities over the medium-term.

Solid waste: The Company's place considerable emphasis on reducing waste generation at its operating units. Towards this end, the Company adopts the 3R policy (reduce, reuse and recycle) whenever possible. The environment management teams monitor both hazardous and non-hazardous waste generated at every unit. The Company disposes off the waste generated through its production processes in accordance with local laws and regulations. Furthermore, the Company is working on implementing an E-waste policy that will allow it to safely dispose electronic waste.

Renewing resources

Renewable energy: In its effort to reduce the consumption of fossil fuel, the Company has created an energy portfolio with a balanced mix of renewable and non- renewable sources. To this effect, the Company has invested in securing renewable energy at all its production units.

The current renewable energy portfolio stands at 80 MW, which is 14% of its total energy consumption. This includes solar energy generation capacity of 1.1 MW at Sikandrabad, 1.2 MW at AMPL-25, 0.3 MW at AMPL-22, 1.3 MW at Murbad, 2.5 MW at SLMUL and 2.6 MW at Raipur. The Company has established a 71 MW Captive Wind power generation plant at its Hosur facility.

The Company is in the process of implementing another 12.5 MW capacity expansion at the Sikandrabad, AMPL-22 and AMPL- 25 locations and is planning a 10 MW solar power generation plant at the Malur facility.

Water harvesting: Despite more than 71% of the Earth's surface being covered by water, the world could be facing a shortage of usable water over the coming years. In keeping with this reality, APL Apollo has taken up the responsibility of adopting superior water management approach at its facilities and offices.

It has been managing its water input meticulously and in adherence with the local permissible withdrawal limits. It has set up water recharge potential (Rain-Water Harvesting - RWH pits) at three of its plants in North India and is planning on scaling it up to the other locations. The total capacity of the RWH pits is 353 m3.

Green cover: While we humans consume oxygen, APL Apollo has adopted the traditional and natural route of generating it – by extending the green cover. The Company encourages its team for tree plantation inside its facilities and around the periphery of its operating units.

The current renewable energy portfolio stands at 80 MW, which is 14% of its total energy consumption.

Crafting stronger governance

Integrity underpins our success

Our reputation as an ethical and trustworthy Company is our most important asset. We are committed to maintaining strong corporate governance practices, ethical behaviour along with comprehensive and fair disclosure across every aspect of the business.

At APL Apollo, corporate governance encompasses the rules, practices, and processes by which the Company is directed and controlled. Corporate governance essentially focuses on balancing the interests of stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community at large. Along with the focus on the financial and operational performance, APL Apollo is equally committed to strengthening its corporate governance practices as well as environment and social responsibilities (ESG).

APL Apollo continuously improves its governance framework, associated policies and disclosures, as well as monitors and evaluates impactful outcomes.

The Board, which is at the heart of APL's governance framework, possesses the correct balance of skills, knowledge and industry experience to lead the Company effectively, achieve the strategic objectives and long-term goals, and drive sustained long-term value for our shareholders. APL Apollo's corporate governance practice is supported by a number of committees to which certain Board responsibilities are delegated. The decisions taken in the committee meetings are reported to the Board in the prescribed manner following each meeting to ensure that the Board remains fully updated on their activities.

Policies that foster ethical practices

1) Stakeholder grievance mechanism

APL Apollo is committed to promoting responsible behaviour and value for social and environmental wellbeing. It has a policy on responsible business conduct that is applicable to all its employees and value chain partners. It has a structured stakeholder grievance redressal mechanism through which stakeholders freely share their concerns and grievances with the Company.

2) Whistleblower policy

The whistleblower policy/vigil mechanism has been formulated by the Company with a view to provide a mechanism for Directors and employees of the Company to approach the Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or Ethics Policy, or any other unethical or improper activity.

3) Sexual harassment policy

APL Apollo has structured a well-defined policy to prevent any kind of misconduct based on gender diversity and foster a conducive work environment for women employees. The policy provides direction, process, procedure and forums for submission, hearing and resolution of complaints with respect to any alleged acts of sexual harassment. The Internal Complaints Committee formed by the management of the Company hears the complaints.

4) Investor Protection policy

The investor protection policy at APL Apollo is a two-window mechanism designed to offer investor services and redress investor grievances to maintain flawless transparency in the entire business. Abhipra Capital Limited, the Registrar and Share Transfer Agent (RTA) of the Company, is tasked to handle requests from and address complaints of shareholders. Further, a Stakeholders Relationship Committee looks into the redressal of shareholders/investors complaints. The committee reviews the mechanism of grievance redressal, reports submitted by the RTA, compliance with various SEBI regulations and periodically report to the Board about serious concerns, if any.

5) Safety policy

The policy aims to create a safe and healthy work place. It serves as reference document for safety guideline and procedures and to assist employers and employees in complying with the requirements of industrial safety standards. The document s pivoted on an the principle that no job or task is more important than health and safety of the employees. This essence is visible in a single line – **'If a job cannot be done safely…………..It will not be done.'**

Corporate governance framework

Board of Directors
Balanced Board of Executive and Non-Executive, Independent Directors with diverse range of expertise and experience
Provides strategic direction and evaluates overall performance

Board Committees					
Audit Committee	Stakeholder Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Finance Committee

Management Reporting	
Executive Committee	Operation functions below the Executive Committee

Key corporate functions			
Corporate Management	Finance & Accounts	Manufacturing Operations	Projects
Quality Control	HR & Administration	Information Technology	Supply Chain Management

4 Independent directors on the Board

5 Board Committees headed by Independent Directors

Board of Directors

Our Conscience Keepers

Shri Sanjay Gupta

Executive Chairman

Shri Sanjay Gupta has around 24 years of experience in diverse steel industry segments. Under his visionary and dynamic leadership, the Company has evolved and developed from a steel tube manufacturer into a global leader of branded steel products. He has inherited excellent entrepreneurship skills from his father late Shri Sudesh Gupta and under his leadership the Company continues to grow exponentially towards becoming an organisation of international repute.

Shri Ashok K. Gupta

Non execitive Vice Chairman

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

Shri Vinay Gupta

Director

With 21 years of industry experience, Shri Vinay Gupta has in-depth knowledge in manufacturing and trading of pipes, tubes, sheets and other steel products. He has been assigned with the responsibility of driving the Company's pregalvanised and international market businesses.

Shri Romi Sehgal

Director

Shri Romi Sehgal has made an excellent contribution to the Steel and Tubes Industry for more than three and a half decades, right from designing and manufacturing of Tube Mills to putting up greenfield projects, successful commissioning of projects and ensuring uninterrupted optimum production from factories. He is a science graduate and has worked at managerial and leadership positions in reputed companies such as Atlas Steel Tubes Limited, Atma Steel Tubes Limited, Bharat Steel Tubes Limited and for 13 Years in Gallium Industries Limited, which is a manufacturer of Steel Tube equipment in collaboration with Kusahabe Elect. and Mech. Co, Japan.

Ms. Neeru Abrol

Independent Director

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

Shri Anil Kumar Bansal

Independent Director

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

Shri Abhilash Lal

Independent Director

A mechanical engineer and postgraduate from IIM Bangalore, Shri Abhilash Lal has 31 years of professional experience in senior roles across financial services, including banking, consulting, real estate, private equity and restructuring. He has led institutions across business development, strategy as well as operations.

Shri Virendra Singh Jain

Independent Director

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

Leadership Team

Our think tank

Shri Sanjay Gupta
Chairman & Managing Director

Shri Vinay Gupta
Director

Shri Romi Sehgal
Director

Shri Arun Agrawal
Chief Operating Officer

Shri Deepak Goyal
Chief Financial Officer

Shri Anubhav Gupta
Chief Strategy Officer

Shri Ashok Khushu
Head - New Projects

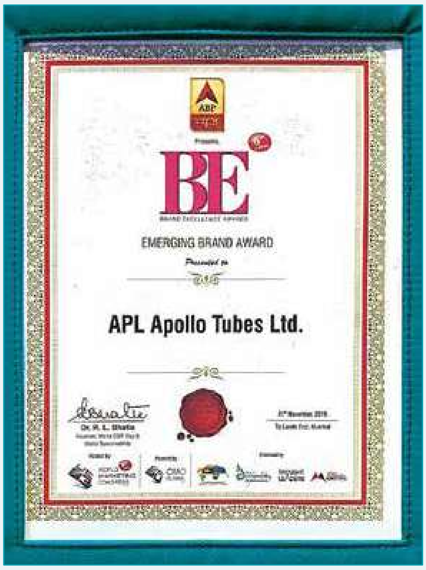
Shri Ravindra Tiwari
Head-Sales & Marketing

Rewards & Recognitio

Our satisfaction index

2017

APL Apollo Tubes Ltd received "India's Best Company of The Year" award received from International Brand Consulting Corporation, USA



2019

APL Apollo Tubes Ltd received Emerging Brand award for the Year 2019 from ABP news Brands Excellence Awards

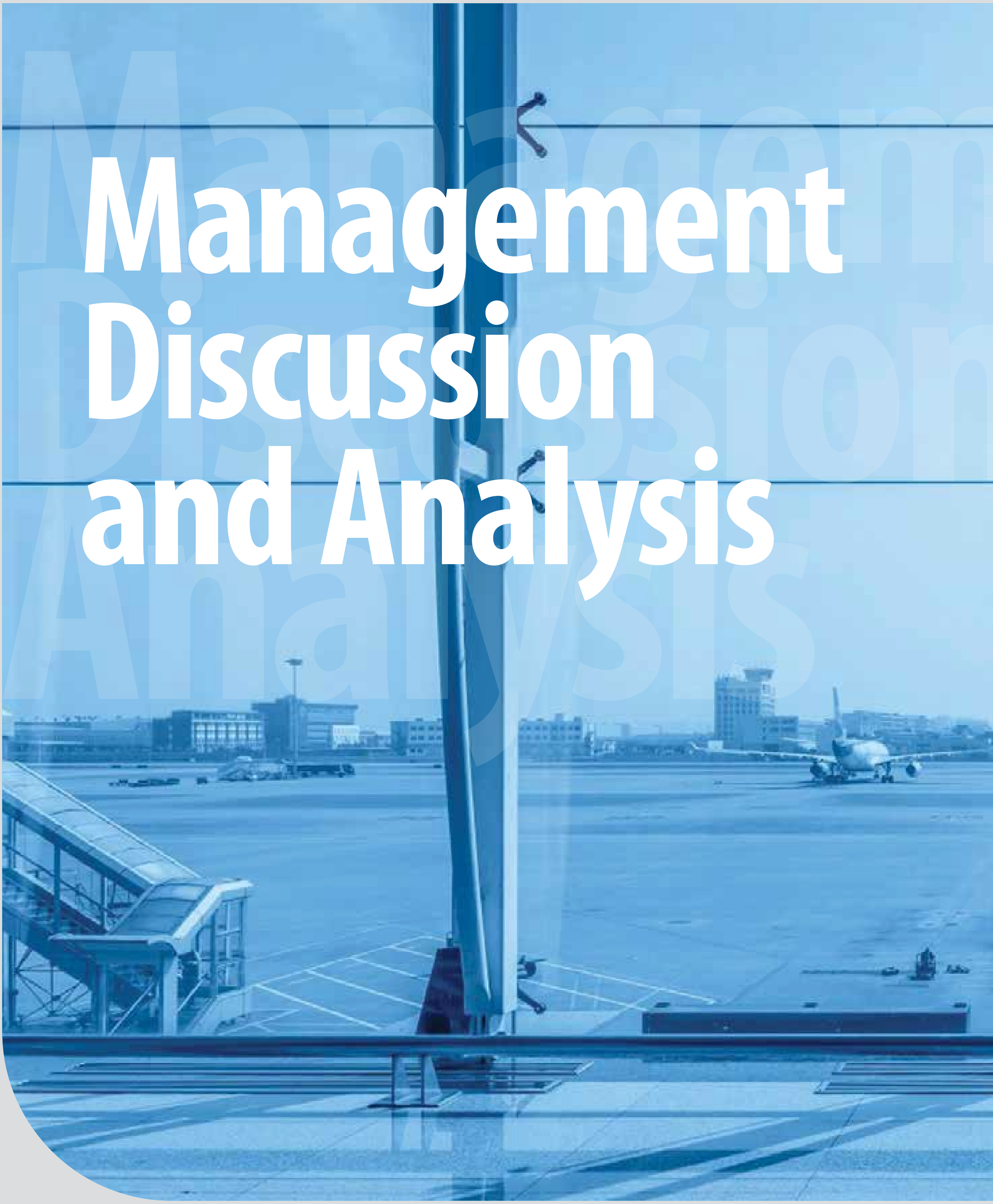
2018

APL Apollo Tubes being facilitated by CREDAI

2019

Times Power Icons 2019 for North region certificate of recognition received by Mr Sanjay Gupta (The Chairman, APL Apollo Tubes Ltd) for exemplary contribution in the field of excellence in the field of steel pipes and section

Management Discussion and Analysis



Management Discussion & Analysis

Economic overview

Global economy: The contraction of activity in 2020 (GDP growth at -3.3%) was unprecedented in living memory in its speed and synchronised nature. The IMF estimates suggest that the contraction could have been three times as large if not for the extraordinary policy support.

Going forward, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022. These projections will depend on the path of the health crisis, the effectiveness of policy actions to limit economic damage, the evolution of financial conditions and commodity prices and the adjustment capacity of the economy.

Over the medium-term, global growth is expected to moderate to 3.3%, reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market economies.

Indian economy: Aligned to the slide in global GDP, India's economic progress was expected to contract. According to the second advance estimate by the Government, India's GDP is expected to contract by 7.3% in 2020-21 against a growth of 4.0% in 2019-20.

But this could have been worse, had it not been for the resurgent rural markets which, once again, supported India in coming out of recession. After a contraction in GDP for the first half of FY21 (a negative growth of 24.4% in Q1 and 7.3% in Q2), India recovered to emerge as one of the select few economies that witnessed positive year-on-year growth in the three-month period October-December'20 - it grew by 0.4%. As resurgence gained momentum, India's GDP growth in Q4 of 2020-21 was even higher at 1.6%.

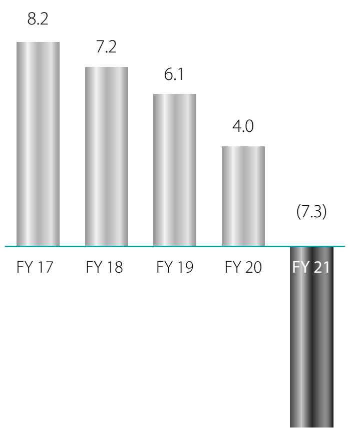
Among the three sectors that comprise economic activity, the agriculture sector, which largely supports the rural economy, remained robust – it registered a growth of 3.0% in 2020-21 (lower than 4.3% growth recorded in 2019-20).

The Gross Value Added (GVA) in India's economy shrank 6.2% in FY21, compared to a 4.1% rise in the previous year. Interestingly, the GVA rebounded sharply from the negative zone in the first half of FY21 to 1% positive in Q3 and 3.7% positive in Q4.

In keeping with this uptick, GST collections crossed the ₹1 lakh mn mark for the second half of 2020-21 – it was ₹1.23 lakh mn in March 2021, the highest collection since the launch of GST.

The net indirect tax collection in 2020-21 grew 12.3% annually to ₹10.71 lakh mn, exceeding the previous year benchmark at ₹9.54 lakh mn.

GDP Growth (%)



GDP – quarterly progress (%)

Q1/21	Q2/21	Q3/21	Q4/21
(24.4)	(7.4)	0.5	1.6

India's debt ratio at the end of 2020 was almost 90.0% of GDP (against 74.0% of GDP a year ago). This was a natural fallout considering the Covid relief (US$ 260 billion) and stimulus (₹2650 billion) packages announced by the Government to uplift the sagging economy. It is expected to settle to the pre-Covid levels as economic activity gathers momentum.

In view of the economic momentum in Q4 of 2020-21, leading opinion makers had estimated a sharp growth in India GDP for 2021-22. But the outbreak of the second wave of Covid-19 in India, these estimates have been revised downwards.

Amidst the second wave, the Reserve Bank of India (RBI) announced a Covid package of ₹50,000 mn for vaccine makers, medical equipment suppliers, hospitals, and even patients in need of funds to treat the disease, also opening up another round of restructuring of loans for individual and small borrowers for up to two years. It is expected to boost fund flow to the healthcare sector and ease the pain of small borrowers and units.

Structural steel tube is 100% recyclable and one of the most reused materials in the world.

NATIONAL INCOME ESTIMATES

Industry	2019-20	2020-21	Q4 FY21	Q4 FY20
Agriculture, forestry and fishing	4.3	3.6	3.1	6.8
Manufacturing	-2.4	-7.2	6.9	-4.2
Construction	1.0	-8.6	14.5	0.7
Trade, hotels, transport	6.4	-18.2	-2.3	5.7

**All figures in per cent* *Source:NOS, MoSPI*

Structural steel tubes

Structural Steel Tubes is widely used in the construction business. Every landscape altering creation across the globe has structural steel tubes being used.

Steel pipes and tubes are preferred because of their durability. They combine high strength with low weight, so they are ideal to use. They are capable of withstanding high heat and pressure, shock and vibrations. The peculiar features of structural steel make it ideal for construction purpose.

In India, the demand for structural steel tubes is expected to gain traction in the coming years. There is a paradigm shift in the approach to steel consumption and increased recognition and acceptability for structural steel tubes and pre-engineered building material in India now.

While globally the proportion of structural steel tubes is around 10% of the total steel consumption, in India it lags at 4-5%. As such, there is further scope for increase in the consumption level.

"The total market size of structural tubes in India is 4 MnT per annum. In the pre-Covid, stage, the industry was growing in double digits. FY20 closed at around 4 MnT. It is expected that FY21 would hover around the same levels owing to the pandemic.

In value terms, this 4-Mnt market is pegged at around ₹20,000 mn. However, in three years' time it should grow at mid-double digit of 10-15%."

Sanjay Gupta
Chairman & Managing Director

Benefits

- Environmental friendly - recyclable & lower greenhouse gas emission
- No underwater usage unlike conventional method
- Highly durable, sustainable, fire resistant & easy to repair
- Swift erection speed helping in lower overhead costs
- Elevated stress bearing capacity
- Excellent Strength to Weight Ratio
- Light weight

Growth Drivers

- Growing vertical model of development; increased spending on skyscrapers
- Higher expenditure on infrastructure - highways, bridges, flyovers & public utilities
- Growth in E-commerce/Warehouse construction demand
- Consumer preference for better quality residential construction
- Rising need for housing due to population explosion
- Ability to replace wood gives it an edge

Infrastructure… will drive demand for structural steel tubes

The current Union Budget (FY 2021-2022) has been favorable for the infrastructure sector in several ways than previous one.

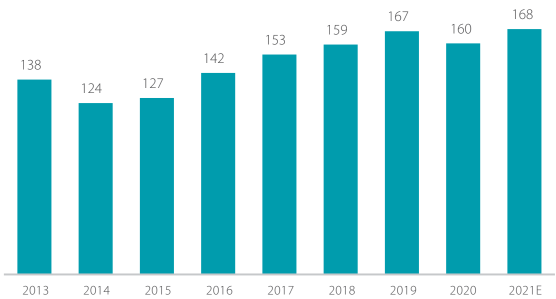
Not only the capital outlay for the infrastructure sector was increased significantly, but also several other expectations were also met. This includes further allocation towards the National Investment and Infrastructure Fund (NIIF) and the setting up of a new development finance institution (DFI). These will augment the financing avenues for the infrastructure sector and can pave the way for increased private participation thereby supporting the overall infrastructure investment.

The gross budgetary support towards capital expenditure has been increased significantly to ₹5.54 lakh mn in 2021-22 BE (up 34 percent from 2020-21 BE, and 26 percent from 2020-21 RE) with higher allocation towards the infrastructure sector.

The government has allocated ₹20,000 mn to set up and capitalise a Development Financial Institution (DFI)—to act as a provider, enabler and catalyst for infrastructure financing and a ₹5 lakh mn lending portfolio will be created under the proposed DFI in three years.

Structural Steel Market Expansion

Global Structural Steel Market growth forecasts (Mn Ton)



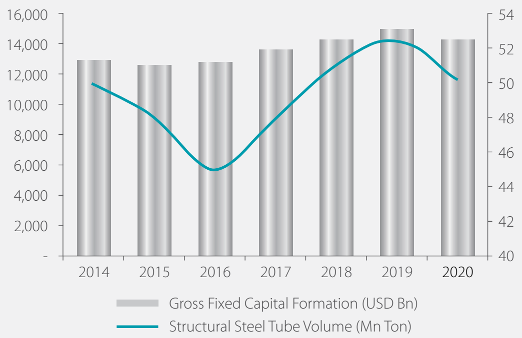
Source: Company data and Industry research

Growth Drivers for India

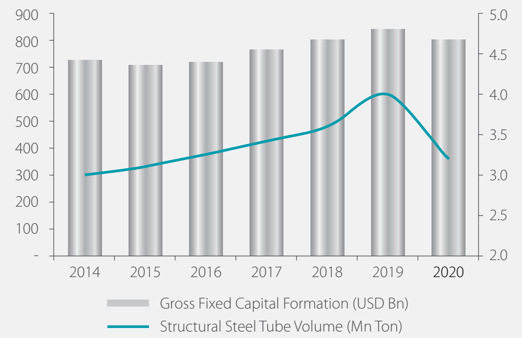
- Rising population accompanied with improvement in living standards
- Requirement for strong, durable quality of construction for private residences
- Increased spending on construction of infrastructure

Structural Steel Tubes Market expansion linked to construction activity

Global Structural Steel Tubes Market expansion

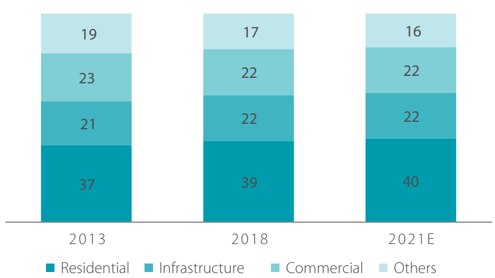


Indian Structural Steel Tubes Market expansion



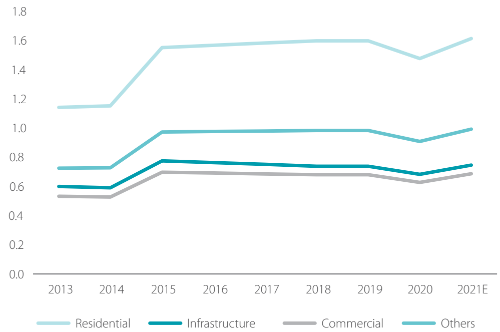
Uses of Structural Steel Tubes

Global Structural Steel Tubes Uses - Segment wise breakup(%)



Countries included: USA, Europe, Japan, China Source: Company data and Industry research

Indian market taking off in all segments (Mn ton)



New Opportunities to revolutionise construction industry

About the Company

APL Apollo Tubes Limited (APL Apollo) is one of India's leading branded steel products manufacturers. Headquartered at Delhi NCR, the Company runs 10 manufacturing facilities churning out over 1,500 varieties of MS Standard Tubes, Galvanised Tubes,

Pre-Galvanised Tubes, Structural ERW Steel Tubes and Hollow Sections to serve industry applications like urban infrastructures, housing, irrigation, solar plants, greenhouses and engineering.

What makes us different?

- Largest structural steel tube manufacture in India
- Largest players in the world with a 2.6 Mn TPA
- Pan-India manufacturing presence
- A leader in adopting the latest technology from across the globe
- A large and growing product portfolio
- Expansive and entrenched market presence aided by a three-tier distribution network
- Robust supply chain infrastructure comprising warehouses-cum-branch offices in over 20 cities.
- A deleveraged financial position

Operational performance

FY21 was period of many firsts. A lockdown followed by a surge in demand which ultimately finished in one of the best fiscal's for the Company.

To meet the abrupt lockdown, the Company arranged to minimum workforce to ensure a proper shutdown of equipment and preventive maintenance – a prudent measure that enabled the Company to restart manufacturing operations with ease when the lockdown was lifted.

In the first quarter of FY21, the Company focused on delivering material for the orders in hand. The Company utilised this time to inform customers that its plant operations had been initiated. This initiative worked well as inflow of order picked pace.

Subsequently, as demand gained traction, the Company maintained its policy of manufacturing products as per confirmed orders, minimising inventory. As such capacity utilisation increased from about 40% in May 2020 to about 70% in July 2020.

The operations team continued to work diligently on improving cost efficiencies through various measures. The team also developed two new sizes which were well received in the market.

The proportion of value-added products increased from 40% in FY20 to about 60% in FY21 – it enhanced business profitability.

The Company continued to invest in enhancing capacities. It invested ₹1,021 mn in the recent Raipur facility. It moved its GP Lines from the Hyderabad unit to its Murbad and Raipur units which will facilitate these units to increase their volume of value-added products. The Company also installed one heavy mill at its Sikandrabad unit to cater to the requirement from the automobile segment.

The team also worked on setting CRM mills in Murbad and Hosur – these units are to be commissioned in the current year (FY22). These initiatives are expected to increase the production of value-added products, optimise operational costs and enhance business profitability.

Production break¬-up

	FY21	FY20	% Change
Apollo Structurals (Hollow section & DFT Tubes)	308,182	187,817	64%
Apollo Z (Pre-galvanised tubes -GP)	316,549	335,025	-6%
Apollo Build (Galvanised tubes)	71,242	99,387	-28%
Apollo Standard (Standard Tubes)	712,890	898,321	-21%
Apollo Tricoat	231,490	112,761	105%

Financial performance

(based on Consolidated Financial Statements)

Despite the prevailing headwinds owing to the health emergency prevailing in India, the Company reported a stellar performance raising the bar once again despite being fully operational for only 10 months of the year.

Statement of Profit and Loss

Revenue from operations increased from ₹77,232 mn in FY20 to ₹[84,998] mn in FY21 – a 10.1% increase even as the Indian economy entered a recession.

While sales volume stood at 1.64 mn tonnes during the year, against 1.63 mn tonnes in the previous fiscal, the Company enjoyed the benefit of successive price increases in the second half of FY21 which bolstered its topline. Besides, Apollo Tricoat performed exceeding well with a surge in sales volumes for all its products which made a healthy contribution to APL Apollo's topline – 17% in FY21 against 9% in FY20.

The growing traction for value-added products of APL Apollo and growing acceptance of Apollo Tricoat products (all of which are high-value products) helped in registering a 42% growth in EBITDA – from ₹4,774 mn in FY20 to ₹6,787 mn in FY21. In tandem, EBITDA margin improved by 180 bps over the previous year.

The Company's interest cost moderated further from ₹1,073 mn in FY20 to ₹661 mn in FY21 owing to reduction in debt – long term and working capital.

Net Profit for the year stood at ₹3,602 mn in FY21 against ₹2,380 mn in the previous year – a jump of 51%. Net Cash from Operations improved significantly from ₹5,095 mn in FY20 to ₹9,771 mn in FY21. This was prudently deployed in retiring debt and investing in future growth opportunities.

Balance Sheet

The strength of APL Apollo's business model is reflected in its ability to sweat every rupee at the optimum level. So, even as revenue jumped by 10% over the previous year, the Capital Employed in the business decreased by 9% -- from ₹24,251* mn as on March 31, 2020 to ₹21,995* mn as on March 31, 2021. The Return on Capital employed upped from 18.4% in FY20 to 26.5% in FY21.

Shareholders' Funds increased from ₹13,562 mn as on March 31, 2020 to ₹16,947 mn as on March 31, 2021 on account of plough back of business surplus.

[* Capital Employed is calculated on conservative side (Total Assets- Current liabilities- Cash & Cash equivalent]

Net Debt reduced further to ₹1,624 mn on March 31, 2021 from ₹7,881 mn as on March 31, 2020. This was owing to two reasons 1) the Company repaid ₹3,134 mn of term loans within FY21 and 2) The Company altered its business model from credit to cash-and-carry which significantly reduced its working capital loans. As a result, Net debt-equity ratio improved from 0.6x as on March 31, 2020 to 0.1x as on March 31, 2021 – the Company is firmly positioned to become a zero-debt organisation in the current fiscal.

Fixed asset balance increased marginally from ₹14,839 mn as on March 31, 2020 to ₹16,109 mn as on March 31, 2021 as no high-ticket projects were commissioned during the pandemic-ridden year. The Company continued stringent monitoring of its working capital. Inventory at ₹7,599 mn was at previous year levels even as revenue increased significantly. Trade receivables declined from ₹4,764 mn as on March 31, 2020 to ₹1,306 mn as on March 31, 2021 as the Company altered its sales policy. As a result, the working capital cycle improved from 25 days as on March 31, 2020 to 8 days as on March 31, 2021.

8%	0.1x	26.5%	8 days	₹9,771mn
EBITDA margin	Debt-equity ratio	Return on Capital employed	Working capital cycle	Net Cash from Operations

Significant changes (i.e. change of 25% or more as compared to the immediately previous financial years) in Key Financial Ratios, along with explanation are as under:

Particulars	FY21	FY20	Change	Reasons
Interest Coverage Ratio	9.3	3.8	146%	Repayment of debt
Debtors days	5	19	-75%	Increase in turnover & change in sales policy
Inventory days	33	37	-12%	
Current Ratio	1.2	1.2	0%	
Debt-Equity Ratio	0.1	0.6	-84%	Repayment of debt
EBITDA Margin (%)	8%	6.2%	180 bps	
Net Profit Margin (%)	4.2%	3.1%	116 bps	
Return on Net Worth (%)	24.8%	21.2%	363 bps	

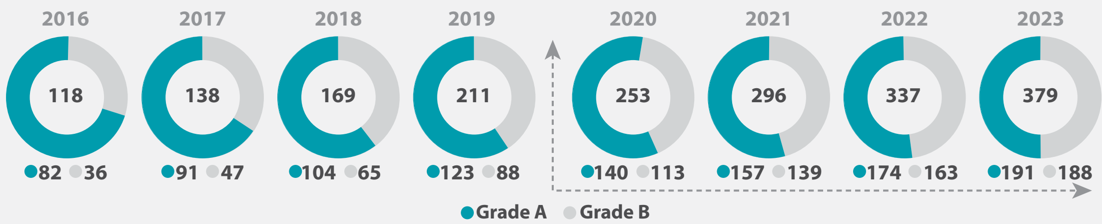
Where our products are used

Urban infrastructure

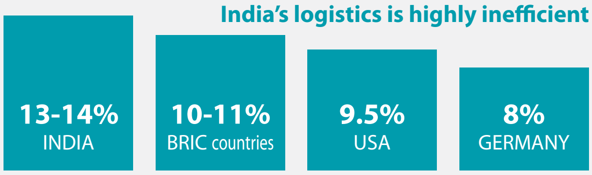
- India's vertical growth pushed high-rises buildings with G+20 floors or more to record highs 2019 onwards
- The Government has formed a panel to look into the upward revision of FSI norms in all major cities

Warehousing

Indian Warehousing stock (in Mn Sqft) - Cumulative supply



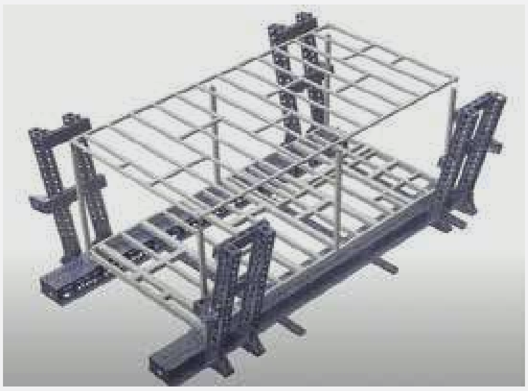
India's logistics is highly inefficient - Logistics cost as % of GDP



Sophisticated warehouse will help India narrow down its logistics cost closer to that of developed nations.

SOURCE: MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

Affordable housing



Modular Building Concept

- Trends for affordable housing with low cost & faster completion is picking in India
- Modular Building will be the future construction methodology
- Modular steel structures are constructed in-house with final assembly occurring on-site, where the steel modules are stacked and connected together

Airports

- The Government plans to start 100 additional airports by 2024
- To invest ₹190 bn in upgrading airport infrastructure in the country, especially in smaller cities over next three years

Human Resource

APL Apollo continues to invest in its people – building their capability, sharpening their expertise and nurturing the spirit of leadership, which makes it a learning and delivering institution and facilitates sustaining its industry outperformance.

APL Apollo stresses on continuous learning and employee trainings at all levels for building technical and behavioural competence, self-development and leadership development. Despite the challenges that prevailed in FY21, the Company continued its knowledge-enhancing initiatives for its team.

The Company continued to maintain its record of good industrial relations without any interruption in work.

Information Technology

Information Technology gained centre stage as the pandemic transformed the working ecosystem across India from 'Work in Office' to 'Work from Home'. At APL Apollo, with the announcement of the lockdown, the IT team worked diligently to prepare the systems and processes, data management and security for this New Normal. This became increasingly challenging as it needed to be done remotely – both at the server and user levels. The software and hardware (systems) needed to be realigned for this sudden change.

In addition, the IT team successfully implemented the SAP rollout in Apollo Tricoat (its subsidiary) at its offices and operating units. In addition to the accurate data transfer from the legacy system to the new system, the IT team also trained the Apollo Tricoat team for operating the new platform. This changeover went live in May 2020, as the pandemic was spreading across the Indian landscape.

The Company also invested in Robotic Process Automation solutions. As the name suggests, these tools automate manual and mundane processes that do not require application of the human mind. As a first step, the Company launched the solution for Goods Received Note, which is now made by robots – eliminating human intervention.

With the announcement of the Government policy on e-invoicing, the IT team aligned it systems and processes to allow for this regulation well before the Government stipulated timelines.

Going forward, the Company plans to strengthen its footprint on the digitalisation journey by introducing new solutions at its plants and offices.

APL Apollo is ready for a riveting journey ahead

Opportunity Size	Where we are...	Our strengths...
Potential structural steel market size of: • 13Mn ton by 2033 • 22Mn by 2030	• FY21 sales volume was 1.6Mn ton • Current capacity is 2.6Mn ton • Future capacity addition linked to market potential	• New innovative products • Branding • Fixed costs of unutilised capacity factoring in • Low gearing • Solid FCF generation

Internal Control & its adequacy

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

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

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

The Audit Committee carries out periodic reviews of the internal audit plan, verifies the adequacy of the control system, marks its audit observations, and monitors the sustainability of the remedial measures.

Risk Management

Risk management is integral to any business. APL Apollo has devised its risk management mechanism to predict, preempt and prevent financial or commercial risks, errors and frauds. It simultaneously strengthens the Company's business model with the objective of making profitable growth sustainable.

The framework involves an integrated risk appraisal system and mitigation strategy with all key managers being part of the mechanism. The control measures are placed before the Company's board for periodic review and improvement.

CORPORATE INFORMATION

Chairman & Managing Director
Mr. Sanjay Gupta (DIN: 00233188)

Vice Chairman
Mr. Ashok K. Gupta (DIN: 01722395)

Directors
Mr. Virendra Singh Jain (DIN: 00253196)
Ms. Neeru Abrol (DIN: 01279485)
Mr. Abhilash Lal (DIN: 03203177)
Mr. Anil Kumar Bansal (DIN: 06752578)
Mr. Vinay Gupta (DIN: 00005149)
Mr. Romi Sehgal (DIN: 03320454)

Chief Financial Officer
Mr. Deepak Goyal

Chief Operating Officer
Mr. Arun Agarwal

Chief Strategy Officer
Mr. Anubhav Gupta

Company Secretary
Mr. Deepak C S

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

Corporate Office
36, Kaushambi, Near Anand Vihar
Terminal, Ghaziabad
Uttar Pradesh - 201010
Tapasya Corp. Heights, 4th Floor,
Sector-126, Noida,
Uttar Pradesh-201303

Registrar & Share Transfer Agent
Abhipra Capital Limited
A387, Dilkush Industrial Area,
G.T. Karnal Road
Azadpur, Delhi – 110 033

Auditors

Statutory Auditors
Deloitte Haskins & Sells
Chartered Accountants
7th Floor, Building 10, Tower B,
DLF Cyber City Complex,
DLF City Phase - II,
Gurgaon – 122002

Cost Auditors
R. J. Goel & Co., Cost Accountants
31, Community Centre,
2nd Floor, Ashok Vihar, Phase - I,
Delhi – 110052

Secretarial Auditors
Parikh & Associates,
Company Secretaries
111, 11th Floor, Sai-Dwar CHS Ltd,
Sab TV Lane, Opp Laxmi Industrial Estate
Off Link Road, Above Shabari Restaurant,
Andheri (W), Mumbai: 400053

Internal Auditors
Ernst & Young LLP
Golf View Corporate Tower B,
Golf Course Road, Sector 42,
Gurugram, Haryana 122002

Bankers
State Bank of India
Union Bank of India
Bank of Baroda
HDFC Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited
HSBC Bank Limited
Citibank

Works

Unit-I
A-19 & 20, Industrial Area,
Sikandrabad,
Distt. Bulandshahar, (U.P.)

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

Unit-III
Plot No. M-1, Additional MIDC Area,
Murbad, Thane, Maharashtra-421401

Unit-IV
Village Bendri, Near Urla Industrial Area,
Raipur, Chhattisgarh-492001

Unit-V
Survey No. 443,444,538,539 Wadiaram
village, Chegunta (Mandal),
Medak district, Telengana- 502255

Subsidiaries Plant Locations

Apollo Metalex Private Limited

Unit-I: A-25, Industrial Area,
Sikandrabad,
Distt. Bulandshahar, (U.P.)

Unit-II: Plot No. 22, Industrial Area,
Sikandrabad,
Distt. Bulandshahar, (U.P.)

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

Apollo Tricoat Tubes Limited

Unit-I: Plot No. 53, Part-1, 4th Phase,
Industrial Area,
Sy. No. 28-33, Kurandhalli Village,
Kasaba Hobli, Malur, Taluk,
Distt. Kolar-563130, Karnataka.

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

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74899DL1986PLC023443
2	Name of the Company	APL Apollo Tubes Limited
3	Registered address	37, Hargobind Enclave, Vikas Marg, Delhi-110092
4	Website	www.aplapollo.com
5	E-mail id	comsec@aplapollo.com
6	Financial year reported	1st April 2020 to 31st March 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing Group - 24311 Description - Manufacture of Tubes, Pipes and Hollow profiles. As per National Industrial Classification - Ministry of Statistics and Programme Implementation.
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Black Hollow Section and Round Pipe ii. Galvanized Pipe iii. Pre Galvanized Pipe
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of international locations	In Dubai, APL Apollo Tubes Ltd. has one wholly owned subsidiary
	(b) Number of national locations	In India, APL Apollo Tubes Limited has Ten main operational manufacturing locations (including of its subsidiaries)
10	Markets served by the Company – Local/State/National/ International	India (800 distributors and warehouses cum-branch offices in over 20 cities) and 30 countries outside India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	₹ 24.98 Crore
2	Total turnover	₹ 6052.07 Crore
3	Total profit after taxes	₹ 153.78 Crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 2.56 Crore, being 2% of of the average net profits of the company made during the three immediately preceding financial years.
5	List of activities in which expenditure in 4 above has been incurred:-	The major activities in which the above CSR expenditure has been incurred includes:
		• Health Care
		• Education
		• Livelihood enhancement
		• Empowering women, measures for reducing inequalities
		• Disaster management, rehabilitation

SECTION C: OTHER DETAILS

S. No.	Description	Information
1	1. Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has six subsidiaries namely; Shri Lakshmi Metal Udyog Limited, Apollo Metalex Private Limited and Blue Ocean Projects Private Limited APL Apollo Building Products Private Limited APL Apollo Tubes FZE Apollo Tricoat Tubes Limited
2	2. Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Only one subsidiary viz. Apollo Tricoat Tubes Limited participates in the BR Initiatives of the Company.
3	3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No, the entities that the Company does business with, do not participate in the BR Initiatives of the Company

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	Name	Shri Sanjay Gupta
2.	Designation	Chairman and Managing Director
3.	DIN	00233188

(b) Details of the BR head

1.	Name	Shri Deepak Goyal
2.	Designation	Chief Financial Officer
3.	Telephone number	0120-4041424
4.	e-mail id	deepakgoyal@aplapollo.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P 3	P 4	P 5	P 6	P7	P 8	P 9
1	Do you have a policy/ policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Most of the policies are aligned to various standards like: ISO18001(Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health & Safety Management System)								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Apart from the Statutory policies, which are available on the website of the Company, other policies are available on the APL's intranet and can be accessed by Company employees.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent evaluation of the audit/ working of this policy by an internal or external agency?	Yes, the Independent Agency's evaluation work is ongoing.								

* These Policies have been signed by MD

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:	No Committee of the Board has been exclusively designated for dealing with this matter. However, all the aspects of Business Responsibility are reviewed by various other committees of the Board/Executives.
2	Does the Company publish a BR or a sustainability report?	Yes, BR Report
	What is the hyperlink for viewing this report?	www.aplapollo.com
	How frequently it is published?	Annually

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	The Company believes in upholding the values of transparency, accountability and good governance. Apart from the Business Responsibility Policy, the Company has 'Corporate Ethics and Code of Conduct' (inter alia covering Anti-Bribery and Anti-Corruption Directives) and an effective vigil mechanism and Whistle Blower Policy. 'The Corporate Ethics and Code of Conduct' covers the Directors and Employees of the Company. The Company also encourages its Suppliers / Contractors / NGO's / Others to practice the same in a fair manner.
2	How many stakeholder complaints have been received in the past financial year? What percentage was satisfactorily resolved by the management?	All shareholders' complaints were replied to their satisfaction during the Financial Year 2020-21.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	1. Galvanized Pipes 2. High Strength Hollow Section 3. Pre-Galvanized Pipes
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): A. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company continues to lay major emphasis on conservation of energy and the measures taken during the previous years in the said regard were continued. Pipes and tubes manufactured by the Company are used by diverse consumer range and therefore it is not possible to measure the usage (energy, water) by them. Exact saving figures are not ascertainable.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.
4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company has always been committed to providing skill development and employment to local businesses in rural areas and recruitment of rural youth for local sales operations. A major portion of the procured goods and services are de-centralized to local offices in the various States.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Yes

Principle 3: Businesses should promote the wellbeing of all employees

1	Please indicate the total number of employees.	2017
2	Please indicate the total number of employees hired on temporary/ contractual/casual basis.	882
3	Please indicate the Number of permanent women employees.	16
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management?	Presently, the Company has two employee association at Hyderabad & Murbad Plants.
6	What percentage of your permanent employees is members of this recognized employee association?	18%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
A	Child labour/forced labour/involuntary labour	Nil	Nil
B	Sexual harassment	Nil	Nil
C	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

A	Permanent Employees	100%
B	Permanent Women Employees	100%
C	Casual/Temporary/Contractual Employees	100%
D	Employees with Disabilities	N.A.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1	Has the Company mapped its internal and external stakeholders?	Yes, the company has identified key stakeholder groups and mapped its internal and external stakeholders.
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.	Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. village communities in the vicinity of the manufacturing plants and the contractual workers.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	The Company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Currently, the Company does not have any separate Human Rights policy; but the Business Responsibility policy covers the various aspects related to protection of human rights. The Company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. The Company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. The Company strongly prohibits the employment of child, forced or compulsory labour in all of its operations.
2	How many stakeholder complaints have been received in the past financial year. What percent was satisfactorily resolved by the management?	In the reporting period, no violations or complaints surfaced and no areas were discovered where any of our operations or suppliers might be found to have significant risk of child labour or forced or compulsory labour.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs/others.	The Company is committed to improving health and safety of the society and protection of the environment, and the policy applies to the entire Company and doesn't extend to other entities. APL Apollo Tubes Limited also encourages its subsidiaries, vendors and dealers to take health, safety and environment friendly measures for better future.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?If yes, please give hyperlink for webpage etc.	The Company is contributing towards addressing global environmental issues by complying with ISO Certification i.e., ISO 9001, ISO 14001 & OHSAS 18001 under the Integrated Management System, in each and every process of the Company.
3	Does the Company identify and assess potential environmental risks?	The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. The Risk Management Committee meets on regular basis and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the Committee. Moreover, the Company uses environmental impact assessments, recognized environmental management standards, ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and OHSAS 18001 (Occupational Health & Safety Management System) to sharpen its focus towards achieving sustainability goals.
4	Does the Company have any project related to Clean Development Mechanism?	None at present.
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.	Yes, The Company has signed an agreement to purchase 4.5MW solar power from AMP SOLAR as a Captive User for Unit-1 (Sikandarabad) Plant. As a Captive User, the Electricity Purchased will be cheaper than the prevailing costs, with Minimum Savings guaranteed to us in the Power Purchase Agreement. The Company has undertaken rain water harvesting at its various plants. In the longer term, the Company aims to reduce CO2 emissions and generate energy at a lower cost at its factories in India. This, is in-sync with the Company's approach towards building a sustainable ecosystem through efficient energy consumption and optimum utilization of natural resources such as solar power and wind energy. Furthermore, this project will also enable significant savings on operating costs for the Company such as lower energy loss, reduced maintenance costs and electricity bills.
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, all of the Company's emissions/waste generated during the reporting period were within the regulatory defined limits.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	This is to confirm that no show cause/legal notices were received from the Pollution Control Boards (PCB) during the financial year under review and nothing is pending at the end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	The Company is a member of various trade associations and chambers of commerce. Some of these associations include: -Confederation of Indian Industry (CII)- Federation of Indian Export Organisations (FIEO)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas.	The Company has been extensively using platforms of the above Trade Association/Chambers and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles, etc..

Principle 8: Businesses should support inclusive growth and equitable development

1	Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. APL has a well drafted CSR policy in line with Section 135/ Schedule VII of the Companies Act, 2013. On the basis of needs of the community around the projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented. The Company met its entire obligation towards CSR spending during the financial year 2020-21 and the details are already mentioned in the CSR report included in a separate section of the Annual Report.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	Most of the CSR programmes/projects undertaken by the Company are done with the help of NGOs which are implementing agencies.
3	Have you done any impact assessment of your initiative?	The CSR Programmes/projects and their progress/impacts/outcomes are monitored and reviewed periodically by the Corporate Social Responsibility Committee of the Board and by the Board of Directors. Statutory 'impact assessment' is currently not applicable to the Company as its CSR obligations are well below the prescribed thresholds.
4	What is your company's direct contribution to community development projects- Amount in Rupees and the details of the projects undertaken.	Please refer to ANNEXURE D to the Board's Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	The Company is committed to improving the quality of life of the communities around its plant locations and communities at large through need based CSR initiatives in the areas of healthcare, education, livelihood enhancement and environment. The Company encourages participation by the community in various CSR initiatives of the Company. Extensive engagement with the community helps in identifying needs of the stakeholders and leads to greater sense of ownership among the people, ensuring sustained outcomes. This ensures successful adoption by communities to the extent possible.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year	No customer complaints/consumer cases were pending as at the end of financial year 2020-21.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company adheres to all product labeling and product information requirements as per the local laws.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No court case has been filed against the Company regarding unfair trade practices and/or irresponsible advertising during the last five years or is pending as at the end of the financial year.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	The Company is focused on delivering value to its customers and, therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.

For and on behalf of Board of Directors

Sanjay Gupta
Chairman & Managing Director
(DIN: 00233188)

Place: Ghaziabad
Date: June 3, 2021

Board's Report

To the members of

APL Apollo Tubes Limited,

Your Directors have pleasure in presenting the Thirty Sixth (36th) Annual Report on the business and operations of your company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL PERFORMANCE:

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

(₹ In crore)

Particulars	Consolidated		Standalone	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Gross sales	8499.75	7,723.23	6007.96	5,930.81
Add : Other income	35.94	22.18	44.11	27.23
Total revenue	8535.69	7,745.41	6052.07	5,958.04
Profit before Depreciation, Finance Costs and Tax Expense	714.65	499.52	328.07	264.84
Less : Depreciation and amortisation	102.77	95.91	68.18	68.91
Less : Finance cost	66.09	107.27	54.89	82.14
Profit before tax (PBT)	545.79	296.34	205.01	113.79
Less : Tax expense	138.09	40.34	51.23	(1.22)
Profit after tax for the year (PAT)	407.70	256.00	153.78	115.01

The Company's consolidated gross turnover in financial year 2020-21 increased significantly by 10.05 % from ₹ 7723.23 crores to ₹ 8,499.75 crores. The EBIDTA has been increased by 43.06% from ₹ 499.52 crores to ₹ 714.65 crores for the year under review. The net profit of the Company has also increased by 59.25% from ₹ 256 crores to ₹ 407.70 crores during the year under review..

DIVIDEND

The Board of Directors of the Company has deemed it prudent not to recommend any dividend for the financial year under report and to retain the profits, in order to mitigate the adverse impact caused by the outbreak of Covid-19 pandemic and to augment the resources for meeting the future business objectives.

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

TRANSFER TO RESERVES

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

OVERVIEW

In Fiscal 2020-21 the Indian economy continued its downslide owing to an overall slowdown in core sectors coupled with withering consumer confidence which impacted consumer driven sectors – real estate and the automobile sectors being the worst impacted. The other factors that impeded economic progress were a muted global economy and declining investment in construction and infrastructure. And even as the green shoots of recovery appeared towards the close of fiscal 2019-20, India got embroiled with the global pandemic which engulfed the nation into a state of despair – India announced the largest lockdown in the world that extended more than 5 weeks which brought the wheels of the economy to a grinding halt. This measure has cast a dark shadow on the prospects of economic progress with economic experts suggesting a sharp economic contraction in the current fiscal. Synced with the a downturn in the real estate and construction sectors, demand for structural steel tubing remained modest during the year under review. The silver lining around the dark clouds is that verticalization as a trend in real estate development is gaining credence not only in metros but also in Tier I and II cities which augurs well for the demand of high-quality structural steel tubes over the coming years. Further, significant Government impetus on creating new-age infrastructure would catalyse demand going forward. APL Apollo being the largest player in structural steel tubes in India with an entrenched presence in the domestic markets and a resilient business model is well-positioned to capitalize on these emerging sectoral trends.

BUSINESS PERFORMANCE

In FY2021, the Company reported a healthy set of results despite a weak operating environment. Revenues grew to ₹ 8,499.75 crore in FY 2021 from ₹ 7723.23 crore in FY 2020, registering a growth of 10.05%, despite overall muted demand owing to economic deceleration and marked slowdown in key user sectors due to pandemic across the nation. This was largely owing to a combination of factors which include improving product mix, branding, nationwide presence, higher realization and market sentiment. More importantly, we utilised the cash flow prudently between retiring high-cost debt even as we invested in capacity-enhancing measures – for the short-term and the medium-term. Besides, we implemented important steps to create awareness about our products among discerning customers in key markets. We continued our mass branding campaign which included outdoor media, print media, IPL sponsorships and TV ads. Further, we announced the merger of Apollo TriCoat Tubes Limited and an unlisted subsidiary with APL Apollo Tubes Limited as a strategic initiative.

PROSPECTS AND POSSIBILITIES

As India endeavours hard to overcome the pains inflicted by the global pandemic, every business house in India will face a very challenging FY2022 like we had faced in FY2021. But, your Company's position is better than most others in our business space owing to its inherent strengths and an improved liquidity position which should help in tiding over these trying times with ease. We have taken important measures – internally and externally – to optimise our cost structures to be able to minimise the impact of this external challenge on business profitability. As well as, your company has planned green field expansion plan at Raipur which will be operational from FY2023 which will give the impetus to the performances. Over the medium term though, the prospects are expected to be significant as we expect the Government's economic stimulus to translate into on-ground opportunities. Our optimism is based on estimates by credible economists who are of the view that India's economic rebound would be sharp and faster than other nations.

Projects and Expansion Plans

The company targets to increase its installed capacity to 4mn ton in FY22 from 2.6mn ton last year. To add this capacity, the management has identified two new product lines in the value added category: 1) 500x500mm sq diameter tubes under heavy structural tubes segment and, 2) color coated tubes under home décor segment. Both of these products will have capacity of 200,000 ton each and will be launched in India for the first time which is in line with company's strategy to create new market for structural steel tubes in the long term. The project is being implemented in new greenfield Raipur facility in the state of Chhattisgarh. The total capex of around ₹ 279.70 Crores is being funded form the internal accruals.

IMPACT OF COVID 19

The World Health Organization declared Covid-19 outbreak as a pandemic just before the beginning of FY21. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government had taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 25, 2020, and extended up till Q1FY21. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic had posed challenges to all the businesses including your company's business. Owing to the suspension of the operations due to lockdown across the country, the revenue for Q1FY21 was impacted. The company suspended the production operations from March 25, 2020 and partially resumed production operations from April 22, 2020.

The nationwide lockdown had impacted sales of the company's products in Q1FY21 as the construction sites and company's distributors were shut across India during this period. Further, there were constraints for inter-state and intrastate movement of finished goods.

Impact of COVID-19 after the end of financial year till the date of this report

India was hit hard by the 2nd wave of COVID – 19 pandemic in April 2021. The state governments started announcing simultaneous lockdowns across the country. Major impact of Covid-19 has been felt in the first quarter with both revenue and profit being affected. With opening of domestic market post lockdown, we expect business to improve gradually and that business will start moving upwards from 2nd quarter of FY22.

Estimation of Future Impact of CoVID-19 on operation

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, inventories, and trade receivables. Based on current estimates, the Company expects that the carrying amount of these assets will be recovered. Further, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company will continue to closely monitor any material changes to future economic conditions.

INTERNAL FINANCIAL CONTROL

The Company has in place, adequate internal financial controls as referred in Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2021 the Board is of the opinion that the Company had sound Internal Financial Controls commensurate with the size and nature of its operations and are operating effectively and no reportable material weakness was observed in the system during the year.

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

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

ANNUAL RETURN

In accordance with the provisions of Section 134 (3)(a) of the Companies Act, 2013, the Annual Return, as required under Section 92 of the Act for the financial year 2020-21, is available on the Company's website at www.aplapollo.com.

SUBSIDIARIES COMPANIES, JOINT VENTURES AND ASSOCIATES

The Company had five wholly-owned subsidiaries as on March 31, 2021, namely Shri Lakshmi Metal Udyog Limited (SLMUL), Apollo Metalex Private Limited (AMPL), Blue Ocean Projects Private Limited, APL Apollo Building Products Private Limited and APL Apollo Tubes FZE. Further the Company has one step down subsidiary named Apollo Tricoat Tubes Limited (ATTL), subsidiary of SLMUL.

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

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

During the year under review, the Board of Directors of Company, at its meeting held on February 27, 2021, approved a scheme of amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with the Company and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013. The 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"), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required.

DEPOSITS

Your Company did neither accept nor renew or had any outstanding public deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, during the year under report.

SHARE CAPITAL

As on March 31, 2021 the authorized capital of the Company stood at ₹ 45 crore divided into 2,25,000,000 equity shares of ₹ 2 each.

During the year under review, the face value of Company's equity shares was sub-divided from ₹ 10 into 5 equity shares of ₹ 2 each pursuant to the approval granted by the members on December 3, 2020. Necessary approvals from the Stock Exchanges for split of shares and NSDL/CDSL for assignment of New ISIN which is INE702C01027 were obtained.

During the financial year under review, the Company allotted; (i) 73,935 equity shares of ₹ 10 each at a price of ₹ 1438.55 (including premium of ₹ 1428.55); (ii) 6,375 equity shares of ₹ 10 each at a price of ₹ 1028.80 (including premium of ₹ 1018.80); (iii) 125,000 equity shares of ₹ 2 each at a price of ₹ 287.71 (including premium of ₹. 285.71); and (iv) 24,375 equity shares of ₹ 2 each at a price of ₹ 205.76 (including premium of ₹ 203.76), pursuant to APL Apollo Employees Stock Option Scheme (ESOS-2015) to eligible employees of the Company and of its subsidiaries.

Pursuant to abovesaid allotments of Equity shares, the paid up capital of the Company stands increased from ₹ 24.86 Cr to ₹ 24.98 Cr comprising of 12,48,96,000 equity shares of ₹ 2 each.

The Company has neither issued shares with differential voting rights nor has issued any sweat equity shares. Further it did not issue any bonus shares also during the year under review.

COMMERCIAL PAPERS

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

a. 'ICRA A1+' assigned to ₹ 300 crore Commercial Paper programme of the Company.

b. 'CRISIL A1+' assigned to ₹ 500 crore Commercial Paper Programme of the Company.

During the year the Company has issued Commercial papers amounting to ₹ 665 Crores for meeting short term fund requirement and the same were redeemed on the maturity date. Further, as on March 31, 2021, no CP was outstanding.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The tenure of Shri Virendra Singh Jain (DIN: 00253196) as an Independent Director of the company comes to an end on January 27, 2022. The Board of Directors has recommended with detailed justification thereof for continuation of his appointment beyond July 24, 2021 (on attaining 75 years of age) till January 27, 2022 and also for fresh appointment for the second term from January 28, 2022 to September 30, 2024 pursuant to the provisions of Regulation 171A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of companies Act, 2013.

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

PARTICULARS OF REMUNERATION

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

AUDITORS AND AUDITORS' REPORT

A. Statutory Auditors

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

The reports of the Auditors on the standalone and consolidated financial statements for the FY 2020-21 do not contain any qualification, observation or adverse remark requiring any explanation on the part of the Board. The observations given therein read with the relevant notes are self-explanatory.

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

B. Cost Auditors

In terms of Section 148 of the Act, the Company is required to get the audit of its cost records conducted by a Cost Accountant. In this connection, the Board of Directors of the Company had, on the recommendation of the Audit Committee, approved the appointment of M/s R.J. Goel & Co., Cost Accountants (FRN: 000026) as the cost auditors of the Company for the year ending March 31, 2022.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution will form part of the Notice convening the AGM. The approval of the members is sought for the proposed remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2022. M/s R.J. Goel & Co., have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years. The Cost Audit Report of the Company for the Financial Year ended March 31, 2021 will be filed with the MCA. The Company has maintained accounts and records as specified under sub-section (1) of 148 of the Act.

C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s Parikh & Associates, Company Secretaries in practice as Secretarial Auditors to carry out the Secretarial Audit of the Company for the financial year 2020-21. The report given by them for the said financial year in the prescribed format is annexed to this report as Annexure 'C'. The Secretarial Audit Report is self- explanatory and does not contain any qualification, reservation or adverse remark.

RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2021, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on 'arm's length' basis and were in compliance with the applicable provisions of the Companies Act, 2013 read with Regulation 23 of SEBI (LODR), 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. In view of the above, disclosure in FORM AOC-2 is not applicable.

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

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company, under the APL Apollo Employee Stock Option Scheme- 2015 ("ESOS-2015), approved by the shareholders vide a postal ballot on July 27, 2015 and December 22, 2015, grants share-based benefits to eligible employees of the Company and employees of subsidiaries with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company. The total number of equity shares to be allotted pursuant to the exercise of the stock incentives under the ESOS-2015 to the employees of the Company and its subsidiaries shall not exceed 7,50,000 equity shares. The following disclosures are being made under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the said disclosure is also available on the website of the Company at www.aplapollo.com:

S. No.	Particulars (During the financial year ended March 31, 2021)	APL Apollo ESOS-2015
1	Options granted	Nil
2	Options vested;	254375
3	Options exercised	550925
4	Total number of shares arising as a result of exercise of option	550925
5	Options lapsed	94815 options lapsed (due to resignation of employees)
6	Exercise price	The Exercise price of the shares will be the Market Price of the shares one day before the date of grant of options. Suitable discount will be provided on that price, as deemed fit by the Nomination & Remuneration Committee ("committee"). Further, the Committee has power to reprice the grants in future if the price of the company falls continuously for a period of 3 months.
7	Variation of terms of options	NIL
8	Money realized by exercise of options (₹)	153896944
9	Total number of options in force	438000

S. No.	Particulars (During the financial year ended March 31, 2021)	APL Apollo ESOS-2015
10	Employee wise details of options granted to;- (i) Key managerial personnel; (ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year. (iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

Note : The number of options mentioned above have been appropriately adjusted subsequent to subdivision of face value to ₹2.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanations relating to material departures.

b. Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2021 and of the Company's profit for the year ended on that date.

c. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. The annual financial statements have been prepared on a going concern basis.

e. The internal financial controls were laid down to be followed that and such internal financial controls were adequate and were operating effectively.

f. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the year under review, the Company has made contribution of ₹ 2.56 Cr for various CSR purposes in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility and has met it CSR spending obligation completly.

The Annual Report on CSR activities is annexed herewith as Annexure 'D'.

Subsequent to the year end, the CSR policy was amended in line with the latest amendments notified by the Ministry of Corporate Affairs on January 22, 2021 through Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Policy has been uploaded on the Company's website and may be accessed at the link: https://aplapollo.com/policies/#policies

SCHEME OF AMALGAMATION AND ARRANGEMENT

During the year under review, the Board of Directors of Company, had at its meeting held on February 27, 2021, approved a scheme of amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with the Company and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013. The 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"), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required. The scheme related details are available on the website of the Company https://aplapollo.com/announcements/#Mergers

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

In terms of Section 186 of the Companies Act, 2013 and rules framed thereunder, details of Loans, Guarantees given and

Investments made have been disclosed in the Notes to the financial statements for the year ended March 31, 2021.

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

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

CORPORATE GOVERNANCE

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

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

a) Particulars of the Board Meetings held during the financial year under review.

b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.

c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.

e) Details regarding Risk Management.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

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

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

No complaint of sexual harassment was received during the financial year 2020-21.

OTHER DISCLOSURES AND REPORTING

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

1. Change in the nature of business of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Any remuneration or commission received by Managing Director of the Company, from any of its subsidiaries.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this report.
5. Significant or material orders passed by the regulators or courts or tribunal which impacts the going concern status and company's operations in future.
6. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government
7. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.
8. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

APPRECIATION

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

For and on behalf of Board of Directors

Sanjay Gupta
Chairman & Managing Director
(DIN: 00233188)

Place: Ghaziabad
Date: June 3, 2021

Annexure 'A'

Form No. AOC-1

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

PART "A": SUBSIDIARIES

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY:

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

(₹ in crore)

S. No.	Name of Subsidiary	Apollo Metalex Private Limited	Shri Lakshmi Metal Udyog Limited	Blue Ocean Projects Private Limited	Apollo Tricoat Tubes Limited	APL Apollo Building Products Private Limited
1	Share Capital	2.71	5.90	0.02	6.08	105.69
2	Other Equity	330.39	209.96	16.02	298.17	(1.87)
3	Total Assets	525.75	365.84	16.23	456.42	110.85
4	Total Liabilities	525.75	365.84	16.23	456.42	110.85
5	Investments	-	-	-	-	-
6	Turnover	1,449.59	730.36	-	1472.81	-
7	Profit Before Taxation	138.34	62.17	(0.12)	139.25	(1.83)
8	Provision of Taxation	35.70	16.12	-	34.24	0.04
9	Profit After Taxation	102.64	46.05	(0.12)	105.01	(1.87)
10	Proposed Dividend	-	-	-	-	-
11	% of Shareholding	100%	100%	100%	55.82%	100%

S. No.	Name of Subsidiary	APL Apollo Tubes FZE (Arab Emirates Dirham)
1	Share Capital	1,10,00,000
2	Other Equity	-
3	Total Assets	1,10,00,000
4	Total Liabilities	1,10,00,000
5	Investments	-
6	Turnover	-
7	Profit Before Taxation	(1,60,234.64)
8	Provision of Taxation	-
9	Profit After Taxation	(1,60,234.64)
10	Proposed Dividend	-
11	% of Shareholding	100%

Note:

1. Name of subsidiaries which are yet to commence operations: Blue Ocean Projects Private Limited., APL Apollo Building Products Private Ltd. and APL Apollo Tubes FZE.

2. Names of subsidiaries which have been liquidated or sold during the year: NA

PART "B": ASSOCIATES AND JOINT VENTURES

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

For and on behalf of the Board of Directors of
APL APOLLO TUBES LIMITED

SANJAY GUPTA
Chairman & Managing Director
DIN : 00233188

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place: Ghaziabad
Date: June 3, 2021

Annexure 'B'

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

(1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21: The ratio of the remuneration of Shri Sanjay Gupta, Chairman to the median remuneration of the employees of the Company is 135:1. Sitting Fees paid to the Directors has not been considered as remuneration.

(2) The percentage increase in remuneration of each director, chief financial officer, company secretary during the financial year 2020-21: Nil.

(3) The percentage decrease in the median remuneration of employees for the financial year 2020-21 is 5%

(4) The number of permanent employees on the rolls of the company as on March 31, 2021 is 1135.

(5) The average increase in the managerial remuneration for the FY 2020-21 is Nil and the average increase in the salary of employees other than managerial personnel for the FY 2020-21 is Nil. Managerial Personnel includes Chairman, Managing Director, Executive Director, Chief Financial Officer and Company Secretary.

(6) We affirm that the remuneration paid in the financial year 2020-21 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

For and on behalf of Board of Directors

Sanjay Gupta
Chairman
(DIN: 00233188)

Place: Ghaziabad
Date: June 3, 2021

ANNEXURE C"

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

APL APOLLO TUBES LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us under The SEBI (Prohibition of Insider Trading) Regulations, 2015 and related circulars thereon and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2021 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:-

- (a) Indian Explosives Act, 1884
- (b) Environment (Protection) Act, 1986

(c) The Water (Prevention & Control of Pollution) Act, 1974

(d) Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013

(e) Air (Prevention & Control Pollution) Act, 1981

(f) Industrial Employment (Standing Orders) Act, 1946

(g) Industries (Development & Regulation) Act, 1951

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that the Company has an unspent amount of ₹ 1.00 crore towards Corporate Social Responsibility ("CSR") during the year pertaining to ongoing projects and has been transferred to the unspent CSR account of the Company on 30.04.2021.

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

a. The Company had allotted 5,50,925 equity shares on ESOP basis pursuant to the APL Apollo Employees Stock Option Scheme- 2015.

b. The face value of Company's equity shares was sub-divided from ₹ 10/- into 5 equity shares of ₹ 2/- each and subsequent alteration to the Memorandum of Association of the Company.

c. Commercial papers amounting to ₹ 665 crores were issued during the year and the same were redeemed on the maturity date.

d. The Board of Directors of Company had at its meeting held on February 27, 2021, approved a scheme of amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with the Company and their respective shareholders and creditors subject to the receipt of necessary approvals from the National Company Law Tribunal, Delhi bench ("NCLT"), BSE Limited, National Stock Exchange of India Limited and from other regulatory or statutory authorities as may be required.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date : June 3, 2021

Signature:
Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN : F009697C000415465

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

'Annexure A'

To,

The Members

APL APOLLO TUBES LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates

Company Secretaries

Place: Mumbai

Date : June, 3 2021

Signature:

Sarvari Shah

Partner

FCS No: 9697 CP No: 11717

UDIN : F009697C000415465

Annexure 'D'

ANNUAL REPORT ON THE CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company

The Board of Directors' at its meeting held on 18th February, 2015 approved the CSR Policy of your company pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy was last reviewed by the Board on 10th May, 2021.

2. Composition of CSR Committee:

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

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. **Average net profit of the company as per section 135(5):**

   The average Net Profit of three financial years preceding the reporting financial year (i.e. 2019-20, 2018-19 and 2017-18) calculated in accordance with Section 135 of the Companies Act, 2013 is ₹127.81 Crores

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹2.56 Crores

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

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

   (d) Total CSR obligation for the financial year (7a+7b- 7c): ₹2.56 Crores

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year	Amount Unspent (in ₹ Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1.56	1.00	30.04.2021	NIL	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹Crores)	Amount spent in the current financial Year (in ₹Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹Crores)	Mode of Implementa tion -Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State.	District.						Name
1	'Museum of Solutions' (MuSo)*	(ii)	Yes	Mahrashtra	Mumbai	3 years	1.60	0.60	1.00	No	JSW Foundation, Mumbai
	Total						1.60	0.60	1.00		

* The Company has entered into an agreement with with JSW Foundation, Mumbai for making contributions for the construction of 'Museum of Solutions' (MuSo) to be opened by them in Mumbai which is a world class educational landscape with a building having over 60000 sqft area spread over 8 storeys. The MuSo has been conceptualized based on the UN Sustainable Development Goals and the new National Education Policy with an aim to cultivate the knowledge, skills, and actions kids need to solve the challenges they see around them and make progress based on creative thinking, interactive learning ad innovative problem solving skills. The project will be covered under CSR as part of 'promoting education, including special education and employment enhancing vocation skills' as per Clause (ii) of Schedule VII.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Amount spent for the project (in ₹Crores)	Mode of implemena-tion -Direct (Yes/No).	Mode of implementation – Through implementing agency
				State	District			Name
1	To fight COVID-19 relief response for the needy	(i)	Yes	Delhi	Delhi	0.01	No	World Hope Foundation - Trust, since 2013
2	To support 30 Ekal Vidyalayas across the State of UP	(ii)	Yes	Uttar Pradesh	Bareilly	0.07	No	Bharat Lok Shiksha Parishad –Trust, since 2012
3	PM Citizens Assistance and Relief in Emergency Situations (PMCARES) Fund	(viii)	Yes	Delhi	Delhi	0.20	No	PMCARES Fund
4	To meet part expenses in connection with "Samoohik Vivah" of people from economically backward section	(iii)	Yes	Chattisgarh	Raipur	0.01	No	Nari Vikas Mahila Sahayta Samooh, Raipur –Trust, since 2012
5	For construction of basic amenities in the shelter home for the destitute	(i) & (ii)	Yes	Haryana	Gurugram	0.10	No	The Earth Saviours Foundation, Gurugram –Regd. Society, since 2008
6	For procuring eye testing (OTC machine) for the eye hospital	(i)	Yes	Uttar Pradesh	Ghaziabad	0.22	No	Vardan Sewa Sansthan, Ghaziabd – Regd. Society, since 1994
7	To fight COVID-19 relief response for the needy	(i)	Yes	Delhi	Delhi	0.02	No	World Hope Foundation - Trust, since 2013
8	To part-sponsor "Ekal Ke Ram" cultural event for rural and tribal children	(ii)	Yes	Uttar Pradesh	Bareilly	0.15	No	Bharat Lok Shiksha Parishad –Trust, since 2012

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project**		**Amount spent for the project (in ₹Crores)**	**Mode of implemena-tion -Direct (Yes/No).**	**Mode of implementation – Through implementing agency**
				State	**District**			**Name**
9	To help rehabilitation of refugees and helping deprived people earn livelihood	(ii) & (xii)	Yes	Haryana	Gurugram	0.05	No	Humanitarian Aid International –Trust, since 2016
10	To distribute Bhagavadgita and other literature of historic importance and promoting national heritage	(ii) & (v)	Yes	Delhi	Delhi	0.03	No	ISKCON –Regd. Society, since 1978
11	To improve the infrastrucure in schools run on charitable basis	(ii)	Yes	Haryana	Bahadurgarh	10.00	No	Bahardurgarh Shiksha Sabha – Regd. Society, since 2007
	TOTAL					**0.96**		

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 2.56 Crores

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2.56
(ii)	Total amount spent for the Financial Year**	2.56
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

Note: ** Includes an amount of ₹ 1Crores earmarked for ongoing projects transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013, for the Financial Year 2020-21.

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

   (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not applicable

Sanjay Gupta
Chairman & Managing Director
(DIN: 00233188)

Anil Kumar Bansal
Chairman CSR Committee
(DIN: 06752578)

Place: Ghaziabad
Date: June 3, 2021

Annexure 'E'

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

I. CONSERVATION OF ENERGY.

(i) the steps taken or impact on conservation of energy:

(a) To know the energy utilisation, the Company has installed the meters on each machine at every mills, to record the energy requirement, basis of which company has analyzed, through the use of various equipments, the percentage of wastage of electricity by the machines and whether to replace or using them in any other manner.

(b) The Company has signed an agreement to purchase 4.5MW solar power plant from AMP SOLAR as a Captive User for Unit-1 (Sikandarabad) Plant. As a Captive User, the Electricity Purchased will be cheaper than the prevailing costs, with Minimum Savings guaranteed to us in the Power Purchase Agreement. .

(c) Solar energy has now proved to be very beneficial, not only for the environment but also financially. The technology has been improved considerably, turning into a very efficient source of clean energy:

- Reduce energy loss
- Reduce electricity bills by decreasing the Energy Rate.
- Minimum breakdowns
- Low maintenance cost
- Diverse purpose

(ii) The capital investment on energy conservation equipments: The capital investment on energy conservation for purchase of 4.5MW solar power plant from AMP SOLAR at Unit-1 (Sikandarabad) Plant is ₹ 1.26 crore,.

II. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption: The Company has made continuous efforts towards technology absorption by commissioning Direct Forming Technology (DFT) Mills at almost all the plants, where we can produce 80x80 mm to 200x200mm sections (thickness upto 10mm) based on DFT technology.

(ii) The Benefits Derived as a result of above efforts: Installation of these mills have helped the Company in reducing manpower, increasing productivity and reducing inventory as envisaged at the time of placing order in these mills.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in crores)

Particulars	FY 2020-21
Foreign exchange earnings	119.20
Foreign exchange outgo	1.67

For and on behalf of Board of Directors

Sanjay Gupta
Chairman & Managing Director
(DIN: 00233188)

Place: Ghaziabad
Date: June 3, 2021

Annexure 'F'

Corporate Governance Report

1. COMPANY'S GOVERNANCE PHILOSOPHY:

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

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

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

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

2.1 BOARD OF DIRECTORS:

As on March 31, 2021, the Board of Directors consisted of eight directors of which 2 (two) are Executive Directors and 6 (six) are Non-executive Directors. Out of 6 (six) Non-executive Directors, 4 (four) are Independent Directors. Details are as given hereunder:

Name of Director	Category	No. of Board Meetings attended during FY 2020-21	Attendance in last AGM held on 29 September, 2020	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Directorships $	Other Member-Ships**	Other Chairman-ships **
Shri Sanjay Gupta (DIN: 00233188)	EC & MD	5	Yes	1,75,000	5	-	-
Shri Ashok Kumar Gupta (DIN: 01722395)	NE	4	Yes	-	1	2	-
Shri Vinay Gupta (DIN: 00005149)	NE	4	Yes	-	5	-	-
@Shri Abhilash Lal (DIN: 03203177)	ID	5	Yes	-	2	1	-
@Shri Anil Kumar Bansal (DIN: 06752578)	ID	4	Yes	5,000	3	2	1
@Ms. Neeru Abrol (DIN: 01279485)	ID	5	Yes	-	5	6	3
@Shri Virendra Singh Jain (DIN: 00253196)	ID	5	Yes	260	1	2	2
Shri Romi Sehgal (DIN: 03320454)	E	5	Yes	69,420	4	-	-

EC= Executive Chairman, MD= Managing Director, NE= Non-Executive Director, ID= Independent Director and E= Executive Director

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

** only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

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

Shri Vinay Gupta, Director is brother of Shri Sanjay Gupta, Chairman. Except this, no other Director of the Company is related to any other Director.

2.2 NAME OF THE LISTED ENTITIES WHERE DIRECTOR IS A DIRECTOR, OTHER THAN APL APOLLO TUBES LIMITED:

Name of Director	Name of the Listed Entities	Category
Shri Sanjay Gupta	Apollo Pipes Limited	Chairman
Shri Ashok K. Gupta	Shalimar Paints Limited	Managing Director
Shri Romi Sehgal	Apollo TriCoat Tubes Limited	Whole Time Director
Shri Anil Kumar Bansal	Apollo TriCoat Tubes Limited	Independent Director
Shri V.S. Jain	Dalmia Bharat Limited	Independent Director
Ms. Neeru Abrol	Apollo Pipes Limited TCNS Clothing Co. Limited Apollo Tricoat Tubes Limited	Independent Director
Shri Abhilash Lal	Ganesha Ecosphere Limited Apollo Pipes Limited	Independent Director
Shri Vinay Gupta	Apollo Tricoat Tubes Limited	Non-Executive Director

2.3 DATE AND NUMBER OF BOARD MEETINGS HELD

Five (5) Board Meetings were held during the financial year 2020-21 i.e., on June 30, 2020, August 13, 2020, October 28, 2020, January 25, 2021 and February 27, 2021. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

3. INDEPENDENT DIRECTORS

Independent Directors of the Company are required to comply with the requirements of the "Code of Conduct for the Board members and Senior Management Personnel", "Code of Conduct to Regulate, Monitor and Report Trading by Insiders".

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

Further, in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

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

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, two separate meetings of the Independent Directors of the Company were held on January 23, 2021 and February 27, 2021. Shri Virendra Singh Jain was unanimously elected as Chairman of both the meetings and all the Independent Directors of the Company were present at the said Meetings.

At the meeting held on January 23, 2021, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman after taking into account the views of the Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

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

4. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

5. BOARD SKILLS, EXPERTISE OR COMPETENCE

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

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

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

6. PERFORMANCE EVALUATION

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

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

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

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

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

7. AUDIT COMMITTEE

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

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

During the year under review, 6 (six) meetings of the Audit Committee of the Board were held i.e., on June 30, 2020, August 13, 2020, October 28, 2020, November 4, 2020, January 25, 2021 and February 27, 2021. The composition of the Audit Committee as on March 31, 2021 and the meetings attended by its members are as under:

S. No	Name of Director	Status	No. of meetings attended
1	Shri Anil Kumar Bansal	Chairperson	5
2	Shri Abhilash Lal	Member	6
3	Shri Vinay Gupta	Member	4
4	Ms. Neeru Abrol	Member	6

All the recommendations of the Audit Committee during the year under review were accepted by the Board.

8. NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

During the year, two meetings of the Nomination and Remuneration Committee were held i.e., on August, 13, 2020 and January 23, 2021 which were duly attended by all the committee members. The composition of the Nomination and Remuneration Committee as on March 31, 2021 and the particulars of attendance of members were as under:

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

8.1 NOMINATION AND REMUNERATION POLICY

In terms of SEBI Listing Regulations and Act, the Company has in place Nomination & Remuneration Policy. The said Policy of the Company, *inter alia,* provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of directors and other matters as provided under subsection (3) of Section 178 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy also lays down broad guidelines for evaluation of performance of Board as a whole, Committees of the Board, individual Directors including the chairperson and the Independent Directors. The Policy encourages the appointment of women at senior executive levels and thereby promoting diversity. The Policy is designed to attract, recruit, retain and motivate best available talent.

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

8.2 REMUNERATION TO THE DIRECTORS

Non- Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees for each Meeting of the Board or Committee of Directors attended by them. However, the sitting fees are subject to ceiling/limits as provided under the Act and rules made thereunder or any other enactment for the time being in force. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2020-21 was ₹ 35 Lakh. The details of the remuneration of Directors during the financial year 2020-21 are given below:

(₹ in crores)

S. No	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Shri Abhilash Lal	Shri Anil Kumar Bansal	Ms. Neeru Abrol	Shri V.S. Jain	
	• Fee for attending Board/ Committee Meetings	0.10	0.09	0.10	0.08	0.37
	• Commission/ Others	-	-	-		-
	Total (1)	0.10	0.09	0.10	0.08	0.37
2	Other Non – Executive Directors	Shri Vinay Gupta		Shri Ashok Kumar Gupta		
	• Fee for attending Board / Committee Meetings	-		0.01		0.01
	• Commission/ Others	-		-		-
	Total (2)	-		0.01		0.01
	Total(B)= (1+2)	-				0.38

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

Executive Director:

The terms of remuneration of Chairman & Managing Director is approved by the shareholders at the general body meeting. The details of remuneration paid to the Chairman & Managing Director in the financial year 2020-21 are as under:

(₹ in crores)

S. No.	Particulars of Remuneration	Shri Sanjay Gupta	Total
1.	Gross salary	3.50	3.50
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	-
	(b)Value of perquisites u/s17(2) Income -tax Act,1961	-	-
	(c)Profits in lieu of salary under section 17(3)Income- tax Act, 1961	-	-
2.	Commission	-	-
2.	Stock Option	-	-
3.	Others, please specify	-	-
	Total (A)	3.50	3.50

Other Executive Director- During the year under review, the Company allotted 65,625 equity shares @₹287.71 to Shri Romi Sehgal (Executive Director), pursuant to exercise of 65,625 options granted to him under APL Apollo Employee Stock Option Scheme- 2015 ("ESOS-2015).

Service contracts, notice period, severance fee

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

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

9. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year, one meeting of the Stakeholders Relationship committee was held i.e., on January 23, 2021.

The composition of the Stakeholders Relationship Committee as on March 31, 2021 is as under:

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

Shri Deepak C S, Company Secretary is the Compliance Officer.

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

A total of five complaints were received from the shareholders' during the year under review, all of which were redressed to the satisfaction of the respective complainants. As on March 31, 2021, no investor grievance was pending to be resolved.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

During the year one meeting of the CSR Committee was held on October 28, 2020. The composition and the attendance of Directors at the meeting is as under:

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

11. GENERAL BODY MEETINGS

A. Annual General Meeting

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

Financial Year	Venue	Date and Time	Special Resolution Passed
2019-20	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 29, 2020 11:00 A.M	1) To re-appoint Ms. Neeru Abrol as an Independent Director for a second term of 5 years
2018-19	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	September 28, 2019 11:00 A.M	1) To adopt new set of articles of association of the company containing regulations in conformity with the companies act, 2013. 2) To adopt new set of memorandum of association of the company in conformity with the companies act, 2013. 3) To re-appoint Shri Abhilash Lal as an Independent Director for a second term of 5 years. 4) To re-appoint Shri Anil Kumar Bansal as an Independent Director for a second term of 5 years
2017-18	JP Hotel & Resorts, 6B, IP Extension, Patparganj, Near Max Hospital, Delhi-110092	September 29, 2018 11:00 A.M	1) To approve the revised remuneration payable to Shri Sanjay Gupta, Chairman (under whole time director category) of the Company 2) To approve the revised remuneration payable to Shri Ashok Kumar Gupta, Managing Director of the Company. 3) To approve the scheme of loan for Managing Director and Whole- Time Director of the Company. 4) To approve the appointment of Shri. S.T. Gerela, Independent Director aged 80 years.

B. Ordinary Resolution passed through Postal Ballot during Financial Year 2020-21

Description (Nature of Resolution)	Date of Notice	Date of Dispatch of Postal Ballot Forms to Members	Last date for receiving the Postal Ballot forms including e-voting	Date of passing resolution
1) Subdivision of equity shares from the face value of ₹10 to face value of ₹2 per share 2) Alteration of 'Capital Clause' of memorandum of association of the company	October 31, 2020	November 3, 2020	December 3, 2020	December 3, 2020

The Company had appointed Shri Jatin Gupta of M/s Jatin Gupta & Associates, Practising Company Secretaries as scrutinizer to conduct the above instances of e-voting process in fair and transparent manner.

Procedure followed in above postal ballot is as under – The notices containing the proposed resolutions and explanatory statement were sent to the shareholders by email in accordance with MCA General Circular No.14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020. The evoting period was for 30 days from dispatch of notice. The Scrutinizer submitted the report to the Company. The voting results were announced within 48 hours of end of the evoting period. For evoting, the company is having agreement with Central Depository Services Limited ('CDSL') for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot. As on the date of this report, no business is proposed to be conducted through postal ballot.

12. DISCLOSURES

a) Related Party Disclosure:

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements), 2015 during the financial year were in the ordinary course of business, on arm's length pricing basis and not material in nature, accordingly, do not attract the provisions of Section 188 of the Companies Act, 2013.

Besides this, the Company has no material significant transaction with the related parties viz. promoters, directors of the Company, their relatives, subsidiaries of promoter Company, person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company etc. that may have a potential conflict with the interest of the Company at large

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

Suitable disclosure as required by the Indian Accounting Standards (IND-AS) 24 has been made in the Note no. 39 to the Financial Statements.

b) Management discussion and analysis report

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

c) Business responsibility report

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

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

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

(a) The Company's financial statements are with unmodified audit opinion. A declaration to this effect, duly signed by the Chief Financial Officer has also been furnished. There are no audit qualifications on the financial year 2020-21

(b) The internal auditor reports directly to the Audit Committee of the Board.

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

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

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

During the period under review, Company has not received any complain relating to Sexual Harrassment :

No. of Complaints received during the year 2020-21	No. of Complaints disposed off during the year 2020-21	No. of Complaints pending at the end of FY 2020
Nil	Nil	Nil

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

During the year one meeting of the Risk Management Committee was held on January 23, 2021. The composition and the attendance of Directors at the meetings are as under:-

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

This Policy is available on the website of the Company and the weblink for the same is https://aplapollo.com/policies/#policies

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

In compliance with provisions of Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 the Company has framed a Vigil Mechanism / Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Chairman of the Audit Committee.

This Policy is available on the website of the Company and the weblink for the same is https://aplapollo.com/policies/#policies

i) **Subsidiary Companies:**

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

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

During the year under review, the Board of Directors of Company, had at its meeting held on February 27, 2021, approved a scheme of amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with the Company and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013. The 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"), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required.

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

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

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

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2020-21.

13. LIST OF ALL CREDIT RATINGS OBTAINED BY THE COMPANY ALONG WITH ANY REVISIONS THERETO DURING THE FINANCIAL YEAR ENDED MARCH 31, 2021:

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

14. MEANS OF COMMUNICATION:

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

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

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

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

ii. Press release:

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

iii. Presentations to analysts:

Four presentations were made to analysts/investors during the financial year 2020-21. The same are available on the Company's website i.e. https://aplapollo.com/presentation/. The presentations broadly covered operational and financial performance of the Company and industry outlook.

15. GENERAL SHAREHOLDERS' INFORMATION:

i. Annual general meeting

Date and time: July 23, 2021 at 11.00 A.M (Friday).

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

ii. Financial calendar (tentative and subject to change)

Period	Board Meetings
Unaudited results for first quarter ended June 30, 2021	On or before August 14, 2021*
Unaudited results for second quarter/ half year ended September 30, 2021	On or before November 14, 2021*
Unaudited results for third quarter/ nine months ended December 31, 2021	On or before February 14, 2022*
Audited results for the financial year 2020-21	On or before May 30, 2022*

*subject to extension, if any, that may be granted by the regulator.

Dividend payout: No dividend has been recommended by the Board for the FY 2020-21.

iii. Listing of shares:

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

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

The listing fees of all the stock exchanges has been paid by the Company for the financial year 2020-21.

ISIN Code for the Company's Equity Shares: INE702C01027

iv. Distribution schedule as at March 31, 2021

Nos. of equity shares held	Shareholders		Shares held	
	Number	%	Number	%
Upto 2,500	53,383	96.01	67,71,485	5.43
2,501-5,000	1,041	1.87	18,71,590	1.49
5,001-10,000	506	0.91	18,24,419	1.46
10,001-20,000	274	0.49	19,50,326	1.56
20,001-30,000	105	0.19	12,95,636	1.04
30,001-40,000	63	0.11	10,97,580	0.88

Nos. of equity shares held	Shareholders		Shares held	
	Number	%	Number	%
40,001-50,000	28	0.05	6,35,502	0.51
50,001-1,00,000	80	0.14	28,22,346	2.26
1,00,001 & Above	127	0.23	10,66,27,116	85.37
Total	**55,607**	**100**	**12,48,96,000**	**100**

v. Shareholding pattern as on March 31, 2021

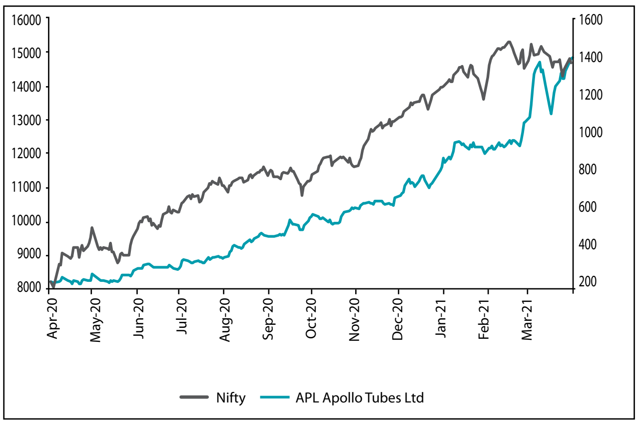
Category	No. of shares held	Percentage of shareholding
Indian Promoters	4,62,11,935	37.00
Foreign Portfolio Investors	3,02,25,329	24.20
Trusts / Foreign Nationals, NRIs / Clearing Members / HUF/ Bodies Corporates / IEPF	1,93,63,822	15.51
Individuals	1,65,50,937	13.25
Mutual funds	67,60,060	5.41
Insurance Companies	48,11,346	3.85
Alternate Investment Funds	9,72,571	0.78
Total	**12,48,96,000**	**100**

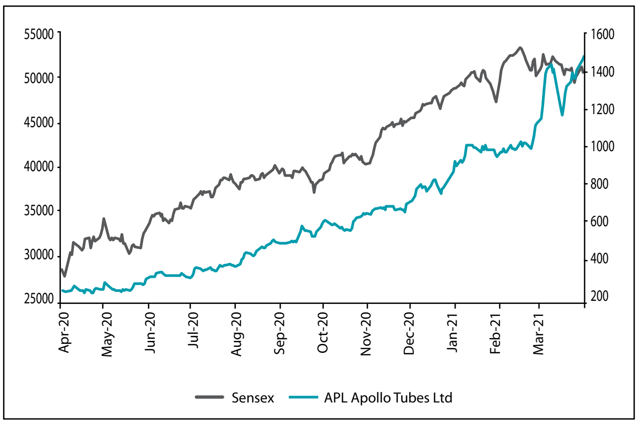
vi. Market price data

Month and Year	Stock market price on BSE (In ₹ Per share)			Sensex		Stock market price on NSE (In ₹ Per share)			S&P CNX Nifty	
	High	Low	Traded quantity	High	Low	High	Low	Traded quantity	High	Low
April, 2020	1,510.00	1,155.00	24,667	3,887.25	27,500.79	1,510.00	1,150.05	790670	9,889.05	8,055.80
May, 2020	1,546.15	1,155.45	28,876	32,845.48	29,968.45	1,549.85	1,155.55	927756	9,598.85	8,806.75
June, 2020	1,716.00	1,522.30	37,599	35,706.55	32,348.10	1,720.00	1,521.00	1509488	10,553.15	9,544.35
July, 2020	1,919.65	1,560.00	67,051	38,617.03	34,927.20	1,925.00	1,555.05	1719005	11,341.40	10,299.60
August, 2020	2,517.80	1,830.00	56,833	40,010.17	36,911.23	2,500.00	1,818.35	1623804	11,794.25	10,882.25
September, 2020	2,935.00	2,300.00	1,66,040	39,359.51	36,495.98	2,937.95	2,326.05	3055696	11,618.10	10,790.20
October, 2020	3,199.00	2,656.50	87,173	41,048.05	38,410.20	3,214.95	2,665.00	1499601	12,025.45	11,347.05
November, 2020	3,472.25	3,064.50	38,790	44,825.37	39,334.92	3,489.60	3,059.50	1068596	13,145.85	11,557.40
December, 2020	3,945.00	654.90	5,84,276	47,896.97	44,118.10	3,919.00	650.25	6973157	14,024.85	12,962.80
January, 2021	989.95	842.00	5,05,629	50,184.01	46,160.46	987.90	841.50	9007268	14,753.55	13,596.75
February, 2021	1,087.00	891.70	45,92,539	52,516.76	46,433.65	1,088.00	890.10	7860466	15,431.75	13,661.75
March, 2021	1,446.35	1,043.00	4,03,293	51,821.84	48,236.35	1,448.00	1,050.10	10056046	15,336.30	14,264.40

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

(The sub-division of face value from ₹ 10 to ₹ 2 was effective from December 16, 2020.)





vii. Share transfer system

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories.

All such permitted requests are handled and disposed of by Company's Registrar & Share Transfer Agent i.e. M/s Abhipra Capital Limited within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the SEBI Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

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

viii. Unclaimed Dividends:

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

The dividend status remaining unclaimed is given hereunder:

Financial year	Dividend Per Share (₹)	Unclaimed Dividend amount as on March 31, 2021	Date of Declaration	Due date for transfer to IEPF
2013-2014 (Final Dividend)	5	2,84,590	September 30, 2014	November 6, 2021
2014-2015 (Final Dividend)	6	4,29,084	August 28, 2015	October 4, 2022
2015-2016 (Final Dividend)	10	10,63,990	September 24, 2016	October 31, 2023
2016-2017 (Final Dividend)	12	4,10,580	September 29, 2017	November 5, 2024
2017-2018 (Final Dividend)	14	15,48,904	September 29, 2018	November 5, 2025
2018-2019 (Final Dividend)	14	13,14,656	September 28, 2019	November 4, 2026

ix. Dematerialization of shares

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

As on March 31, 2021 99.99% of the Company's total Equity Shares representing 12,48,96,000 shares were held in dematerialized form and 10 shares representing 0.00% of paid-up share capital were held in physical form.

x. Outstanding ADRs/ GDRs

There were no outstanding GDRs/ ADRs, as on March 31, 2021.

xi. Warrants and other convertible instruments:

There were no warrants outstanding for conversion as on March 31, 2021.

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

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

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

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

xv. During the financial year ended March 31, 2021, the Company and its two wholly owned subsidiaries namely Shri Lakshmi Metal Udyog Limited and Apollo Metalex Private Limited have paid total fees for various services including statutory audit, amounting to ₹ 1.20 crore, including taxes, to the Statutory Auditor, namely M/s. Deloitte Haskins & Sells LLP, Chartered Accountants. Further, no fees other than above was paid by any of the subsidiaries or by the Company to any entity in the network firm/ network entity of which the Statutory Auditor is a part.

xvi. Investors Correspondence can be made on Registered Office of the Company as given under:	**APL Apollo Tubes Limited** CIN: L74899DL1986PLC023443 37, Hargobind Enclave, Vikas Marg, Delhi – 110092. Phone: 011- 22373437 Fax 011-22373537 Mail: investors@aplapollo.com	
xvii. Registrar and Share Transfer Agent:	**M/s. Abhipra Capital Limited** GF- Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road Azadpur, Delhi-110033 Phone: 011-42390725 Fax: 011-2721 5530 Mail: rta@abhipra.com	
xviii. Plant Locations:	**Unit – 1** A-19 and A-20, Industrial Area, Sikandrabad, Distt. Bulandsahar, Uttar Pradesh-203205 **Unit-3** Plot No. M-1, Additional MIDC Area, Murbad, Thane Maharashtra – 421401 **Unit-5** Survey No. 443,444,538,539 Wadiaram village, Chegunta (Mandal), Medak district, Telengana- 502255	**Unit –2** No. 332-338, Alur Village, Perandapalli, Hosur, Tamil Nadu-635109. **Unit-4** Village Bendri, Near Urla Industrial Area, Raipur, Chhattisgarh- 492001
xix. Subsidiaries' Plant Locations:	**Apollo Metalex Private Limited** CIN: U27104DL2006PTC146579 Unit-I: A-25 Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205 Unit-II: Plot No. 22 Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205 **Apollo Tricoat Tubes Limited** CIN: L74900DL1983PLC014972 Unit-II: Plot No. 53, Part-1,4th Phase, Industrial Area, Sy. No. 28-33, Kurandhalli Village, Kasaba Hobli, Malur, Taluk, Distt. Kolar-563130, Karnataka. Unit-II: Village Bisnoli, Khasra No. 527 To 530 & 569, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh -203207	**Shri Lakshmi Metal Udyog Limited** CIN: U85110DL1994PLC224835 No. 9 to 11, KIADB Industrial Area Attibele, Bengaluru, Karnataka – 562107
xx. Stock Exchanges:	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra - 400 001 Phone: +91 22 2272 1233; Fax: +91 22 2272 1919 Website: www.bseindia.com	**National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai, Maharashtra - 400 051 Phone: +91 22 2659 8100; Fax: +91 22 2659 8120 Website: www.nseindia.com

xxi. Depositories:	**National Securities Depository Limited** Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai, Maharashtra - 400 013 Phone: +91 22 2499 4200; Fax: +91 22 2497 6351 E-mail: info@nsdl.co.in Website: www.nsdl.co.in	**Central Depository Services (India) Limited** Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai, Maharashtra - 400 001 Phone: +91 22 2272 3333; Toll free: 1800-200-5533 Fax: +91 22 2272 3199 E-mail: helpdesk@cdslindia.com Website: www.cdslindia.com

16. CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel which is available on the website of the Company i.e. https://aplapollo.com/policies/#policies. The Company has received confirmations from all the Board members and senior management personnel regarding compliance of the Code during the year under review.

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

17. CEO AND CFO CERTIFICATION:

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

18. COMPLIANCE CERTIFICATE OF THE PRACTISING COMPANY SECRETARY:

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

19. CODE FOR PREVENTION OF INSIDER TRADING:

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

For and on behalf of Board of Directors

Sanjay Gupta
Chairman and Managing Director
(DIN: 00233188)

Place: Ghaziabad
Date: June 3, 2021

'Annexure F3'

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

APL Apollo Tubes Limited

37, Hargobind Enclave,

Vikas Marg,

Delhi- 110092

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates
Company Secretaries

Place: New Delhi
Date: June 3, 2021
UDIN: F0066286000414871

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257
P/R. No. 629/2019

NOTE:

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this certificate.

'Annexure F4'

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2021 as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For the purpose of this declaration, senior management personnel means the members of the Management one level below the Managing Director of the Company as on March 31, 2021, including Chief Financial Officer and Company Seceratary.

For APL Apollo Tubes Limited

Place : Ghaziabad
Date : June 3, 2021

Sanjay Gupta
Chairman and Managing Director

'Annexure F5'

Compliance Certificate on Corporate Governance

To the members of

APL Apollo Tubes Limited

We, Anjali Yadav & Associates, Company Secretaries, have examined the compliance of conditions of Corporate Governance by the APL Apollo Tubes Limited ("the Company") for the year ended March, 31, 2021 as stipulated in regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management's Responsibility for compliance with the conditions of listing regulations

1. The Compliance of conditions of Corporate Governance is the responsibility of the Management.

Auditor's Responsibility

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

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2021.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and Management and after considering the relaxations granted in compliance timelines by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of corporate governance as stipulated in the regulations 17 to 27 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Restriction on use

6. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Anjali Yadav & Associates
Company Secretaries

Place: New Delhi
Date: June 3, 2021
UDIN: F006628600041490 4

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257
P/R. No. 629/2019

NOTE:

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this certificate.

Annexure-'F4'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,

The Members,

Apollo Metalex Private Limited

37, Hargobind Enclave,

Vikas Marg New Delhi – 110092

We, Anjali Yadav, Proprietor of Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Apollo Metalex Private Limited, (CIN-U27104DL2006PTC146579) ("the Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31stMarch, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under (as amended from time to time)

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time) - Not applicable to the Company during the audit period.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as amended from time to time) Not applicable to the Company during the audit period.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI) and External Commercial Borrowings (as amended from time to time)- Not applicable to the Company during the audit period.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not applicable to the Company during the audit period.

   (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015(as amended from time to time)

   (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time)

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time)

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time)

(e) The Securities and Exchange Board of India (Employee Stock Option Scheme, Employee Stock Purchase Scheme) Guidelines, 1999 and (Share Based Employee Benefits) Regulations, 2014; (as amended from time to time)

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2008 (as amended from time to time)

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013

(h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended from time to time)

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended from time to time)

(j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(as amended from time to time)

(k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws such as:-

a) Indian Explosives Act, 1884
b) Factories Act, 1948
c) Environment (Protection) Act, 1986
d) The Water (Prevention & Control of Pollution) Act, 1974
e) Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013
f) Air (Prevention & Control Pollution) Act, 198l
g) Employees Provident Fund and Miscellaneous Provisions Act, 1952
h) Payment of Wages Act, 1936
i) Payment of Gratuity Act, 1972
j) Contract Labour (Regulation & Abolition) Act, 1970
k) Industrial Disputes Act, 1947
l) Minimum Wages Act, 1948
m) Payment of Bonus Act, 1965
n) Industrial Employment (Standing Orders) Act, 1946
o) Trade Union Act, 1926
p) Workmen Compensation Act, 1923
q) Industries (Development & Regulation) Act, 1951
r) Employees State Insurance Act, 1948

and all other Labour Laws, Rules and Regulations applicable to the company.

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

(i) Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.

(ii) Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company was required to spend an amount ₹ 1.22 Crore towards the Corporate Social Responsibility activities; however it has spent an amount of ₹ 0.23 Lakhs towards its CSR activities. In respect of the remaining/balance/ unspent amount, we have been informed/ explained by the Management that the same will be transferred to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund "PM CARES Fund" as specified in Schedule VII of the Act within the specified time period in compliance to the provisions of Section 135(5) of the Act.

We further report that:-

Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit and the same has been subject to review by the Statutory Auditors and others designated professionals.

We, further report that:

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

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting member's views, if any, were captured and recorded as part of the minutes.

We further report that

During the period under review, Ms. Neeru Abrol, (DIN: 01279485) was regularized as an Independent Director (Non-Executive Category) by way of passing Ordinary resolution at the 14th Annual General Meeting of the Company held on 25th September, 2020.

This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report.

For Anjali Yadav & Associates
Company Secretaries

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257
P/R. No. 629/2019

Place: New Delhi
Date: June 2, 2021
UDIN: F006628600409866

Note

"We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this report."

Annexure 1

To,

The Members,

Apollo Metalex Private Limited

37, Hargobind Enclave,

Vikas Marg New Delhi – 110092

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

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

For Anjali Yadav & Associates
Company Secretaries

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257
P/R. No. 629/2019

Place: New Delhi
Date: June 2, 2021
UDIN: F006628600409866

Note

"We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lock-down situation for the purpose of issuing this report."

Annexure-'F5'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,

The Members,

Shri Lakshmi Metal Udyog Limited

37, Hargobind Enclave,

Vikas Marg, Delhi-110092

I, Kuldeep Dahiya, Proprietor of Kuldeep Dahiya & Associates, Company Secretaries has conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made there under (as amended from time to time)

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time) - **Not applicable to the Company during audit period.**

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under (as amended from time to time)

(iv) Foreign exchange management Act, 1999 and the rules and regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI) and External Commercial Borrowings (as amended from time to time) - **Not applicable to the Company during audit period.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) - **Not applicable to the Company during audit period.**

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(as amended from time to time) - **Not applicable to the Company during audit period.**

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) - **Not applicable to the Company during audit period.**

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) - **Not applicable to the Company during audit period.**

e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) - **Not applicable to the Company during audit period.**

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) (amendments) Regulations, 2018 (as amended from time to time) - **Not applicable to the Company during audit period.**

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended from time to time)

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended from time to time) - **Not applicable to the Company during audit period.**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as amended from to time) - **Not applicable to the Company during audit period.**

j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (as amended from to time) - **Not applicable to the Company during audit period.**

k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (as amended from time to time)

(vi) I, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws such as:-

(a) Indian Explosives Act, 1884

(b) Factories Act, 1948

(c) Environment (Protection) Act, 1986

(d) The Water (Prevention & Control of Pollution) Act, 1974

(e) Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013

(f) Air (Prevention & Control Pollution) Act, 198l

(g) Employees Provident Fund and Miscellaneous Provisions Act, 1952

(h) Payment of Wages Act, 1936

(i) Payment of Gratuity Act, 1972

(j) Contract Labour (Regulation & Abolition) Act, 1970

(k) Industrial Disputes Act, 1947

(l) Minimum Wages Act, 1948

(m) Payment of Bonus Act, 1965

(n) Industrial Employment (Standing Orders) Act, 1946

(o) Trade Union Act, 1926

(p) Workmen Compensation Act, 1923

(q) Industries (Development & Regulation) Act, 195l

(r) Employees State Insurance Act, 1948

and all other Labour Laws, Rules and Regulations applicable to the company

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

(i) Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.

(ii) Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

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

I further report that as per the information, explanation and documents provided by the Company, the Company has an unspent amount of ₹ 50 Lakhs towards Corporate Social Responsibility ("CSR") during the year pertaining to ongoing projects and has been transferred to a separate bank account named "CSR Unspent Account 20-21" of the Company on April 30, 2021.

I further report that

Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit and the same has been subject to review by the Statutory Auditors and others designated professionals.

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance to all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at the Board Meetings were carried out unanimously as recorded in the Minutes of the Board of Directors.

I further report that

1. During the period under review, Ms. Neeru Abrol (DIN: 01279485) was regularized as an Independent Director (Non-Executive) of the Company for a term of 5 consecutive years.

2. During the period under review, the Board of directors in its meeting held on February 27, 2021 had considered and approved a draft scheme of amalgamation of the Company and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited ("APL Apollo").

This Report is to be read with my letter of even date which is annexed as **Annexure 1** and forms an integral part of this Report.

For Kuldeep Dahiya & Associates
Company Secretaries

Kuldeep Dahiya
Proprietor
ACS No.: 34404
C P No.: 18930
UDIN: A034404C000409779

Place: Sonepat
Date: June 2, 2021

NOTE

"I have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this report."

Annexure 1

To,

The Members,

Shri Lakshmi Metal Udyog Limited

37, Hargobind Enclave,

Vikas Marg, Delhi-110092

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

7. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

8. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of my opinion.

9. I have not verified the correctness and appropriateness of financial records, Cost Records and Books of Accounts of the Company.

10. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.

11. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.

12. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kuldeep Dahiya & Associates
Company Secretaries

Kuldeep Dahiya
Proprietor
ACS No.: 34404
C P No.: 18930
UDIN: A034404C000409779

Place: Sonepat
Date: June 2, 2021

Independent Auditors' 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 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)

(RASHIM TANDON)
(Partner)
(Membership No. 95540)
(UDIN:21095540AAAABM8655)

Place: New Delhi
Date: June 03, 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 **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 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)
(Partner)
(Membership No. 95540)
(UDIN:21095540AAAABM8655)

Place: New Delhi
Date: June 03, 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 / 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 Honorable 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)	Amount paid under protest
				(Rupees in crore)	(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
	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

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)
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.

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)

(RASHIM TANDON)
(Partner)
(Membership No. 95540)
(UDIN:21095540AAAABM8655)

Place: New Delhi
Date: June 03, 2021

Standalone Balance Sheet as at 31 March 2021

(₹in crore)

	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**			
(1)	**Non-current assets**			
(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
	Total non-current assets		**1,652.19**	**1,509.75**
(2)	**Current assets**			
(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
			1,105.19	**1,063.00**
	Assets classified as held for sale	2(e)	62.51	1.65
	Total current assets		**1,167.70**	**1,064.65**
	Total Assets		**2,819.89**	**2,574.40**
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
(a)	Equity share capital	15(a)	24.98	24.87
(b)	Other equity	15(b)	1,423.81	1,250.37
	Total equity		**1,448.79**	**1,275.24**
(2)	**Non-current liabilities**			
(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
	Total non-current liabilities		**362.11**	**375.75**
(3)	**Current liabilities**			
(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 of creditors 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	-
	Total current liabilities		**1,008.99**	**923.41**
	Total Equity and Liabilities		**2,819.89**	**2,574.40**
	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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Statement of Standalone Profit And Loss for the year ended March 31, 2021

(₹in crore)

	Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	27	6,007.96	5,930.81
II	Other income	28	44.11	27.23
III	**Total income (I +II)**		**6,052.07**	**5,958.04**
IV	**Expenses**			
	(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
	Total expenses		**5,847.06**	**5,844.25**
V	**Profit before tax (III - IV)**		**205.01**	**113.79**
VI	**Tax expense:**			
	(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)
	Total tax (credit) / expense	42	**51.23**	**(1.22)**
VII	**Profit for the year (V-VI)**		**153.78**	**115.01**
VIII	**Other comprehensive income for the year**			
	Add : (less) items that will not be reclassified to profit or loss			
	(a) Remeasurements of post employment benefit obligation		1.49	(1.52)
	(b) Income tax relating to above item		(0.38)	0.38
	Other comprehensive (loss) for the year		**1.11**	**(1.14)**
IX	**Total comprehensive income for the year (VII+VIII)**		**154.89**	**113.87**
X	**Earnings per equity share of ₹ 2 each**			
	(a) Basic (in ₹)	37	12.34	9.39
	(b) Diluted (in ₹)	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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Statement of Changes in Standalone Equity for the year ended March 31, 2021

a) Equity share capital (₹ in crore)

Particulars	Amount
Opening balance as at April 1, 2019	23.85
Changes during the year ended March 31, 2020	1.02
Balance as at March 31, 2020	**24.87**
Changes during the year ended March 31, 2021	0.11
Balance as at March 31, 2021	**24.98**

b) Other equity (₹ in crore)

Particulars	Reserves and surplus					Share option outstanding account	Total
	Debenture redemption reserve	Securities premium	General reserve	Capital Reserve	Retained earnings		
Opening balance as at April 1, 2019	**80.00**	**212.59**	**25.52**	**-**	**658.17**	**7.65**	**983.93**
Profit for the year ended March 31, 2020	-	-	-	-	115.01	-	115.01
Other comprehensive (loss) for the year, net of tax	-	-	-	-	(1.14)	-	(1.14)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**113.87**	**-**	**113.87**
Allocations/Appropriations:							
Dividend paid	-	-	-	-	(33.95)	-	(33.95)
Dividend distribution tax	-	-	-	-	(6.98)	-	(6.98)
Share option outstanding account	-	-	-	-	-	3.68	3.68
Transfer to Securities premium	-	2.19	-	-	-	(2.19)	-
Transfer to Capital Reserve (see note 46)	-	-	-	13.38	-	-	13.38
Securities premium on issue of shares	-	176.44	-	-	-	-	176.44
Transfer from Debenture Redemption Reserve	(80.00)	-	-	-	80.00	-	-
	(80.00)	**178.63**	**-**	**13.38**	**39.07**	**1.49**	**152.57**
Balance as at March 31, 2020	**-**	**391.22**	**25.52**	**13.38**	**811.11**	**9.14**	**1,250.37**
Profit for the year ended March 31, 2021	-	-	-	-	153.78	-	153.78
Other comprehensive income for the year, net of tax	-	-	-	-	1.11	-	1.11
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**154.89**	**-**	**154.89**
Allocations/Appropriations:							
Share option outstanding account	-	-	-	-	-	3.27	3.27
Transfer to Securities premium	-	8.63	-	-	-	(8.63)	-
Securities premium on issue of shares	-	15.28	-	-	-	-	15.28
	-	**23.91**	**-**	**-**	**-**	**(5.36)**	**18.55**
Balance as at March 31, 2021	**-**	**415.13**	**25.52**	**13.38**	**966.00**	**3.78**	**1,423.81**

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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Statement of Standalone Cash Flows for the year ended March 31, 2021

(₹in crore)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities			
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)
Operating profit before working capital changes		**288.30**	**246.15**
Changes in working capital:			
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
Cash generated from operations		**659.28**	**344.03**
Income tax (paid)		(41.40)	(39.10)
Net cash flow from operating activities (A)		**617.88**	**304.93**
B. Cash flow from investing activities			
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)

Statement of Standalone Cash Flows for the year ended March 31, 2021

(₹in crore)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
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
Net cash flow (used in) investing activities (B)		**(545.08)**	**(163.70)**
C. Cash flow from financing activities			
Proceeds from non-current borrowings		175.00	279.05
Proceeds from current borrowings (net)		(36.18)	-
Repayment of non-current borrowings		(212.54)	(239.78)
Repayment of current borrowings (net)		-	(207.28)
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)
Net cash flow (used in) financing activities (C)		**(108.46)**	**(126.66)**
Net increase in Cash and cash equivalents (A+B+C)		**(35.66)**	**14.57**
Cash and cash equivalents at the beginning of the year		38.85	24.28
Cash and cash equivalents at the end of the year	**10**	**3.19**	**38.85**
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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Notes to the Standalone Financial Statements or the year ended March 31, 2021

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 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 deffered 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 if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(k) Impairment of assets

At each balance sheet date, the 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 seperately 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

Notes to the Standalone Financial Statements or the year ended March 31, 2021

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 FVTOCI irrevocable option for both of these investments (see note 3(b)). Fair value is determined in the manner described in note 43.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 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.

Notes to the Standalone Financial Statements or the year ended March 31, 2021

(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 II 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.

2(a) : Property, Plant and Equipment

(₹ in crore)

	As at March 31, 2021	As at March 31, 2020
Carrying amounts of :		
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
	872.45	**936.25**

	Freehold Land	Building	Plant and machinery	Office equip-ments	Vehicles	Furniture and fixtures	Computers	Total
Deemed cost								
As at April 1, 2019	**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)
Balance at March 31, 2020	**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(de))	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)
Balance at March 31, 2021	**40.46**	**225.96**	**824.53**	**4.51**	**16.11**	**8.60**	**3.84**	**1,124.01**
Accumulated depreciation								
As at April 1, 2019	**-**	**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
Balance at March 31, 2020	**-**	**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
Balance at March 31, 2021	**-**	**31.28**	**207.13**	**3.06**	**3.55**	**4.37**	**2.17**	**251.56**
Net carrying value								
Balance at March 31, 2020	**99.77**	**198.16**	**624.22**	**1.53**	**6.31**	**5.20**	**1.06**	**936.25**
Balance at March 31, 2021	**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.

Notes to the Standalone Financial Statements or the year ended March 31, 2021

2(b) Capital work in progress

(₹ in crore)

Particulars	Building	Plant and machinery	Total
As at April 1, 2019	**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)
Closing balance as at March 31, 2020	**3.09**	**3.15**	**6.24**
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)
Closing balance as at March 31, 2021	**4.98**	**47.91**	**52.89**

2(c) Right of use assets and lease liabilities

(₹ in crore)

Particulars	Category of ROU Asset		Total
	Land	Building	
As at April 1, 2019	-	-	-
Reclassified on adoption of Ind AS 116 (see note (i) below)	18.19	1.17	19.36
Amortisation	(0.36)	(0.54)	(0.90)
Balance as at March 31, 2020	**17.83**	**0.63**	**18.46**
Amortisation	(0.36)	(0.54)	(0.90)
Balance as at March 31, 2021	**17.47**	**0.09**	**17.56**

(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 ₹ 19.36 crore and a lease liability of ₹ 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 ₹ 1.08 crore as at March 31, 2021 (March 31, 2020 : ₹ 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 :

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	0.08	0.52
Non-current lease liability	-	0.08
Total	**0.08**	**0.60**

(vi) The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020 : (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	**0.60**	**-**
Additions	-	1.17
Finance cost accrued during the period	0.06	0.01
Payment of lease liabilities	(0.58)	(0.58)
Balance at the end	**0.08**	**0.60**

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 : (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	0.10	0.58
One to five years	-	0.10
More than five years	-	-
Total	**0.10**	**0.68**

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 ₹ 5.02 crore for the year ended March 31, 2021 (March 31, 2020 : ₹ 5.00 crore).

2(d) Intangible Assets

(₹ in crore)

	Computer Softwares
Deemed cost	
As at April 1, 2019	**5.05**
Additions	0.48
Balance at March 31, 2020	**5.53**
Additions	0.29
Balance at March 31, 2021	**5.82**
Amortisation	
As at April 1, 2019	2.20
Charge for the year	0.94
Balance at March 31, 2020	**3.14**
Charge for the year	1.06
Balance at March 31, 2021	**4.20**
Net carrying value	
Balance at March 31, 2020	**2.39**
Balance at March 31, 2021	**1.62**

2(e) Asset classified as held for sale

(₹ in in crore)

	Land
As at April 1, 2019	**1.65**
Addition during the year	-
Balance at March 31, 2020	**1.65**
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)
Balance at March 31, 2021	**62.51**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Note :

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 ₹ 64.26 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.

As at March 31, 2020, Assets classified as held for sale consisted of plot of land whose fair valuation was ₹ 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.

3 Investment (Non-current)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
3(a)	**Investment in wholly owned subsidiaries - (unquoted, fully paid) :**		
(i)	2,711,100 (March 31, 2020: 2,711,100) equity shares of ₹ 10 each fully paid up in Apollo Metalex Private Limited - at fair value (see note (i) below)	132.78	132.78
(ii)	5,895,000 (March 31, 2020: 5,895,000) equity shares of ₹ 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 ₹ 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 ₹ 10 each fully paid up in APL Apollo Building Products Private Limited - at cost (see note (iv) below)	105.70	0.01
	Total	**524.33**	**394.07**

Notes :

(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 ₹ 132.78 crore (original cost ₹ 7.21 crore) and Shri Lakshmi Metal Udyog Limited at ₹ 223.41 crore (original cost ₹ 36.30 crore) aggregating to ₹ 356.19 crore (original cost of ₹ 43.51 crore).

(ii) The Company has during the year invested ₹ 4.82 crore (March 31, 2020 : ₹ 1.04 crore) in Blue Ocean Projects Private Limited by subscribing to 1,875 equity shares of ₹ 10 each at a premium of ₹ 25,690.45 each (March 31, 2020 : 600 shares of ₹ 10 each at a premium of ₹ 17,290 each).

(iii) The Company has during the year invested ₹ 19.75 crore (March 31, 2020 : ₹ 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 ₹ 19.75 each (March 31, 2020 : ₹ 19.00 each).

(iv) The Company has during the year invested ₹ 105.69 crore (March 31, 2020 : ₹ 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 ₹ 10 each. The Company was incorporated on December 19, 2019.

3(b) Investments in equity instruments carried at fair value through the other comprehensive income - (unquoted, fully paid) :

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	1,371,400 (March 31, 2020: 1,371,400) equity shares of ₹ 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 ₹ 10 each fully paid up in AMPSOLAR Urja Private Limited (see note (ii) below)	0.01	-
		1.38	**1.37**

3(c) Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid) :

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth (March 31, 2021 : 99,985 units at NAV of ₹ 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 ₹ 10 per unit)"	-	0.15
		0.10	**0.15**
	Total	**1.48**	**1.52**
	Aggregate carrying value of unquoted investment	**525.70**	**395.44**
	Aggregate carrying value of quoted investment	**0.10**	**0.15**
	Market value of quoted investment	**0.10**	**0.15**

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 AMPSOLAR Urja Private Limited, a Company engaged in the business of providing solar energy to its cutomers.

4 Loans (Non-current)

(Unsecured, considered good)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Loans to subsidiary company (see note (i) below)	107.29	75.00
	Total	**107.29**	**75.00**

Notes :

(i) a) As at March 31, 2021, ₹ 100.00 crore (March 31, 2020 : ₹ 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 ₹ 100.00 crore (March 31, 2020 : ₹ 75.00 crore).

Notes to the Standalone Financial Statements or the year ended March 31, 2021

b) During the year, the Company has given a loan amounting to ₹ 0.16 crore (March 31, 2020 : ₹ 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 ₹ 0.16 crore (March 31, 2020 : ₹ Nil). Closing balance as at March 31, 2021 is ₹ 0.16 crore (March 31, 2020 : ₹ Nil)

c) During the year, the Company has given a loan amounting to ₹ 7.13 crore (March 31, 2020 : ₹ 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 as and when funds are available with APL Apollo Building Products Private Limited. The maximum amount outstanding during the year is ₹ 7.13 crore (March 31, 2020 : ₹ Nil). Closing balance as at March 31, 2021 is ₹ 7.13 crore (March 31, 2020 : ₹ Nil).

5 Other financial assets (Non-current)

(Unsecured, considered good)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Claim receivable	0.37	2.36
	Less : Provision created for doubtful claims	0.27	-
		0.10	2.36
(b)	Security deposit	18.50	17.42
(c)	Balance in marigin money with maturity of more than 12 months	0.03	-
	Total	**18.63**	**19.78**

6 Non-current tax assets (net)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Advance income tax (net of provision as at March 31, 2021 : ₹ 85.41 crore) (March 31, 2020 : ₹ 85.41 crore)	5.23	10.19
	Total	**5.23**	**10.19**

7 Other non-current assets

(Unsecured, considered good)

(₹ in crore)

Particulars		As at March 31, 2021	As at 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
	Total	**50.71**	**45.85**

Note :

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially effect on its standalone financial statements.

8 Inventories

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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
	Total	**550.39**	**590.27**

Notes :

(i) Cost of inventory (including stores & spares) recognised as expense during the year amounted to ₹ 5,382.70 crore (March 31, 2020 : ₹ 5,282.30 crore)..

(ii) Details of stock-in-transit

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
	Raw material	8.43	-
	Finished goods	48.09	6.54
	Rejection and Scrap	1.91	-

(iii) Inventory of raw material for job work lying with third party of ₹ 5.88 crore (March 31, 2020 : Nil)

(iv) The Company has created a provision for slow moving inventory of stores & spares of ₹ 0.81 crores (March 31, 2020 : ₹ 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)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Considered good		
	(i) Related parties	-	0.33
	(ii) Other than related parties	87.18	306.61
	Sub total	**87.18**	**306.94**
(b)	Considered doubtful (other than related parties)	6.27	7.48
	Less: Allowance for trade receivables (expected credit loss allowance)	(6.27)	(7.48)
	Sub total	**-**	**-**
	Total	**87.18**	**306.94**

(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.

Notes to the Standalone Financial Statements or the year ended March 31, 2021

(1) Movements in expected credit loss is as below :

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	7.48	5.18
Provison (written back) / Charge in statement of profit and loss	(1.21)	2.32
Utilised during the year	-	(0.02)
Balance at the end of the year	**6.27**	**7.48**

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

(₹ in crore)

Particulars	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	-
	93.45	**6.27**	**87.18**

(₹ in crore)

Particulars	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	-
	314.42	**7.48**	**306.94**

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

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 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

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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
	Total	**3.19**	**38.85**

11 Bank balances other than cash and cash equivalents

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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
	Total	**341.30**	**1.07**

12 Loans (Current)

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Loans to employees	1.11	1.04
	Total	**1.11**	**1.04**

13 Other financial assets (Current)

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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
	Total	**13.71**	**28.20**

14 Other current assets

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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	-	0.66
(g)	Gold coins in hand	-	0.12
	Total	**108.31**	**96.63**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Notes :

(i) During the year, the Company has given a advance towards purchase of raw materials amounting to ₹ 8.76 crore (March 31, 2020 : ₹ Nil crore) to a subsidiary viz. Apollo Tricoat Tubes Liimited and the material has been received subsequently.

(ii) During the previous year 2019-20, the Company had given a advance towards purchase of raw materials amounting to ₹ 5.16 crore to a wholly owned subsidiary viz. Apollo Metalex Private Limited and the material has been received in current year.

15 Equity

15(a) Equity share capital

(₹ in crore, except otherwise stated)

Particulars		As at March 31, 2021		As at March 31, 2020	
		Number of Shares	Amount	Number of Shares	Amount
(i)	**Authorised capital**				
	Equity shares of ₹ 2 each (March 31, 2020 : ₹ 10 each) (see note 5 below)	22,50,00,000	45.00	4,50,00,000	45.00
		22,50,00,000	**45.00**	**4,50,00,000**	**45.00**
(ii)	**Issued capital**				
	Equity shares of ₹ 2 each (March 31, 2020 : ₹ 10 each) (see note 5 below)	12,48,96,000	24.98	2,48,69,015	24.87
		12,48,96,000	**24.98**	**2,48,69,015**	**24.87**
(iii)	**Subscribed and fully paid up capital**				
	Equity shares of ₹ 2 each (March 31, 2020 : ₹ 10 each) (see note 5 below)	12,48,96,000	24.98	2,48,69,015	24.87
		12,48,96,000	**24.98**	**2,48,69,015**	**24.87**

(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 March 31, 2021	As at March 31, 2020	As at March 31, 2021 (₹ in crore)	As at March 31, 2020 (₹ in crore)
Equity share capital				
Outstanding at the beginning of the year	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
Outstanding at the end of the year	**12,48,96,000**	**2,48,69,015**	**24.98**	**24.87**

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 ₹ 1,800 per share and ₹ 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 ₹ 2 each (March 31, 2020 : ₹ 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:-

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
APL Infrastructure Private Limited	4,05,00,935	32.43%	89,25,187	35.89%
Kitara PIIN 1001	98,38,300	7.88%	30,00,000	12.06%

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 ₹ 1,800 per share and ₹ 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.

(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 ₹ 2 each of the Company. As at March 31, 2020, executives and senior employees held options over 216,748 equity shares of ₹ 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 ₹ 10 each fully paid up into 5 equity shares of face value of ₹ 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

(₹ in crore)

Particulars		As at March 31, 2021	As at 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
	Total	**1,423.81**	**1,250.37**
(1)	**Securities premium**		
	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	**415.13**	**391.22**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

	Particulars	As at March 31, 2021	As at March 31, 2020
(2)	**Debenture redemption reserve**		
	Balance at the beginning of the year	-	80.00
	Add: Transferred to retained earnings	-	(80.00)
	Balance at the end of the year	**-**	**-**
(3)	**General reserve**		
	Balance at the beginning of the year	25.52	25.52
	Balance at the end of the year	**25.52**	**25.52**
(4)	**Capital reserve**		
	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	**13.38**	**13.38**
(5)	**Retained earnings**		
	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	**966.00**	**811.11**
(6)	**Share option outstanding account**		
	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	**3.78**	**9.14**

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)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(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	-
	Total	**224.48**	**245.29**

(i) Term loan from banks are secured as follows:

Particulars	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
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 50225. Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta. 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 personel gurantee 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

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Particulars	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
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 personel gurantee 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 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 personel gurantee 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 7,233,289 (March 31, 2020 : USD 9,863,576) equivalent to ₹ 52.88 crore (March 31, 2020 : ₹ 74.35 crore).	32.81	20.07	51.56	22.79
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.	-	-	29.84	15.10

Particulars	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
Term loan facilities are further secured by second charge on the entire present and future current assets of the company. Credit facilities are further secured by personel gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta. 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.				
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 personel gurantee 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	-	-
(ii) Term loan from others are as follows:				
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	-	-	-
Total	**224.48**	**54.97**	**245.29**	**74.00**

17 Other financial liabilities (Non-current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Deferred payment (see note below)	0.78	0.72
	Total	**0.78**	**0.72**

Note :

(i) The Company has a deferred liability related to sales tax of ₹ 1.05 crore of year ending March, 2016 payable in the year ending March, 2026. Using prevailing market interest rates for an equivalent loan of 10.00%, the fair value of loan is estimated at ₹ 0.78 crore as on March 31, 2021. The difference of ₹ 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)

Notes to the Standalone Financial Statements or the year ended March 31, 2021

18 Provisions (Non-current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Provision for compensated absences	3.70	3.55
(b)	Provision for gratuity (see note 39)	7.99	9.18
	Total	**11.69**	**12.73**

19 Deferred Tax Liabilities (net)

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

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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	-
	Total deferred tax liabilities (A)	**81.67**	**77.48**
(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
	Total deferred tax assets (B)	**5.28**	**5.32**
	Disclosed as Deferred Tax Liabilities (Net - A-B)	**76.39**	**72.16**

(b) Movement in deferred tax liabilities / asset

Particulars	As at April 1, 2019	(Profit) / Loss Recognised in profit or loss	(Profit) / Loss Recognised in other compre-hensive income	Transfer to Capital Reserve	As at March 31, 2020
Deferred Tax Liabilities (A)					
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
Total	**100.39**	**(26.48)**	**-**	**3.58**	**77.48**
Deferred Tax Assets (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
Total	**5.41**	**(0.47)**	**0.38**	**-**	**5.32**
Deferred tax liabilities (Net - A-B)	**94.98**	**(26.01)**	**(0.38)**	**3.58**	**72.16**

Movement in deferred tax liabilities / asset

Particulars	As at April 1, 2020	(Profit) / Loss Recognised in profit or loss	Deferred tax expense of earlier year	(Profit) / Loss Recognised in other comprehensive income	As at March 31, 2021
Deferred Tax Liabilities (A)					
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	(0.18)	-	-	3.40
Fair Valuation of transaction cost	0.07	(0.02)	-	-	0.05
Others	-	0.34	-	-	0.34
Total	**77.48**	**3.44**	**0.75**	**-**	**81.67**
Deferred Tax Assets (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)	-	-	-
Total	**5.32**	**0.34**	**-**	**(0.38)**	**5.28**
Deferred tax liabilities (Net - A-B)	**72.16**	**3.10**	**0.75**	**0.38**	**76.39**

20 Other Non-current liabilities

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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
		48.77	**44.77**

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 ₹ 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%, the fair value of loan is estimated at ₹ 0.78 crore as on March 31, 2021. The difference of ₹ 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)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Loan repayable on demand		
	- From banks (Secured)		
	(i) Working capital facilities (see note (i) below)	208.42	244.61
	Total	**208.42**	**244.61**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

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, 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.

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 gurantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.

22 Trade payables (Current)

(₹ in crore)

Particulars		As at March 31, 2021	As at 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
	Total	**696.87**	**587.50**

The amount due to Micro and small enterprises as defined in "The Micro, Small and Medium Enterprises Development act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Particulars	As at March 31, 2021	As at 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)

(₹ in crore)

Particulars		As at March 31, 2021	As at 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
	Total	**66.18**	**78.33**

24 Other current liabilities

(₹ in crore)

	Particulars	As at March 31, 2021	As at 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
	Total	**35.85**	**11.94**

25 Provisions (Current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Provision for compensated absences	0.20	0.34
(b)	Provision for gratuity (see note 39)	0.37	0.17
	Total	**0.57**	**0.51**

26 Current tax liabilities (net)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Provision for tax (March 31, 2021 : net of advance tax ₹ 46.90 crore)	1.02	-
	Total	**1.02**	**-**

27 Revenue from operations

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended 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
	Total	**6,007.96**	**5,930.81**

Notes :

(i) Reconciliation of revenue recognised with contract price :

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price	5,973.99	5,877.54
Adjustments for:		
Discount & incentives	(158.06)	(173.14)
Revenue from operations	**5,815.93**	**5,704.40**

(ii) Other operating revenue comprises

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of scrap	189.00	217.62
Export incentives	3.03	8.67
Job work	-	0.12
	192.03	**226.41**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

28 Other income

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended 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)	Miscellaneous income (see note below)	8.27	9.96
(h)	Provision written back for expected credit loss	1.21	-
	Total	**44.11**	**27.23**

Notes :

Miscellaneous income includes (a) unwinding of deferred income of ₹ 2.68 crores (March 31, 2020 : ₹ 2.44 crores), (b) Subvention interest income on export packing credit facilities of ₹ 4.67 crores (March 31, 2020 : ₹ 4.61 crores) and (c) Other miscellaneous income of ₹ 0.92 crores (March 31, 2020 : ₹ 2.91 crores).

29 Cost of materials consumed

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended 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
Total	**4,475.04**	**4,709.18**

30 Change in inventories

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Inventories at the end of the year:		
(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
		420.19	**399.95**
	Inventories at the beginning of the year:		
(a)	Finished goods	305.03	318.80
(b)	Work in progress	88.80	-
(c)	Rejection and scrap	6.12	7.55
		399.95	**326.35**
	Total	**(20.24)**	**(73.60)**

31 Employee benefits expense

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended 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
		82.06	**100.07**
(f)	Less: Allocation of common employee benefits expenses (see note 36(b))	5.94	7.44
	Total	**76.12**	**92.63**

During the year, the Company recognised an amount of ₹ 6.31 crore (Year ended March 31, 2020 ₹ 6.72 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Short term employee benefits	6.00	6.59
(ii) Post employment benefits	0.17	0.07
(iii) Other long term employee benefits	0.14	0.06
	6.31	**6.72**

32 Finance costs

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended 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
		51.56	78.15
(b)	Other borrowing cost	3.33	3.99
	Total	**54.89**	**82.14**

33 Depreciation and amortisation expense

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended 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
	Total	**68.18**	**68.91**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

34 Other expenses

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended 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
		308.41	**380.06**
(w)	Less: Allocation of common expenses (see note 36(b))	9.38	16.27
	Total	**299.03**	**363.79**
	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
	Total	**0.92**	**1.31**
	(b) To cost auditors for cost audit	0.02	0.02
	Total	**0.02**	**0.02**

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:

(₹ in crore)

	Particulars	Year ended 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 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
		1.56	**1.00**	**2.56**

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 ₹ 1.00 crore to a separate bank account.

(₹ in crore)

	Particulars	Year ended March 31, 2020
a)	Amount required to be spent as per section 135 of Companies Act, 2013	2.85

	Particulars	In Cash	Yet to be paid in 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
		0.13	**-**	**0.13**

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.

(₹ in crore, unless otherwise stated)

Particulars	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	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 ₹	12.34	9.39
(b) Diluted earnings per share in ₹	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)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	**Contingent liabilities (for pending litigations)**		
	(1) Disputed claims/levies in respect of sales tax:		
	- Reversal of input tax credit	7.44	7.44
	- Provisional Assessment	1.77	1.77
		9.21	**9.21**
	(2) Disputed claims/levies in respect of excise duty:		
	- Excise demand on excess / shortages	6.34	6.34
		6.34	**6.34**
	(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)	-	-
	Total	**19.89**	**17.33**

(i) During the year, the Company has discounted the sales bill from the banks for ₹ Nil crore (March 31, 2020 ₹ 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	89.65	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 ₹ 117.79 crore (March 31, 2020 ₹ 174.73 crore) against which the Company has saved a duty of ₹ 19.63 crore (March 31, 2020 ₹ 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 ₹ 3.08 crore (March 31, 2020 : ₹ 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 ₹ 70.43 crore (March 31, 2020 ₹ 90.01 crore), Shri Lakshmi Metal Udyog Limited is ₹ Nil crore (March 31, 2020 ₹ 67.28 crore) and Apollo Tricoat Tubes Limited is ₹ 62.03 crore (March 31, 2020 ₹ 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

(₹ in crore)

Particulars	As at March 31, 2021		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.37	7.99	8.36
Total employee benefit obligations	**0.37**	**7.99**	**8.36**

Particulars	As at March 31, 2020		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.17	9.18	9.35
Total employee benefit obligations	**0.17**	**9.18**	**9.35**

(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 ₹ 0.20 crore (March 31, 2020 ₹ 0.20 crore). Vesting occurs upon completion of 5 years of service.

During the year, the Company has made contribution of ₹ 1.00 crore (March 31, 2020 : ₹ 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 ₹ 3.00 crore (Year ended March 31, 2020 ₹ 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:

(₹ in crore)

Particulars	Gratuity
Opening balance as at April 1, 2019	**6.06**
Current service cost	1.51
Interest expense	0.47
Total amount recognised in profit or loss	**1.98**
Add : Acquistion on business combination (see note (i) below)	0.68
Remeasurements	
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)
Total amount recognised in other comprehensive income	**1.52**
Employer contributions : Benefit payments	(0.20)
Balance as at March 31, 2020	**10.04**
Balance as at March 31, 2020	**10.04**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Particulars	Gratuity
Current service cost	1.26
Interest expense/(income)	0.68
Expected return on plan assets	(0.05)
Total amount recognised in profit or loss	**1.89**
Add / (less): Transfer to subsidiary (note (ii) below)	(0.09)
Remeasurements	
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
Total amount recognised in other comprehensive income	**(1.49)**
Employer contributions : Benefit payments	(0.60)
Balance as at March 31, 2021	**9.75**

Note :

(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 acturial valuation of such employees. Further Taurus has transferred gratuity fund of such employees to the APL Apolo 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 (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	0.69	-
Contribution by the employer	1.00	0.68
Expected return on plan assets	0.04	-
Acturial gains / loss	(0.01)	0.01
Benefits paid	(0.33)	-
Closing balance	**1.39**	**0.69**

(e) Net asset / (liability) recognised in the Balance Sheet (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Present value of defined benefit obligation	9.75	10.04
Less : Fair value of plan assets	1.39	0.69
Funded status- Surplus/ (Deficit)	(8.36)	(9.35)
Unrecognised past service costs	-	-
Net liability recognised in the Balance Sheet	(8.36)	(9.35)

(f) Category of assets

Funds managed by Insurer	100.00%	100.00%

(g) Post-Employment benefits

The significant actuarial assumptions were as follows: (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended 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 Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Attrition Rate		
18 to 30 years	3.00%	3.00%
30 to 45 years	2.00%	2.00%
Above 45 years	1.00%	1.00%

Notes :

(1) The discount rate is based on the prevailing market yield of Indian Government Securities as at Balance Sheet date for the estimated term of obligation.

(2) The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(h) The Company expects to make a contribution of ₹ 9.83 crores (March 31, 2020: ₹ 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 : (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity		
Discount rate (increase by 1%)	(1.17)	(1.30)
Salary growth rate (increase by 1%)	1.39	1.52

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity		
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:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended 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
Total	**8.53**	**8.71**

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 ₹ 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 ₹ 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 ₹ 1,633.05 and ₹ 2,124.10 respectively per share.

(v) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 has granted 95,000 options under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1,438.55 per share.

(vi) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 also recommended reduction in exercise price of options granted on September 9, 2017 and February 5, 2018 to reflect the fall in Company's share prices. The same was approved by shareholders of the Company on January 27, 2020 through postal ballot. The revised exercise price of each option 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 ₹ 1,438.55 per share.

(b) The following share based payment arrangements were in existence during the current and prior years:

Number of options granted (before giving effect of share split)	Grant Date	Expiry Date	Exercise Price (see note below)	Fair Value at grant date
			(Amount in ₹)	(Amount in ₹)
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 ₹ 1,633.05 and ₹ 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 ₹ 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, 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 ₹ 131.46 and ₹ 372.36 respectively which has been recognised as expense over the period from the modifcation 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.

Notes to the Standalone Financial Statements or the year ended March 31, 2021

The incremental fair value of the options has been determined using the Black Scholes Model with the following model inputs :

Particulars	Original Grant on September 9, 2017	Original Grant on February 5, 2018
Modification date share price (before giving effect of share split)	1,438.55	1,438.55
Revised Exercise Price (before giving effect of share split)	1,438.55	1,438.55
Expected volatility	33.49%-34.96%	33.28%-33.96%
Option remaining Life	1.31-2.12	1.51-2.53
Dividend yield	0.80%	0.80%
Risk-free Interest Rate	5.45%-5.70%	5.70%-6.23%

(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:

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		(Amount in ₹)		(Amount in ₹)
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
			₹
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
			₹
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 ₹ 3.27 crore (net of amount cross charged to subsidiaries) (March 31, 2020 ₹ 3.68 crore).

(h) No option expired during the year.

41 Related party transaction :

(a)	Details of related parties :	Name of related parties
(i)	Subsidiaries	Apollo Metalex Private Limited
		Shri Lakshmi Metal Udyog Limited
		Blue Ocean Projects Private Limited
		APL Apollo Building Products Private Limited
		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)
		Mr. Ashok Kumar Gupta (Managing Director till November 11, 2019)
		Mr. Romi Sehgal (Whole Time Director till July 1, 2018)
		Mr. Romi Sehgal (Director w.e.f July 1, 2018)
		Mr. Deepak Goyal (Chief Financial Officer)
		Mr. Adhish Swaroop (Company Secretary till September 30, 2019)
		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)
		Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta)
		Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)
		Mr. Rahul Gupta (Son of Mr. Sanjay Gupta)
		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
		Apollo Pipes Limited
		Apollo Tricoat Tubes Limited (till June 16, 2019)

(₹ in crore)

	Particulars	Subsidiaries	Step-down subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
b)	**Transactions during the year**						
	Sale of goods (net of discounts)						
	Apollo Metalex Private Limited	55.91	-	-	-	-	55.91
		(62.79)	(-)	(-)	(-)	(-)	(62.79)
	Shri Lakshmi Metal Udyog Limited	48.93	-	-	-	-	48.93
		(35.21)	(-)	(-)	(-)	(-)	(35.21)
	Apollo Pipes Limited	-	-	-	-	0.96	0.96
		(-)	(-)	(-)	(-)	(0.95)	(0.95)
	APL Apollo Building Products Private Limited	0.55	-	-	-	-	0.55
		(-)	(-)	(-)	(-)	(-)	(-)

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Particulars	Subsidiaries	Step-down subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Apollo Tricoat Tubes Limited	-	42.86	-	-	-	42.86
	(-)	(14.34)	(-)	(-)	(2.57)	(16.91)
	105.39	**42.86**	**-**	**-**	**0.96**	**149.21**
	(98.00)	**(14.34)**	**(-)**	**(-)**	**(3.52)**	**(115.86)**
Sale of scrap (other operating revenue)						
Apollo Metalex Private Limited	0.05	-	-	-	-	0.05
	(0.72)	(-)	(-)	(-)	(-)	(0.72)
APL Apollo Building Products Private Limited	0.44	-	-	-	-	0.44
	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Tricoat Tubes Limited	-	0.63	-	-	-	0.63
	(-)	(0.52)	(-)	(-)	(0.39)	(0.91)
Apollo Pipes Limited	-	-	-	-	0.03	0.03
	(-)	(-)	(-)	(-)	(-)	(-)
	0.49	**0.63**	**-**	**-**	**0.03**	**1.15**
	(0.72)	**(0.52)**	**(-)**	**(-)**	**(0.39)**	**(1.63)**
Sale of property, plant and equipments						
Apollo Metalex Private Limited	-	-	-	-	-	-
	(0.84)	(-)	(-)	(-)	(-)	(0.84)
APL Apollo Building Products Private Limited	0.16	-	-	-	-	0.16
	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Tricoat Tubes Limited	-	4.87	-	-	-	4.87
	(-)	(1.46)	(-)	(-)	(0.66)	(2.12)
	0.16	**4.87**	**-**	**-**	**-**	**5.03**
	(0.84)	**(1.46)**	**(-)**	**(-)**	**(0.66)**	**(2.96)**
Sale of licenses						
Apollo Tricoat Tubes Limited	-	-	-	-	-	-
	(-)	(0.20)	(-)	(-)	(-)	(0.20)
Apollo Pipes Limited	-	-	-	-	1.42	1.42
	(-)	(-)	(-)	(-)	(0.41)	(0.41)
	-	**-**	**-**	**-**	**1.42**	**1.42**
	(-)	**(0.20)**	**(-)**	**(-)**	**(0.41)**	**(0.61)**
Purchase of property, plant and equipments						
Apollo Pipes Limited	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Tricoat Tubes Limited	-	6.64	-	-	-	6.64
	(-)	(0.05)	(-)	(-)	(-)	(0.05)
	-	**6.64**	**-**	**-**	**0.01**	**6.65**
	(-)	**(0.05)**	**(-)**	**(-)**	**(-)**	**(0.05)**
Purchase of stock-in-trade (net of discounts)						
Apollo Metalex Private Limited	350.92	-	-	-	-	350.92
	(286.70)	(-)	(-)	(-)	(-)	(286.70)
Shri Lakshmi Metal Udyog Limited	49.82	-	-	-	-	49.82
	(15.51)	(-)	(-)	(-)	(-)	(15.51)
Apollo Pipes Limited	-	-	-	-	2.72	2.72

Particulars	Subsidiaries	Step-down subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Tricoat Tubes Limited	-	220.23	-	-	-	220.23
	(-)	(99.79)	(-)	(-)	(13.87)	(113.66)
	400.74	**220.23**	**-**	**-**	**2.72**	**623.69**
	(302.21)	**(99.79)**	**(-)**	**(-)**	**(13.87)**	**(415.87)**
Purchase of raw material (net of discounts)						
Apollo Metalex Private Limited	18.90	-	-	-	-	18.90
	(36.29)	(-)	(-)	(-)	(-)	(36.29)
Shri Lakshmi Metal Udyog Limited	94.08	-	-	-	-	94.08
	(35.46)	(-)	(-)	(-)	(-)	(35.46)
Apollo Tricoat Tubes Limited	-	82.57	-	-	-	82.57
	(-)	(24.65)	(-)	(-)	(-)	(24.65)
Apollo Pipes Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(3.68)	(3.68)
	112.98	**82.57**	**-**	**-**	**-**	**195.55**
	(71.75)	**(24.65)**	**(-)**	**(-)**	**(3.68)**	**(100.08)**
Purchase of scrap						
Apollo Metalex Private Limited	11.73	-	-	-	-	11.73
	(12.85)	(-)	(-)	(-)	(-)	(12.85)
Shri Lakshmi Metal Udyog Limited	1.92	-	-	-	-	1.92
	(3.16)	(-)	(-)	(-)	(-)	(3.16)
Apollo Tricoat Tubes Limited	-	2.96	-	-	-	2.97
	(-)	(6.15)	(-)	(-)	(2.61)	(8.76)
	13.65	**2.96**	**-**	**-**	**-**	**16.61**
	(16.01)	**(6.15)**	**(-)**	**(-)**	**(2.61)**	**(24.77)**
Job Work						
Apollo Tricoat Tubes Limited	-	0.78	-	-	-	0.78
	(-)	(-)	(-)	(-)	(-)	(-)
	-	**0.78**	**-**	**-**	**-**	**0.78**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Rent paid						
APL Infrastructure Private Limited	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Apollo Tricoat Tubes Limited	-	0.24	-	-	-	0.24
	(-)	(0.10)	(-)	(-)	(0.01)	(0.11)
Apollo Pipes Limited	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Metalex Private Limited	0.41	-	-	-	-	0.41
	(0.17)	(-)	(-)	(-)	(-)	(0.17)
Mrs. Neera Gupta	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Mrs. Vandana Gupta	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
	0.41	**0.24**	**-**	**0.04**	**0.20**	**0.89**
	(0.17)	**(0.10)**	**(-)**	**(0.04)**	**(0.07)**	**(0.38)**

Particulars	Subsidiaries	Step-down subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Interest expense						
Apollo Metalex Private Limited	5.62	-	-	-	-	5.62
	(-)	(-)	(-)	(-)	(-)	(-)
	5.62	**-**	**-**	**-**	**-**	**5.61**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Interest income						
Apollo Metalex Private Limited	0.19	-	-	-	-	0.19
	(0.23)	(-)	(-)	(-)	(-)	(0.23)
Apollo Tricoat Tubes Limited	-	2.02	-	-	-	2.02
	(-)	(1.73)	(-)	(-)	(-)	(1.73)
Shri Lakshmi Metal Udyog Limited	10.23	-	-	-	-	10.23
	(8.42)	(-)	(-)	(-)	(-)	(8.42)
APL Apollo Building Products Private Limited	0.20	-	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)	(-)
Blue Ocean Projects Private Limited	-	-	-	-	-	-
	(0.09)	(-)	(-)	(-)	(-)	(0.09)
	10.62	**2.02**	**-**	**-**	**-**	**12.64**
	(8.74)	**(1.73)**	**(-)**	**(-)**	**(-)**	**(10.47)**
Allocation of common expenses (income of the Company)						
(a) Employee benefit expenses:						
Apollo Metalex Private Limited	2.75	-	-	-	-	2.75
	(3.65)	(-)	(-)	(-)	(-)	(3.65)
Apollo Tricoat Tubes Limited	-	1.52	-	-	-	1.52
	(-)	(1.76)	(-)	(-)	(-)	(1.76)
Shri Lakshmi Metal Udyog Limited	1.56	-	-	-	-	1.56
	(2.03)	(-)	(-)	(-)	(-)	(2.03)
	4.31	**1.52**	**-**	**-**	**-**	**5.83**
	(5.68)	**(1.76)**	**(-)**	**(-)**	**(-)**	**(7.44)**
(b) Expenses incurred by Company on behalf of						
Apollo Metalex Private Limited	4.42	-	-	-	-	4.42
	(8.44)	(-)	(-)	(-)	(-)	(8.44)
Apollo Tricoat Tubes Limited	-	2.45	-	-	-	2.45
	(-)	(2.96)	(-)	(-)	(-)	(2.96)
Shri Lakshmi Metal Udyog Limited	2.51	-	-	-	-	2.51
	(4.71)	(-)	(-)	(-)	(-)	(4.71)
	6.93	**2.45**	**-**	**-**	**-**	**9.38**
	(13.15)	**(2.96)**	**(-)**	**(-)**	**(-)**	**(16.11)**
(c) Share based expense incurred by Company on behalf of						
Apollo Metalex Private Limited	0.09	-	-	-	-	0.09
	(-)	(-)	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	0.02	-	-	-	-	0.02
	(0.07)	(-)	(-)	(-)	(-)	(0.07)
	0.11	**-**	**-**	**-**	**-**	**0.11**
	(0.07)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.07)**

Particulars	Subsidiaries	Step-down subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
(d) Share based income incurred by Company on behalf of						
Apollo Metalex Private Limited	-	-	-	-	-	-
	(0.07)	(-)	(-)	(-)	(-)	(0.07)
	-	**-**	**-**	**-**	**-**	**-**
	(0.07)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.07)**
(e) Allocation of common expenses (expense of the Company)						
Shri Lakshmi Metal Udyog Limited	-	-	-	-	-	-
	(1.84)	(-)	(-)	(-)	(-)	(1.84)
Apollo Tricoat Tubes Limited	-	0.31	-	-	-	0.31
	(-)	(-)	(-)	(-)	(-)	(-)
	-	**0.31**	**-**	**-**	**-**	**0.31**
	(1.84)	**(-)**	**(-)**	**(-)**	**(-)**	**(1.84)**
Salary						
Mr. Sanjay Gupta	-	-	3.50	-	-	3.50
	(-)	(-)	(3.50)	(-)	(-)	(3.50)
Mr. Ashok Kumar Gupta	-	-	-	-	-	-
	(-)	(-)	(1.53)	(-)	(-)	(1.53)
Mr. Deepak Goyal	-	-	2.58	-	-	2.58
	(-)	(-)	(1.49)	(-)	(-)	(1.49)
Mr. Adhish Swaroop	-	-	-	-	-	-
	(-)	(-)	(0.12)	(-)	(-)	(0.12)
Mr. Deepak C S	-	-	0.23	-	-	0.23
	(-)	(-)	(-)	(-)	(-)	(-)
	-	**-**	**6.31**	**-**	**-**	**6.31**
	(-)	**(-)**	**(6.72)**	**(-)**	**(-)**	**(6.72)**
Dividend paid						
APL Infrastructure Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(11.80)	(11.80)
Mr. Romi Sehgal	-	-	-	-	-	-
	(-)	(-)	(0.02)	(-)	(-)	(0.02)
Mr. Deepak Goyal	-	-	-	-	-	-
	(-)	(-)	(0.01)	(-)	(-)	(0.01)
Mrs. Veera Gupta	-	-	-	-	-	-
	(-)	(-)	(0.83)	(-)	(-)	(0.83)
	-	**-**	**-**	**-**	**-**	**-**
	(-)	**(-)**	**(0.86)**	**(-)**	**(11.80)**	**(12.66)**
Loans taken during the year						
Apollo Metalex Private Limited	100.00	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)
	100.00	**-**	**-**	**-**	**-**	**100.00**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Loans given during the year						
Shri Lakshmi Metal Udyog Limited	45.00	-	-	-	-	45.00

Notes to the Standalone Financial Statements or the year ended March 31, 2021

	Particulars	Subsidiaries	Step-down subsidiary	Key Man-agement Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
		(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)**
	Loans received back during the year						
	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)**
	Advances from customers						
	APL Apollo Tubes FZE	19.85	-	-	-	-	19.85
		(1.41)	(-)	(-)	(-)	(-)	(1.41)
		19.85	**-**	**-**	**-**	**-**	**19.85**
		(1.41)	**(-)**	**(-)**	**(-)**	**(-)**	**(1.41)**
	Issue of equity share capital (including securities premium)						
	APL Infrastructure Private Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(172.00)	(172.00)
		-	**-**	**-**	**-**	**-**	**-**
		(-)	**(-)**	**(-)**	**(-)**	**(172.00)**	**(172.00)**
	Investment in equity share capital						
	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)**
(c)	**Balances outstanding at the end of the year**						
	Trade receivables						
	Apollo Pipes Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(0.33)	(0.33)
		-	**-**	**-**	**-**	**-**	**-**
		(-)	**(-)**	**(-)**	**(-)**	**(0.33)**	**(0.33)**
	Claim Receivable						
	Apollo Metalex Private Limited	4.05	-	-	-	-	4.05
		(13.77)	(-)	(-)	(-)	(-)	(13.77)

Particulars	Subsidiaries	Step-down subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
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)**
Expenses payable						
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)**
Security deposits given						
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)**
Interest receivable						
Shri Lakshmi Metal Udyog Limited	2.44	-	-	-	-	2.44
	(1.65)	(-)	(-)	(-)	(-)	(1.65)
Apollo Tricoat Tubes Limited	-	0.04	-	-	-	0.04
	(-)	(0.28)	(-)	(-)	(-)	(0.28)
Blue Ocean Projects Private Limited	-	-	-	-	-	-
	(0.03)	(-)	(-)	(-)	(-)	(0.03)
	2.44	**0.04**	**-**	**-**	**-**	**2.48**
	(1.68)	**(0.28)**	**(-)**	**(-)**	**(-)**	**(1.96)**
Interest Payable						
Apollo Metalex Private Limited	1.94	-	-	-	-	1.94
	(-)	(-)	(-)	(-)	(-)	(-)
	1.94	-	-	-	-	1.94
	(-)	(-)	(-)	(-)	(-)	(-)
Advance recoverable						
Apollo Metalex Private Limited	-	-	-	-	-	-
	(5.16)	(-)	(-)	(-)	(-)	(5.16)
Apollo Tricoat Tubes Limited	-	8.76	-	-	-	8.76
	(-)	(-)	(-)	(-)	(-)	(-)
	-	**8.76**	**-**	**-**	**-**	**8.76**
	(5.16)	**(-)**	**(-)**	**(-)**	**(-)**	**(5.16)**

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Particulars	Subsidiaries	Step-down subsidiary	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Loans receivable						
Shri Lakshmi Metal Udyog Limited	100.00	-	-	-	-	100.00
	(75.00)	(-)	(-)	(-)	(-)	(75.00)
APL Apollo Building Products Private Limited	7.13	-	-	-	-	7.13
	(-)	(-)	(-)	(-)	(-)	(-)
Blue Ocean Projects Private Limited	0.16	-	-	-	-	0.16
	(-)	(-)	(-)	(-)	(-)	(-)
	107.29	**-**	**-**	**-**	**-**	**107.29**
	(75.00)	**(-)**	**(-)**	**(-)**	**(-)**	**(75.00)**
Loans payable						
Apollo Metalex Private Limited	100.00	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)
	100.00	**-**	**-**	**-**	**-**	**100.00**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Trade payables						
Apollo Metalex Private Limited	40.82	-	-	-	-	40.82
	(-)	(-)	(-)	(-)	(-)	(-)
Shri Lakshmi Metal Udyog Limited	17.83	-	-	-	-	17.83
	(9.23)	(-)	(-)	(-)	(-)	(9.23)
Apollo Pipes Limited	0.05	-	-	-	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
Apollo Tricoat Tubes Limited	-	-	-	-	-	-
	(-)	(1.17)	(-)	(-)	(-)	(1.17)
Mr. Sanjay Gupta	-	-	0.19	-	-	0.19
	(-)	(-)	(0.19)	(-)	(-)	(0.19)
Mr. Deepak Goyal (net of advances recoverable)	-	-	0.01	-	-	0.01
	(-)	(-)	(0.02)	(-)	(-)	(0.02)
Mr. Deepak C S (net of advances recoverable)	-	-	0.01	-	-	0.01
	(-)	(-)	(0.01)	(-)	(-)	(0.01)
	58.70	**-**	**0.21**	**-**	**-**	**58.91**
	(9.23)	**(1.17)**	**(0.22)**	**(-)**	**(-)**	**(10.62)**

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 ₹ 70.43 crore (March 31, 2020 ₹ 90.01 crore), Shri Lakshmi Metal Udyog Limited is ₹ Nil crore (March 31, 2020 ₹ 67.28 crore) and Apollo Tricoat Tubes Limited is ₹ 62.03 crore (March 31, 2020 ₹ 112.56 crore).

42 Income tax expense

The reconciliation of estimated income tax to income tax expense is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax as per standalone statement of profit and loss	205.01	113.79
Income tax expenses calculated as per tax rates of Income tax act of 25.168% (March 31, 2020 : 25.168%)	51.60	28.64
(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)
Tax expense as reported	**51.23**	**(1.22)**

Note :

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 ₹ 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 :-

(₹ in crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets - Non Current						
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 marigin money with maturity of more than 12 months	-	-	0.03	-	-	-
Claim receivable (net of provision)	-	-	0.10	-	-	2.36
Financial assets - Current						
Loans to employees	-	-	1.11	-	-	1.04
Claim receivable	-	-	8.04	-	-	23.44
Government grants	-	-	-	-	-	0.44
Derivative assets	2.01	-	-	2.22	-	-
Trade receivables	-	-	87.18	-	-	306.94
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
Total financial assets	**2.11**	**1.38**	**570.40**	**2.37**	**1.37**	**468.65**
Financial liabilities - Non Current						
Borrowings	-	-	224.48	-	-	245.29
Lease liabilities	-	-	-	-	-	0.08
Deferred payment	-	-	0.78	-	-	0.72
Financial liabilities - Current						
Borrowings	-	-	263.39	-	-	318.61
Lease liabilities	-	-	0.08	-	-	0.52
Interest accrued but not due on borrowings	-	-	2.61	-	-	2.01

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Security deposit	-	-	1.00	-	-	0.94
Trade payables	-	-	703.96	-	-	588.34
Others	-	-	0.51	-	-	0.54
Total financial liabilities	**-**	**-**	**1,196.81**	**-**	**-**	**1,157.05**

(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
Financial Assets				
- 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	-
Total financial assets	**0.10**	**2.01**	**0.15**	**2.22**

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

(i) The fair value was derived using the market comparable approach based on recent market prices carried out by an independent valuer without any significant adjustments being made to the market observable data.

(ii) There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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 ₹ (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 result's in the increase in the Company's overall debt positions in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivable in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. 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 March 31, 2021	As at March 31, 2020
	In USD	Buy	72,33,289	98,63,576
	Equivalent amount in ₹ in crore		52.88	74.62
	In USD	Sell	72,33,289	98,63,576
	Equivalent amount in ₹ in crore		52.88	74.62

(b)	Forward contract outstanding	Buy/Sell	As at March 31, 2021	As at March 31, 2020
	In USD	Sell	78,26,884	1,00,00,000
	Equivalent amount in ₹ 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 March 31, 2021	As at March 31, 2020
Payables:		
USD	2,09,500	-
Equivalent amount in ₹ in crore	1.53	-
EURO	-	37,803
Equivalent amount in ₹ in crore	-	0.31
Advance paid to vendors:		
USD	40,28,951	35,38,720
Equivalent amount in ₹ in crore	29.46	26.68
EURO	3,53,208	85,630
Equivalent amount in ₹ in crore	3.03	0.71
Trade receivables:		
EURO	64,701	-
Equivalent amount in ₹ in crore	0.56	-
Advance Received from Customers:		
USD	29,33,629	3,48,019
Equivalent amount in ₹ in crore	21.45	2.62
EURO	-	6,277
Equivalent amount in ₹ in crore	-	0.05

Sensitivity

If INR is depreciated or appreciated by 2.5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss (after tax) of the Company are given below:

Particulars	Impact on profit after tax	
	Year ended March 31, 2021	Year ended March 31, 2020
EURO sensitivity		
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)
USD sensitivity		
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.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	434.99	489.55
Fixed rate borrowings	52.88	74.35
Total borrowings	**487.87**	**563.90**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	Balance (₹ in Crore)	% of total loans
As at March 31, 2021		
Bank overdrafts, bank loans, Cash Credit	434.99	89%
As at March 31, 2020		
Bank overdrafts, bank loans, Cash Credit	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.

(₹ in crore)

Particulars	Impact on profit after tax	
	Year ended March 31, 2021	Year ended 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 categories 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.

Notes to the Standalone Financial Statements or the year ended March 31, 2021

Reconciliation of expected credit loss allowance – Trade receivables

(₹ 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)
Allowance for expected credit loss on March 31, 2020	**7.48**
Charge / (Provision written back) in statement of profit and loss	(1.21)
Utilised during the year	-
Allowance for expected credit loss on March 31, 2021	**6.27**

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 ₹ 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	As at 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 :-

(₹ in crore)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2021				
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
Total non-derivative liabilities	**971.55**	**225.26**	**-**	**1,196.81**

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2020				
Borrowings (Interest bearing)	318.61	245.29	-	563.90
Lease liabilities (Interest bearing)	0.08	0.52		0.60
Interest accrued and 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
Total non-derivative liabilities	**910.52**	**245.81**	**0.72**	**1,157.05**

45 Reconciliation of liabilities arising from financing activities

(₹ 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
Total liabilities from financing activities	**731.91**	**(164.48)**	**(3.53)**	**563.90**

(₹ 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
Total liabilities from financing activities	**563.90**	**(73.73)**	**(2.30)**	**487.87**

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 :-

(₹ in crore)

Particulars	Fair value as on acquisition date
Property, plant and equipment	83.36
Capital work-in-progress	3.60
Fair Value of identifiable net assets (A)	**86.96**
Consideration paid (B)	70.00
Capital Reserve (C=A-B)	**16.96**
Less : Deferred tax liability recognised on fair valuation gain (D)	3.58
Net Capital Reserve recognised (C-D)	**13.38**

Note :

Acquisition-related costs amounting to ₹ 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.

Notes to the Standalone Financial Statements or the year ended March 31, 2021

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.

(₹ in crore)

Particulars	As at March 31, 2021	As at 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)
Total Debts (net)	**143.38**	**523.98**
Total equity	**1,448.79**	**1,275.24**
Gearing Ratio	**0.10**	**0.41**

Equity inludes 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

SANJAY GUPTA
Chairman & Managing Director
DIN : 00233188

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Independent Auditors' Report

TO THE MEMBERS OF

APL APOLLO TUBES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **APL Apollo Tubes Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's 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 consolidated financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report is expected to made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

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 Consolidated Financial Statements

The Parent's 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 583.50 crore as at March 31, 2021 and total revenues of ₹ 1,472.81 crore and net cash inflow amounting to ₹ 5.40 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 21.94 crore as at March 31, 2021, total revenues of Rupees Nil and net cash inflows amounting to Rupees Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(c) Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note no 36(a) of the consolidated financial statements).

    ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts (Refer Note no 36(b)(5) of the consolidated financial statements).

    iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India (Refer Note no 36(c) of the consolidated financial statements).

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

(RASHIM TANDON)
(Partner)
(Membership No. 95540)
(UDIN:21095540AAAABN3654)

Place: New Delhi
Date: June 03, 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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **APL Apollo Tubes Limited** (hereinafter referred to as "Parent") and its subsidiary companies (the Parent and its subsidiaries together referred to "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

(RASHIM TANDON)
(Partner)
(Membership No. 95540)
(UDIN:21095540AAAABN3654)

Place: New Delhi
Date: June 03, 2021

Consolidated Balance Sheet as at 31 March 2021

(₹in crore)

	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	2(a)	1,501.41	1,471.08
(b)	Capital work-in-progress	2(b)	107.67	10.09
(c)	Right of use assets	2(c)	94.94	97.06
(d)	Goodwill	2(d)	137.50	137.50
(e)	Other intangible assets	2(e)	1.84	2.73
(f)	Financial Assets			
	(i) Investments	3(a) & 3(b)	1.48	1.52
	(ii) Other financial assets	4	26.92	25.33
(g)	Non-current tax assets (net)	5	5.78	11.50
(h)	Other non-current assets	6	122.30	59.20
	Total non-current assets		**1,999.84**	**1,816.01**
(2)	**Current assets**			
(a)	Inventories	7	759.92	784.18
(b)	Financial assets			
	(i) Trade receivables	8	130.59	476.36
	(ii) Cash and cash equivalents	9	16.12	44.39
	(iii) Bank balance other than (ii) above	10	341.81	1.22
	(iv) Loans	11	1.29	1.29
	(v) Other financial assets	12	3.15	2.72
(c)	Other current assets	13	146.23	138.21
			1,399.11	**1,448.37**
	Assets classified as held for sale	2(f)	-	1.65
	Total current assets		**1,399.11**	**1,450.02**
	Total Assets		**3,398.95**	**3,266.03**
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
(a)	Equity share capital	14(a)	24.98	24.87
(b)	Other equity	14(b)	1,669.68	1,331.28
	Equity attributable to the owners of the Company		**1,694.66**	**1,356.15**
	Non-controlling interests	14(c)	138.30	95.42
	Total equity		**1,832.96**	**1,451.57**
(2)	**Non-current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	15	183.47	404.32
	(ii) Lease liabilities	2(c)	-	0.12
	(iii) Other financial liabilities	16	1.00	0.72
(b)	Provisions	17	16.44	16.16
(c)	Deferred tax liabilities (net)	18	111.16	101.16
(d)	Other non-current liabilities	19	75.54	67.24
	Total non-current liabilities		**387.61**	**589.72**
(3)	**Current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	20	258.02	322.85
	(ii) Lease liabilities	2(c)	0.14	0.58
	(iii) Trade payables	21		
	- total outstanding dues of micro and small enterprises		5.70	1.08
	- total outstanding dues other than micro and small enterprises		780.15	763.33
	(iv) Other financial liabilities	22	90.87	114.41
(b)	Other current liabilities	23	34.85	17.25
(c)	Provisions	24	1.23	1.13
(d)	Current tax liabilities (net)	25	7.42	4.11
	Total current liabilities		**1,178.38**	**1,224.74**
	Total Equity and Liabilities		**3,398.95**	**3,266.03**
See accompanying notes to the consolidated 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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Statement of Consolidated Profit And Loss for the year ended March 31, 2021

(₹ in crore, except EPS)

	Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	26	8,499.75	7,723.23
II	Other Income	27	35.94	22.18
III	**Total Income (I +II)**		**8,535.69**	**7,745.41**
IV	**Expenses**			
	(a) Cost of materials consumed	28	7,159.59	6,595.39
	(b) Purchase of stock-in-trade		67.53	116.57
	(c) Changes in inventories of finished goods, stock in trade, work-in-progress, rejection and scrap	29	(62.32)	(135.67)
	(d) Employee benefits expense	30	129.63	142.19
	(e) Finance costs	31	66.09	107.27
	(f) Depreciation and amortisation expense	32	102.77	95.91
	(g) Other expenses	33	526.61	527.41
	Total expenses		**7,989.90**	**7,449.07**
V	**Profit before tax (III - IV)**		**545.79**	**296.34**
VI	**Tax expense:**			
	(a) Current tax		128.72	66.94
	(b) Deferred tax (credit) / charge (net)	18	8.84	(25.31)
	(c) Income tax / deferred tax (credit) / expense of earlier year (net)	40	0.53	(1.29)
	Total tax expense	**40**	**138.09**	**40.34**
VII	**Profit for the year (V-VI)**		**407.70**	**256.00**
VIII	**Other comprehensive income**			
	Add : (less) items that will not be reclassified to profit or loss			
	(a) Equity instruments through other comprehensive income		-	2.20
	(b) Remeasurement of post employment benefit obligation		1.64	(2.13)
	(c) Income tax relating to (b) above		(0.42)	0.53
	Other Comprehensive Income for the year		**1.22**	**0.60**
IX	**Total Comprehensive Income for the year (VII+VIII)**		408.92	256.60
X	**Profit for the year attributable to :**			
	- Owner of the Company		360.16	237.97
	- Non-controlling interests		47.54	18.03
			407.70	**256.00**
XI	**Other Comprehensive Income for the year attributable to :**			
	- Owner of the Company		1.35	0.61
	- Non-controlling interests		(0.13)	(0.01)
			1.22	**0.60**
XII	**Total Comprehensive Income for the year attributable to :**			
	- Owner of the Company		361.51	238.58
	- Non-controlling interests		47.41	18.02
			408.92	**256.60**
XIII	**Earnings per equity share of ₹ 2 each**			
	(a) Basic (in ₹)	35	28.91	19.43
	(b) Diluted (in ₹)	35	28.81	19.26
	See accompanying notes to the consolidated 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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Statement of Changes in Consolidated Equity for the year ended March 31, 2021

a) Equity share capital

(₹ in crore)

Particulars	Amount
Balance as at April 1, 2019	23.85
Changes during the year ended March 31, 2020	1.02
Balance as at March 31, 2020	**24.87**
Changes during the year ended March 31, 2021	0.11
Balance as at March 31, 2021	**24.98**

b) Other equity

(₹ in crore)

Particulars	Reserves and surplus						Items of other comprehensive income	Attributable to owners of the Company	Non-controlling interests	Total
	Debenture redemption reserve	Securities premium	General reserve	Capital Reserve	Share option outstanding account	Retained earnings	Equity instruments through other comprehensive income			
Balance as at April 1, 2019	**80.00**	**212.59**	**28.87**	**-**	**7.65**	**602.20**	**8.90**	**940.21**	**-**	**940.21**
Profit for the year ended March 31, 2020	-	-	-	-	-	237.97	-	237.97	18.03	256.00
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(1.59)	2.20	0.61	(0.01)	0.60
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**236.38**	**2.20**	**238.58**	**18.02**	**256.60**
Allocations/Appropriations:										
Dividend paid	-	-	-	-	-	(33.96)	-	(33.96)	-	(33.96)
Dividend distribution tax	-	-	-	-	-	(7.05)	-	(7.05)	-	(7.05)
Non-controlling interests acquired on business combination (see note 45(b))	-	-	-	-	-	-	-	-	82.00	82.00
Adjustment for changes in ownership interests	-	-	-	-	-	-	-	-	(4.60)	(4.60)
Share option outstanding account	-	-	-		3.68	-	-	3.68	-	3.68
Transfer to Securities premium	-	2.19	-		(2.19)	-	-	-	-	-
Transferred (to)/from General Reserve	-	-	11.10	-	-	-	(11.10)	-	-	-
Transfer to Capital Reserve (see note 45(a))	-	-	-	13.38	-	-	-	13.38	-	13.38
Security premium on issue of shares	-	176.44	-	-	-	-	-	176.44	-	176.44
Transfer from Debenture Redemption Reserve	(80.00)	-	-	-	-	80.00	-	-	-	-
	(80.00)	**178.63**	**11.10**	**13.38**	**1.49**	**38.99**	**(11.10)**	**152.49**	**77.40**	**229.89**
Balance as at March 31, 2020	**-**	**391.22**	**39.97**	**13.38**	**9.14**	**877.57**	**-**	**1,331.28**	**95.42**	**1,426.70**
Profit for the year ended March 31, 2021	-	-	-	-	-	360.16	-	360.16	47.54	407.70
Other comprehensive income for the year, net of tax	-	-	-	-	-	1.35	-	1.35	(0.13)	1.22
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**361.51**	**-**	**361.51**	**47.41**	**408.92**
Allocations/Appropriations:										
Adjustment arising from change in non-controlling interests	-	-	-	-	-	(41.67)	-	(41.67)	(4.53)	(46.20)
Share option outstanding account	-	-	-		3.28	-	-	3.28	-	3.28
Transfer to Securities premium	-	8.63	-		(8.63)	-	-	-	-	-
Security premium on issue of shares	-	15.28	-	-	-	-	-	15.28	-	15.28
	-	**23.91**	**-**	**-**	**(5.35)**	**(41.67)**	**-**	**(23.11)**	**(4.53)**	**(27.64)**
Balance as at March 31, 2021	**-**	**415.13**	**39.97**	**13.38**	**3.79**	**1,197.41**	**-**	**1,669.68**	**138.30**	**1,807.98**

See accompanying notes to the consolidated 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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Statement of Consolidated Cash Flows for the year ended March 31, 2021

(₹in crore)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
			(See note below)
A. Cash flow from operating activities		545.79	296.34
Profit before tax			
Adjustments for:			
Depreciation and amortisation expense		102.77	95.91
Loss / (Gain) on sale of property, plant and equipment (net)		0.04	(0.22)
Finance costs		66.09	107.27
Interest income on fixed deposits		(19.34)	(0.93)
Interest income on others		(1.37)	(1.56)
(Gain) on sale of assets classified as held for sale		-	(1.46)
Provision for slow moving inventory of spares & consumables		1.02	0.24
Government grant income		(9.10)	(8.47)
Derivatives measured at fair value through profit & loss account		(1.08)	(0.89)
Bad debts written off		-	0.02
Net unrealised foreign exchange (gain)		(2.30)	(2.83)
Allowance for doubtful trade receivables (expected credit loss allowance)		(1.27)	2.36
Share based expenses		3.27	3.68
Operating profit before working capital changes		**684.52**	**489.46**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		23.24	28.40
Trade receivables		347.04	84.73
Current loans and other financial assets		1.66	6.11
Non-current loans and other financial assets		(1.59)	(1.59)
Other current assets		(8.02)	(23.09)
Other non-current assets		0.02	3.29
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		21.47	25.68
Other current liabilities		17.60	(26.20)
Other current financial liabilities		0.06	(10.63)
Other non current financial liabilities		0.28	0.07
Other non current liabilities		8.30	10.60
Provisions (current & non-current)		2.01	4.29
Cash generated from operations		**1,096.59**	**591.12**
Net income tax (paid)		(119.48)	(81.57)
Net cash flow from operating activities (A)		**977.11**	**509.55**
B. Cash flow from investing activities			
Capital expenditure on property, plant and equipment (including capital advances)		(286.92)	(309.24)
Proceeds from sale of property, plant and equipment		7.17	7.80
Proceeds from sale of assets classified as held for sale		-	5.42
Investment in fixed deposits		(340.62)	(0.62)

Statement of Consolidated Cash Flows for the year ended March 31, 2021

(₹in crore)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
			(see note below)
Investment in equity shares of subsidiary		(46.20)	(142.34)
Proceeds from sale of investments		0.04	0.01
Interest received			
- fixed deposits		18.33	4.05
- others		1.37	-
Net cash flow (used in) investing activities (B)		**(646.83)**	**(434.92)**
C. Cash flow from financing activities			
Proceeds from non-current borrowings		141.00	383.05
Repayment of non-current borrowings		(387.29)	(250.68)
Repayment of current borrowings (net)		(64.83)	(227.23)
Payment of dividends		-	(34.05)
Payment of dividend distribution tax		-	(7.05)
Proceeds from issue of equity share capital		15.39	177.46
Payment on account of lease liabilities		(0.56)	(0.60)
Finance costs		(62.26)	(118.73)
Net cash flow (used in) financing activities (C)		**(358.55)**	**(77.83)**
Net increase in Cash and cash equivalents (A+B+C)		**(28.27)**	**(3.20)**
Add : Cash acquired on business combination (see note below)		-	0.29
Cash and cash equivalents at the beginning of the year		44.39	47.30
Cash and cash equivalents at the end of the year	**9**	**16.12**	**44.39**

Note :

Cash flow for the year ended March 31, 2020 includes effect of acquisition of Apollo Tricoat Tubes Limited. See note 45(b).

See accompanying notes to the Consolidated 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

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

Notes to the Consolidated Financial Statements

1(i) Company background

APL Apollo Tubes Limited ("the Company" or "the Holding Company") is a public limited Company incorporated in India on February 24, 1986 with its registered office at 37, Hargobind Enclave, Vikas Marg, Delhi-110092, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in the business of production of ERW steel tubes. The Company has four wholly owned subsidiaries in India, one wholly owned subsidiary in Dubai, United Arab Emirates and one step down subsidiary company in India (the Company and its subsidiaries constitute " the Group"). The Group has ten manufacturing units, a) three at Sikanderabad, Uttar Pradesh, b) one at Dujana, Uttar Pradesh, c) one at Hosur, Tamilnadu, d) one at Raipur, Chhattisgarh, e) one at Murbad, Maharashtra, f) one at Bengaluru, Karnataka, g) one at Malur, Karnataka and h) one at Chegunta, Hyderabad.

The consolidated 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 Group 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 Group 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 consolidated financial statements."

1(iii) Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

(a) Statement of compliance

The consolidated financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time as notified under Section 133 of the Companies Act 2013 , the relevant provision of the Companies Act 2013 ("the Act") and other accounting principles generally accepted in India.

(b) Basis of Preparation

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

The consolidated financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(c) Principles of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The consolidated financial statements relate to APL Apollo Tubes Limited, the holding Company and its subsidiary companies (hereinafter collectively referred as "the Group"). The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2021.

b. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

c. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies , at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' is determined separately for each subsidiary Company and such amounts are not set off between different entities.

d. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

e. Goodwill arising on consolidation is not amortised but tested for impairment.

f. Following Indian subsidiaries have been considered in the preparation of consolidated financial statements:

- Apollo Metalex Private Limited (a wholly owned subsidiary)
- Shri Lakshmi Metal Udyog Limited (a wholly owned subsidiary)
- Blue Ocean Projects Private Limited (a wholly owned subsidiary)
- APL Apollo Building Products Private Limited (a wholly owned subsidiary)
- Apollo Tricoat Tubes Limited (a step down subsidiary of APL Apollo Tubes Limited) (see note 45(b))

g. Following foreign subsidiary has been considered in the preparation of consolidated financial statements:

- APL Apollo Tubes FZE

(d) 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 and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the

Notes to the Consolidated Financial Statements

non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. 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 Group 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. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

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 and the amount recognised for non-controlling interests, and any previous interest held, 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 Group 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 Group'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 Group 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.

(e) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Consolidated Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Useful lives of Property, plant and equipment ('PPE')

The Group reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of derivative and other financial instruments

The fair value of financial instruments, that are not traded in an active market, is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

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

Post the outbreak of COVID-19, the Group 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. The Group has also evaluated its lability to meet the financial commitments towards its lenders etc. The Group as of the reporting date has used internal and external sources on the expected future performance of the Group and accordingly does not expect any long term adverse impact of COVID-19 on its

Notes to the Consolidated Financial Statements

ability to recover the carrying value of assets and meeting its financial obligations. However, given the nature of the COVID-19, the Group continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

(f) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(g) 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).

(h) 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 Group derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods. To recognize revenues, the Group applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. The Group recognises revenue at point in time.

Any change in scope or price is considered as a contract modification. The Group accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances."

In contracts where the Company acts as an agent, the revenue is recorded at the net amount that the Company retains for its services.

(ii) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

(iii) Commission Income

Commission income is recognised when the services are rendered.

(iv) Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(i) 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.

(j) 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 consolidated 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.

(k) 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

Notes to the Consolidated Financial Statements

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."

(l) Impairment of assets

At each balance sheet date , the Group reviews the carrying values of its property ,plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any).Where the assets does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

(m) Cash and cash equivalents and Cash Flow Statement

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

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

Short term borrowings, repayments and advances having maturity of three months or less, are shown as net in cash flow statement..

(n) 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..

(o) Property, plant and equipment and capital work-in-progress

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of 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 Group.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest."

Depreciation methods, estimated useful lives and residual value

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of the certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of various property, plant and equipment is as under:-

(a) Buildings- 30 to 60 years

(b) Roads- 10 years

(c) Plant and machinery used in manufacturing of pipe 10-20 years

(d) Other plant and machinery- 2 to 10 years

(e) Vehicles- 8 years

(f) Furniture and fixtures- 10 years

(g) Office equipment- 2-5 years

(h) Computers & servers- 3-6 years

The residual values, useful lives and method of depreciation of Property, plant & equipment is reviewed at the end of each financial year and adjusted prospectively if appropriate..

(p) Intangible assets

Intangible assets are amortised over their estimated useful

Notes to the Consolidated Financial Statements

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.

(q) 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 38.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(r) Earnings per share

Basic earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing net the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

(u) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management's expert..

(v) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and performance incentives.

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

Defined contribution plans: The Group's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by fair value of plan assets (being the funded portion).

The Holding Company operates a defined benefit gratuity plan, which requires contributions to be made to a seperately administered fund.

(w) 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).

Notes to the Consolidated Financial Statements

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(x) 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.

(y) Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income.

The classification criteria of the Group for debt and equity instruments is provided as under:

(a) Debt instruments

Depending upon the business model of the Group, debt instruments can be classified under following categories:

- Debt instruments measured at amortised cost

- Debt instruments measured at fair value through other comprehensive income

- Debt instruments measured at fair value through profit or loss

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) Equity instruments

The equity instruments can be classified as:

- Equity instruments measured at fair value through profit or loss ('FVTPL')

- Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

Equity instruments and derivatives are normally measured at FVTPL. However, on initial recognition, an entity may make an irrevocable election (on an instrument-by-instrument basis) to present in OCI the subsequent changes in the fair value of an investment in an equity instrument within the scope of Ind AS -109.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Investment in equity shares

The Group subsequently measures all equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Group has equity investments in three entities which are not held for trading. The Group has elected the FVTOCI irrevocable option for both of these investments (see note 3). Fair value is determined in the manner described in note 41.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected credit loss are measured through a loss allowance at an amount equal to the following:

(a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or

(b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the

Notes to the Consolidated Financial Statements

Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other income.

(iv) Derecognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B. Financial Liabilities

(i) Classification

The Group classifies its financial liabilities in the following measurement categories:

- Financial liabilities measured at fair value through profit or loss

- Financial liabilities measured at amortized cost

(ii) Measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

(z) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(aa) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Notes to the Consolidated Financial Statements

(ab) Segment Information

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments.

The Group is engaged in the business of production of ERW steel tubes. As the Group's business activity primarily falls within a single business and geographical segment i.e manufacture of steel tubes, there are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.

1(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 II 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.

Notes to the Consolidated Financial Statements

2(a) : Property, Plant and Equipment

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying values of :		
Freehold land	129.07	125.87
Building	320.30	323.87
Plant and machinery	1,023.20	1,002.87
Office equipments	2.94	3.06
Vehicles	18.13	7.89
Furniture and fixtures	5.85	6.25
Computers	1.92	1.27
	1,501.41	**1,471.08**

Particulars	Freehold land	Building	Plant and machinery	Office equipments	Vehicles	Vehicles under finance lease	Furniture and fixtures	Computers	Total
Deemed cost									
As at April 1, 2019	**23.46**	**248.04**	**867.75**	**3.56**	**9.42**	**-**	**8.04**	**2.33**	**1,162.60**
Additions	60.96	65.99	212.06	1.73	1.98	-	0.74	0.49	343.95
Assets acquired on business combination (see note 45(b))	24.16	18.21	99.84	0.43	0.16	0.12	0.33	-	143.25
Assets acquired on business combination (see note 45(a))	23.25	23.27	35.37	0.10	0.82	-	0.53	0.02	83.36
Sales / transfer during the year	(5.96)	(2.08)	(7.11)	-	(0.23)	(0.12)	-	-	(15.50)
Balance at March 31, 2020	**125.87**	**353.43**	**1,207.91**	**5.82**	**12.15**	**-**	**9.64**	**2.84**	**1,717.66**
Asset re-classified from "Assets classified as held for sale" (see note 2(f))	1.65	-	-	-	-	-	-	-	1.65
Additions	1.55	9.90	103.36	0.87	12.17	-	0.90	1.33	130.08
Sales during the year	-	(1.19)	(9.19)	-	(1.35)	-	-	-	(11.73)
Balance at March 31, 2021	**129.07**	**362.14**	**1,302.08**	**6.69**	**22.97**	**-**	**10.54**	**4.17**	**1,837.66**
Accumulated depreciation									
As at April 1, 2019	**-**	**17.75**	**129.18**	**1.85**	**2.94**	**-**	**2.12**	**0.99**	**154.83**
Accumulated depreciation acquired on business combination (see note 45(b))	-	0.36	1.17	0.05	0.01	-	0.06	-	1.65
Elimination on disposal of assets	-	(0.36)	(2.33)	-	(0.14)	-	-	-	(2.83)
Depreciation expense	-	11.81	77.02	0.86	1.45	-	1.21	0.58	92.93
Balance at March 31, 2020	**-**	**29.56**	**205.04**	**2.76**	**4.26**	**-**	**3.39**	**1.57**	**246.58**
Elimination on disposal	-	(0.84)	(7.57)	-	(1.25)	-	-	-	(9.66)
Depreciation expense	-	13.12	81.41	0.99	1.83	-	1.30	0.68	99.33
Balance at March 31, 2021	**-**	**41.84**	**278.88**	**3.75**	**4.84**	**-**	**4.69**	**2.25**	**336.25**
Net carrying value									
Balance at March 31, 2020	**125.87**	**323.87**	**1,002.87**	**3.06**	**7.89**	**-**	**6.25**	**1.27**	**1,471.08**
Balance at March 31, 2021	**129.07**	**320.30**	**1,023.20**	**2.94**	**18.13**	**-**	**5.85**	**1.92**	**1,501.41**

Notes :-

(1) Property, plant and equipment as detailed in 2(a) have been pledged as security for term loans taken as at March 31, 2021. See note 15 & 20 for loans taken against which these assets are pledged.

Notes to the Consolidated Financial Statements

2(b) Capital work in progress

(₹ in crore)

Particulars	Building	Plant and machinery	Total
As at April 1, 2019	**10.64**	**16.82**	**27.46**
Add : Additions during the year	60.85	199.83	260.68
Less : Transfer to property, plant and equipment (see note 2(a))	(65.99)	(212.06)	(278.05)
Closing balance as at March 31, 2020	**5.50**	**4.59**	**10.09**
Add : Additions during the year	34.99	175.85	210.84
Less : Transfer to property, plant and equipment (see note 2(a))	(9.90)	(103.36)	(113.26)
Closing balance as at March 31, 2021	**30.59**	**77.08**	**107.67**

2(c) Right of use assets and lease liabilities

(₹ in crore)

Particulars	Category of ROU Asset			Total
	Land	Building	Vehicle	
As at April 1, 2019	-	-	-	-
Reclassified on adoption of Ind AS 116 (see note (i) below)	97.62	1.21	0.11	98.94
Amortisation	(1.31)	(0.56)	(0.01)	(1.88)
Balance as at March 31, 2020	**96.31**	**0.65**	**0.10**	**97.06**
Depreciation	(1.55)	(0.56)	(0.01)	(2.12)
Balance as at March 31, 2021	**94.76**	**0.09**	**0.09**	**94.94**

(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 ₹ 98.94 crore and a lease liability of ₹ 0.70 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, 3 years for building and 3 years for vehicles respectively. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the consolidated 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 15 & 20 for loans taken against which these assets are pledged.

(iv) Leasehold land located at Murbad, Maharashtra having value of ₹ 1.08 crore as at March 31, 2021 (March 31, 2020 : ₹ 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 : (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	0.14	0.58
Non-current lease liability	-	0.12
Total	**0.14**	**0.70**

Notes to the Consolidated Financial Statements

(vi) The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020 : (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	**0.70**	**0.09**
Additions	-	1.21
Finance cost accrued during the period	0.06	0.03
Payment of lease liabilities	(0.62)	(0.63)
Balance at the end	**0.14**	**0.70**

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 :

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	0.10	0.64
One to five years	-	0.13
More than five years	-	-
Total	**0.10**	**0.77**

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 ₹ 4.50 crore for the year ended March 31,2021 (March 31, 2020 : ₹ 4.88 crore).

2(d) Goodwill

(₹ in crore)

	Computer Softwares
Cost	
As at April 1, 2019	23.00
Add : On acquisition of subsidiary during the year (see note 45(b))	114.50
Less : Impairment during the year	-
Closing balance as at March 31, 2020	**137.50**
Add : Additions during the year	-
Less : Impairment during the year	-
Closing balance as at March 31, 2021	**137.50**

Note :

The Holding Company evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate the carrying value may not be recoverable. The Holding Company has tested the goodwill for impairment as under :

a) Goodwill related to Shri Lakshmi Metal Udyog Limited

Carrying value of goodwill pertaining to Shri Lakshmi Metal Udyog Limited as at March, 31, 2021 and March 31, 2020 is ₹ 23.00 crore. Recoverable amount is based on discounted cash flow method under income approach. An analyses of the sensitivity of the computation to a change in key parameters, based on reasonable probable assumptions, did not identify any probable scenario in which the recoverable amount of reporting unit would decrease below its carrying amount.

b) Goodwill related to Apollo Tricoat Tubes Limited

Carrying value of Goodwill pertaining to Apollo Tricoat Tubes Limited as at March 31, 2021 and March 31, 2020 is ₹ 114.50 crore. Recoverable amount is based on fair value less cost of disposal calculated based on reporting unit's quoted market value.

The Holding Company has carried out required annual testing of goodwill for impairment for all reporting units as of March 31, 2021 and determined that goodwill is not impaired as the fair value of reporting units substantially exceeded their book value.

2(e) Intangible Assets

(₹ in crore)

	Computer Softwares
Deemed cost	
As at April 1, 2019	**5.04**
Additions	0.66
Assets acquired on business combination (see note 45(b))	0.30
Balance at March 31, 2020	**6.00**
Additions	0.32
Balance at March 31, 2021	**6.32**
Amortisation	
As at April 1, 2019	**2.18**
Acquired on business combination (see note 45(b))	0.04
Amortisation expense	1.05
Balance at March 31, 2020	**3.27**
Amortisation expense	1.21
Balance at March 31, 2021	**4.48**
Net carrying value	
Balance at March 31, 2020	**2.73**
Balance at March 31, 2021	**1.84**

(₹ in crore)

2(f) Asset classified as held for sale	Land
As at April 1, 2019	**1.65**
Addition during the year	-
Balance at March 31, 2020	**1.65**
Assets re-classified to land during the year (see note below)	(1.65)
Balance at March 31, 2021	**-**

Note :

As at March 31, 2020, Assets classified as held for sale consisted of plot of land whose fair valuation was ₹ 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.

3 Investment (Non-current)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	**Investments in equity instruments carried at fair value through the other comprehensive income - (unquoted, fully paid) :**		
(i)	1,371,400 (March 31, 2020: 1,371,400) equity shares of ₹ 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 ₹ 10 each fully paid up in AMP-SOLAR Urja Private Limited (see note (ii) below)	0.01	-
		1.38	**1.37**

Particulars		As at March 31, 2021	As at March 31, 2020
(b)	**Investments in equity instruments carried at fair value through profit and loss account - (quoted, fully paid) :**		
(i)	Investment in mutual fund of Union Hybrid Equity Fund - regular plan growth (March 31, 2021 : 99,985 units at NAV of ₹ 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 ₹ 10 per unit)"	-	0.15
		0.10	**0.15**
	Total	**1.48**	**1.52**

Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate carrying value of unquoted investment	**1.38**	**1.37**
Aggregate carrying value of quoted investment	**0.10**	**0.15**
Market value of quoted investment	**0.10**	**0.15**

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 19.5 % (March 31, 2020 : Nil) equity shares of AMPSOLAR Urja Private Limited, a Company engaged in the business of providing solar energy to its cutomers.

4 Other financial assets (Non-current)

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Claim receivable	0.37	2.36
	Less : Provision created for doubtful claims	0.27	-
		0.10	2.36
(b)	Security deposit	26.44	22.64
(c)	In margin money with maturity more than 12 months	0.38	0.33
	Total	**26.92**	**25.33**

5 Non-current tax assets (net)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Advance income tax (net of provision of ₹ 118.57 crore, March 31, 2020 : ₹ 50.95 crore)	5.78	11.50
	Total	**5.78**	**11.50**

6 Other non-current assets

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Capital advances	115.35	52.20
(b)	Prepaid expenses	3.44	4.03
(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	0.28	0.28
	(iii) Value added tax	1.35	1.43
	(iv) Income Tax	1.22	1.22
	Total	**122.30**	**59.20**

Note :

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially effect on its consolidated financial statements.

Notes to the Consolidated Financial Statements

7 Inventories

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Raw material (including stock-in-transit)	163.48	247.94
(b)	Work in progress (including stock-in-transit)	172.62	134.17
(c)	Stock in trade	4.17	-
(d)	Finished goods (including stock-in-transit)	371.80	361.44
(e)	Stores and spares	28.85	30.97
(f)	Rejection and scrap (including stock-in-transit)	19.00	9.66
	Total	**759.92**	**784.18**

Notes :

(i) Cost of inventory (including stores & spares) recognised as expense during the year amounted to ₹ 7,246.25 crore (March 31, 2020 : ₹ 6,650.08 crore)..

(ii) Details of stock-in-transit

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
	Raw material	10.05	-
	Work in progress	4.13	5.06
	Finished goods	79.85	10.62
	Rejection and Scrap	2.18	0.33

(iii) Inventory of raw material for job work lying with third party of ₹ 5.88 crore (March 31, 2020 : Nil)

(iv) The mode of valuation of inventories has been stated in note 1(iii)(n) of significant accounting policies.

(v) The Group has created a provision for slow moving inventory of stores & spares of ₹ 1.02 crores (March 31, 2020 : ₹ 0.24 crores)

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

8 Trade receivables (Current)

(Unsecured)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Considered good		
	(i) Related parties	2.32	0.33
	(ii) Other than related parties	128.27	476.03
	Sub total	**130.59**	**476.36**
(b)	Considered doubtful (other than related parties)	6.40	7.67
	Less: Allowance for doubtful debts (expected credit loss allowance)	(6.40)	(7.67)
	Sub total	-	-
	Total	**130.59**	**476.36**

Notes to the Consolidated Financial Statements

(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 except as follows:

(₹ in crore)

Particulars	As at March 31, 2021
Customer A	14.12
	14.12
% of total trade receivables	10.81

In previous year ended March 31, 2020, there was no customer who represented more than 10% of the total balance of trade receivables.

(ii) In determining the allowance for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(1) Movements in expected credit loss is as below :

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	7.67	5.31
Provison (written back) / Charge in statement of profit and loss	(1.27)	2.38
Utilised during the year	-	(0.02)
Balance at the end of the year	**6.40**	**7.67**

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

(₹ in crore)

Particulars	As at March 31, 2021		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	116.82	0.29	116.53
0-90 days overdue	14.09	0.23	13.86
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	5.22	5.22	-
	136.99	**6.40**	**130.59**

(₹ in crore)

Particulars	As at March 31, 2020		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	393.00	0.63	392.37
0-90 days overdue	81.62	0.41	81.21
91-180 days overdue	3.48	0.76	2.72
181-270 days overdue	0.32	0.31	0.01
271-365 days overdue	1.72	1.67	0.05
More than 365 days overdue	3.89	3.89	-
	484.03	**7.67**	**476.36**

Notes to the Consolidated Financial Statements

(3) Ageing wise % of expected credit loss

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts not yet due	0.00 % to 0.25 %	0.00 % to 0.16 %
0-90 days overdue	0.26 % to 1.63 %	0.17 % to 0.50 %
91-180 days overdue	1.64 % to 31.34 %	0.51 % to 21.94 %
181-270 days overdue	31.35 % to 48.70 %	21.95 % to 96.16 %
271-365 days overdue	100.00 %	97.17 % to 97.01 %
More than 365 days overdue	100.00 %	100.00 %

(4) Trade receivables have been pledged as security towards group's borrowings from banks.

Note : There are no outstanding debts due from directors or other officers of the Company.

9 Cash and cash equivalents

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Cash on hand	0.20	0.19
(b)	Balances with banks - in current accounts	6.30	36.82
(c)	Balances with banks - in cash credit accounts (see note 20)	9.60	7.38
(d)	Balances with banks - in EEFC accounts	0.02	-
	Total	**16.12**	**44.39**

10 Bank balances other than cash and cash equivalents

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	In earmarked accounts		
	(i) unpaid dividend account	0.51	0.53
	(ii) In fixed deposits with maturity of more than 3 months and less than 12 months at inception	341.30	0.69
	Total	**341.81**	**1.22**

11 Loans (Current)

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Loans to employees	1.29	1.18
(b)	Loans to director (see note below)	-	0.11
		1.29	**1.29**

Note :

In financial year 2018-19, a subsidiary had given a loan towards personal requirements amounting to ₹ 0.33 crore free of interest to one of its Directors. During the previous year 2019-20, ₹ 0.14 crore has been repaid. The maximum amount outstanding during the year ended March 31, 2020 was ₹ 0.11 crore. Balance amount outstanding in previous year has been repaid during the year. Closing balance as at March 31, 2021 is ₹ Nil (March 31, 2020 : ₹ 0.11 crore).

Notes to the Consolidated Financial Statements

12 Other financial assets (Current)

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Government grants		
	(i) Licences in hand	-	0.44
(b)	Interest accrued but not due on fixed deposits	1.17	0.16
(c)	Security deposit	0.01	-
(d)	Claim receivables	-	1.23
(e)	Derivative assets (net)	1.97	0.89
	Total	**3.15**	**2.72**

13 Other current assets

(Unsecured, considered good)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Advance to suppliers	107.12	33.67
	Less : Provision created for doubtful advances	0.56	-
		106.56	33.67
(b)	Balances with government authorities		
	(i) Goods and services tax (GST) credit receivable	26.84	92.50
	(ii) Advance Goods and service tax credit on import of goods	0.16	0.11
(c)	Export incentives receivable	6.64	7.39
(d)	GST refund receivable	3.65	0.07
(e)	Prepaid expenses	2.11	3.06
(f)	Value added tax (VAT) credit receivable	0.27	1.13
(g)	Payment under protest		
	(i) Sales Tax Appeal	0.13	0.13
	Less : Provision created for doubtful payment under protest	0.13	-
		-	0.13
(h)	Advance to Employees	-	0.03
(i)	Gold coins in hand	-	0.12
	Total	**146.23**	**138.21**

14 Equity

14(a) Equity share capital

(₹ in crore, except otherwise stated)

	Particulars	As at March 31, 2021 Number of Shares	As at March 31, 2021 Amount	As at March 31, 2020 Number of Shares	As at March 31, 2020 Amount
(i)	**Authorised capital**				
	Equity shares of ₹ 2 each (March 31, 2020 : ₹ 10 each) (see note 5 below)	22,50,00,000	45.00	4,50,00,000	45.00
		22,50,00,000	**45.00**	**4,50,00,000**	**45.00**
(ii)	**Issued capital**				
	Equity shares of ₹ 2 each (March 31, 2020 : ₹ 10 each) (see note 5 below)	12,48,96,000	24.98	2,48,69,015	24.87
		12,48,96,000	**24.98**	**2,48,69,015**	**24.87**
(iii)	**Subscribed and fully paid up capital**				
	Equity shares of ₹ 2 each (March 31, 2020 : ₹ 10 each) (see note 5 below)	12,48,96,000	24.98	2,48,69,015	24.87
		12,48,96,000	**24.98**	**2,48,69,015**	**24.87**

(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 March 31, 2021	As at March 31, 2020	As at March 31, 2021 (₹ in crore)	As at March 31, 2020 (₹ in crore)
Equity share capital				
Outstanding at the beginning of the year	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
Outstanding at the end of the year	**12,48,96,000**	**2,48,69,015**	**24.98**	**24.87**

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 ₹ 1,800 per share and ₹ 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 ₹ 2 each (March 31, 2020 : ₹ 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:-

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
APL Infrastructure Private Limited	4,05,00,935	32.43%	89,25,187	35.89%
Kitara PIIN 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 ₹ 2 each of the Company. As at March 31, 2020, executives and senior employees held options over 216,748 equity shares of ₹ 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 38.

(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 ₹ 10 each fully paid up into 5 equity shares of face value of ₹ 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.

Notes to the Consolidated Financial Statements

14(b) Other equity (excluding non-controlling interest)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
	Securities premium	415.13	391.22
	General reserve	39.97	39.97
	Capital Reserve	13.38	13.38
	Retained earnings	1,197.41	877.57
	Share option outstanding account	3.79	9.14
	Total	**1,669.68**	**1,331.28**
(1)	**Securities premium**		
	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	**415.13**	**391.22**
(2)	**Debenture redemption reserve**		
	Balance at the beginning of the year	-	80.00
	Add: Transferred to retained earnings	-	(80.00)
	Balance at the end of the year	**-**	**-**
(3)	**General reserve**		
	Balance at the beginning of the year	39.97	28.87
	Add: Transferred from items of other comprehensive income	-	11.10
	Balance at the end of the year	39.97	39.97
(4)	**Capital reserve**		
	Balance at the beginning of the year	13.38	-
	Add: Relating to business combination (see note 45(a))	-	13.38
	Balance at the end of the year	**13.38**	**13.38**
(5)	**Retained earnings**		
	Balance at the beginning of the year	877.57	602.20
	Add : Net profits attributable to owners of the Company.	361.51	236.38
	Less : Adjustment arising from change in non-controlling interests	(41.67)	-
	Less : Dividend paid	-	33.96
	Less : Tax on dividend paid	-	7.05
	Add: Transfer from debenture redemption reserve	-	80.00
	Balance at the end of the year	**1,197.41**	**877.57**
(6)	**Share option outstanding account**		
	Balance at the beginning of the year	9.14	7.65
	Add : Addition during the year	3.28	3.68
	Less : Deletion during the year	(8.63)	(2.19)
	Balance at the end of the year	**3.79**	**9.14**
(7)	**Items of other comprehensive income**		
	Balance at the beginning of the year	-	8.90
	Add: Equity instruments through other comprehensive income	-	2.20
	Less: Transfer to general reserve	-	(11.10)
	Balance at the end of the year	**-**	**-**

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 Group. The amount that can be distributed as dividend by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus amount reported above are not distributable in entirety.

(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 38)

(vii) **Items of other comprehensive income :** It represents profits / (loss) of the Group which will not be reclassified to statement of profit or loss. In previous year, this also represented gain on fair valuation of investments in Apollo Tricoat Tubes Limited ('ATTL') which was carried at fair value through the other comprehensive income.

14(c) Non-controlling interests (NCI)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	95.42	-
Add: Non-controlling interests arising on business combination (see note 45(b))	-	82.00
Less : Adjustment for changes in ownership interests	(4.53)	(4.60)
Add: Share of profit for the year	47.54	18.03
Add: Share of other comprehensive income for the year	(0.13)	(0.01)
Balance at the end of the year	**138.30**	**95.42**

The table below shows details of non-wholly owned subsidiary of the Group that have material NCI :

Name of subsidiary	Principal place of business / place of incorporation	Percentage of ownership interests and voting rights held by NCI	Profit allocated to NCI for the year	NCI carrying value
As at March 31, 2021				
Apollo Tricoat Tubes Limited	Karnataka / New Delhi	44.18	47.54	138.30
As at March 31, 2020				
Apollo Tricoat Tubes Limited	Karnataka / New Delhi	49.14	18.03	95.42

Summarised financial information in respect of the Group subsidiary that has material NCI is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Name of subsidiary	As at March 31, 2021	As at March 31, 2020
Apollo Tricoat Tubes Limited		
Current assets	102.27	139.15
Non-current assets	354.15	315.92
Current liabilities	69.44	132.47
Non-current liabilities	82.73	123.06
Equity attributable to owners of the Company	304.26	199.55
Non-controlling interests	138.30	95.42

Notes to the Consolidated Financial Statements

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	1,472.81	620.38
Expenses	1,335.36	569.66
Profit for the year	105.01	36.70
Profit attributable to owners of the Company	57.47	18.67
Profit attributable to the non-controlling interests	47.54	18.03
Profit for the year	**105.01**	**36.70**
Other comprehensive (loss) attributable to owners of the Company	(0.17)	(0.01)
Other comprehensive (loss) attributable to the non-controlling interests	(0.13)	(0.01)
Other comprehensive (loss) for the year	**(0.30)**	**(0.02)**
Total comprehensive income attributable to owners of the Company	57.30	18.66
Total comprehensive income attributable to the non-controlling interests	47.41	18.02
Total comprehensive income for the year	**104.71**	**36.68**
Dividends paid to non-controlling interests	-	-
Net cash inflow from operating activities	114.79	63.21
Net cash (outflow) from investing activities	(49.66)	(134.10)
Net cash (outflow) / inflow from financing activities	(60.09)	75.60
Net cash inflow	**5.04**	**4.71**

15 Borrowings (Non-current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	**From banks**		
	Term Loan:		
	(i) Secured (see note (i) below)	183.44	364.32
	Vehicle Loan:		
	(i) Secured (see note (i) below)	0.03	-
(b)	**From others**		
	(i) Secured (see note (i) below)	-	40.00
	Total	**183.47**	**404.32**

Notes to the Consolidated Financial Statements

(i) Term loan from banks are secured as follows:

Particulars	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
In case of Holding Company : 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 personel gurantee 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 personel gurantee 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

Notes to the Consolidated Financial Statements

Particulars	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
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 personel gurantee 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 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 personel gurantee 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 7,233,289 (March 31, 2020 : USD 9,863,576) equivalent to ₹ 52.88 crore (March 31, 2020 : ₹ 74.35 crore).	32.81	20.07	51.56	22.79
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	-	-	29.84	15.10

Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2021 Non current borrowings	As at March 31, 2021 Current Maturities of non-current borrowings	As at March 31, 2020 Non current borrowings	As at March 31, 2020 Current Maturities of non-current borrowings
future current assets of the company. Credit facilities are further secured by personel gurantee 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 fully.				
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 personel gurantee 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	-	-
In case of Shri Lakshmi Metal Udyog Limited :				
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, Banglore and second charge on the entire present and future current assets of the Company. Credit facilities are further secured by personel 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
In case of Apollo Metalex Private Limited :				
Term Loan facilities are secured by first pari passu charge on entire present and future movable and immovable fixed assets of the Company situated at A-2, Industrial Area, Sikandarabad, UP and A-25, Industrial Area, Sikandarabad and Plot No. 22, Industrial Area, Sikandarabad. Credit facilities are further secured by second charge on the entire present and future, current assets of the Company. Credit facilities are further secured by personel guarantees of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited. The Loan outstanding as at balance sheet date is repayable in 3 quarterly instalments commencing from April 2021 and ending in October 2021 of ₹ 1.94 crores each. Applicable rate of interest as on March 31, 2021 is 7.25%. (March 31, 2020 : 8.00% - 9.00%)	-	5.82	5.83	7.78
Term Loan facilities are secured by first pari passu charge on entire present and future movable and immovable fixed assets of the Company situated at A-2, Industrial Area, Sikandarabad, UP and A-25, Industrial Area, Sikandarabad and Plot No. 22, Industrial Area, Sikandarabad. Credit facilities are further secured by second charge on the entire present and future, current assets of the Company. Credit facilities are further secured by personel guarantees of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited. (The Loan outstanding as at balance sheet date is repayable in 12 quarterly instalments commencing from June 2021 and ending in March 2024 of ₹ 125 crores each. Applicable rate of interest as on March 31, 2021 is 6.95%. (March 31, 2020 : 9.05% - 9.25%)	10.00	5.00	15.00	5.00

Notes to the Consolidated Financial Statements

Particulars	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
In case of Apollo Tricoat Tubes Limited :				
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)).	11.46	3.03	-	-
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)).	37.50	10.00	-	-
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.	0.03	0.02	-	-
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 and second charge through equitable mortgage of the Company land and building situated at Malur, Kolar, Karnataka.Term Loan facilities are further secured by way of first charge on entire present and future movable fixed assets 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 gurantees of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited. The loan outstanding was repayable in 12 uneuqual half yearly installments commencing from May 2020 and ending in May 2025. Applicable rate of interest was 9.35%. During the current financial year, loan has been fully repaid.	-	-	50.70	7.30
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 and second charge through equitable mortgage of the Company land and building situated at Malur, Kolar, Karnataka.Term Loan facilities are further secured by way of first charge on entire present and future movable fixed assets 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 gurantees of Mr. Sanjay Gupta and corporate guarantee of APL Apollo Tubes Limited. The loan outstanding was repayable in 20 quarterly installments commencing from March 2021 and ending in December 2025. Applicable rate of interest was 9.35%. During the current financial year, loan has been fully repaid.	-	-	47.50	2.50
Total	**183.47**	**78.84**	**404.32**	**106.58**

Notes to the Consolidated Financial Statements

16 Other financial liabilities (Non-current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Deferred payment (see note (i) & (ii) below)	1.00	0.72
	Total	**1.00**	**0.72**

Note :

(i) The Company has a deferred liability related to sales tax of ₹ 1.05 crore of year ending March, 2016 payable in the year ending March, 2026. Using prevailing market interest rates for an equivalent loan of 10.00% in the year of grant, the fair value of loan is estimated at ₹ 0.78 crore as on March 31, 2021. The difference of ₹ 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 19 and 23)

(ii) In Apollo Metalex Private Limited, the Company has a received a interest free loan from UPFC (Utter Pradesh Financial Corporation) of ₹ 0.33 crore repayable in Financial year 2026-2027. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is estimated at ₹ 0.22 crore. The difference of ₹ 0.11 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income (see note 19 and 23).

17 Provisions (Non-current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Provision for compensated absences	5.38	4.65
(b)	Provision for gratuity (see note 37)	11.06	11.51
	Total	**16.44**	**16.16**

18 Deferred Tax Liabilities (net)

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

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	**Deferred Tax Liabilities on account of**		
	- Property, plant and equipments and other intangible assets	111.65	101.55
	- Right of use assets	1.77	1.77
	- Financial Assets (carried at fair value through profit & loss)	0.51	0.51
	- Arising on business combination (see note 45(a))	3.15	3.58
	- Others	0.57	0.07
	- Financial Assets (Transaction cost on loans)	0.14	0.16
	Total deferred tax liabilities (A)	**117.79**	**107.64**
(ii)	**Deferred Tax Assets on account of**		
	- Provision for expected credit loss allowance	1.65	1.95
	- Provision for employee benefit expenses	4.98	4.44
	- Others	-	0.09
	Total deferred tax assets (B)	**6.63**	**6.48**
	Disclosed as Deferred Tax Liabilities (Net - A-B)	**111.16**	**101.16**

Notes to the Consolidated Financial Statements

(b) Movement in deferred tax liabilities / asset

(₹ in crore)

Particulars	As at April 1, 2019	Acquired on business combination (see note 45(b))	(Profit) / Loss Recognised in profit or loss	(Profit) / Loss Recognised in other comprehensive income	Transfer to Capital Reserve (see note 45(a))	MAT credit written off during the year in profit & loss	As at March 31, 2020
Deferred Tax Liabilities (A)							
Property, plant and equipments and other intangible assets	125.34	2.32	(26.11)	-	-	-	101.55
Right of use assets	-	1.77	-	-	-	-	1.77
Financial Assets (carried at fair value through profit & loss)	0.51	-	-	-	-	-	0.51
Arising on business combination (see note 45(a))	-	-	-	-	3.58	-	3.58
Others	0.07	-		-	-	-	0.07
Fair Valuation of transaction cost	0.23	-	(0.07)	-	-	-	0.16
Total	**126.15**	**4.09**	**(26.18)**	**-**	**3.58**	**-**	**107.64**
Deferred Tax Assets (B)							
Provision for employee benefit expenses	3.76	-	0.15	0.53	-	-	4.44
Provision for expected credit loss allowance	2.00	-	(0.05)	-	-	-	1.95
Minimum alternate tax credit	0.02	0.64	(0.02)	-	-	(0.64)	(0.02)
Others	0.40	-	(0.31)	-	-	-	0.09
Total	**6.18**	**0.64**	**(0.23)**	**0.53**	**-**	**(0.64)**	**6.46**
Deferred tax liabilities (Net - A-B)	**119.97**	**3.45**	**(25.95)**	**(0.53)**	**3.58**	**0.64**	**101.16**

Movement in deferred tax liabilities / asset

₹ in crore)

Particulars	As at April 1, 2020	(Profit) / Loss Recognised in profit or loss	Deferred tax expense of earlier year	(Profit) / Loss Recognised in other comprehensive income	As at March 31, 2021
Deferred Tax Liabilities (A)					
Property, plant and equipments and other intangible assets	101.55	9.36	0.74	-	111.65
Right of use assets	1.77	-	-	-	1.77
Financial Assets (carried at fair value through profit & loss)	0.51	-	-	-	0.51
Arising on business combination (see note 45(a))	3.58	(0.43)	-	-	3.15
Others	0.07	0.50	-	-	0.57
Fair Valuation of transaction cost	0.16	(0.02)	-	-	0.14
Total	**107.64**	**9.41**	**0.74**	**-**	**117.79**
Deferred Tax Assets (B)					
Provision for employee benefit expenses	4.44	0.96	-	(0.42)	4.98
Provision for expected credit loss allowance	1.95	(0.30)	-	-	1.65
Others	0.09	(0.09)	-	-	-
	6.48	**0.57**	**-**	**(0.42)**	**6.63**
Deferred tax liabilities (Net - A-B)	**101.16**	**8.84**	**0.74**	**0.42**	**111.16**

19 Other Non-current liabilities (₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Deferred income - government grant for		
	- Purchase of equipment (see note (i) below)	75.23	66.92
	- Interest free loan (see note (ii) below)	0.11	-
	- deferred liability related to sales tax (see note (iii) below)	0.20	0.32
	Total	**75.54**	**67.24**

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 36(b)(2)).

(ii) A subsidiary company has received a interest free loan of ₹ 0.33 crore from UPFC repayable in Financial year 2026-2027. Using prevailing market interest rates for an equivalent loan of 7.50% in the year of grant, the fair value of loan is estimated at ₹ 0.22 crore. The difference of ₹ 0.11 crore between the gross proceeds and the fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income.

(iii) The Company has a deferred liability related to sales tax of ₹ 1.05 crore of year ending March, 2016 payable in the year ending March, 2026. Using prevailing market interest rates for an equivalent loan of 10.00% in the year of grant, the fair value of loan is estimated at ₹ 0.78 crore as on March 31, 2021. The difference of ₹ 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.

20 Borrowings (Current) (₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Loan repayable on demand		
	- From banks (Secured)		
	(i) Working capital facilities (see note (i) below)	258.02	322.85
	Total	**258.02**	**322.85**

Nature of security:

(i) In case of holding Company

Working capital facilities from banks are secured by first pari passu charge on entire present and future current assets and second charge on present and future movable fixed assets of the Company situated at Plot No. A-19 and A-20, Sikandarabad Industrial Area, Distt. 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.

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 personel guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta.

In case of Apollo Metalex Private Limited

Working capital facilities from banks are secured by first pari passu charge on entire present and future current assets and second pari passu charge on entire present and future movable and immovable property, plant and equipment of the Company situated at A-2, Industrial Area, Sikandarabad, UP and A-25, Industrial Area, Sikandarabad, UP. Credit facilities are further secured by personal guarantees of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited (the Holding Company).

Notes to the Consolidated Financial Statements

In case of Shri Lakshmi Metal Limited

Working capital facilities from banks 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, Banglore. Credit facilities are further secured by personel guarantee of the Mr. Sanjay Gupta and Mr. Vinay Gupta and corporate guarantee of APL Apollo Tubes Limited (the Holding Company).

In case of Apollo Tricoat Tubes Limited

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.).

21 Trade payables (Current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Total outstanding dues of micro and small enterprises	5.70	1.08
(b)	Total outstanding dues other than micro and small enterprises	780.15	763.33
	Total	**785.85**	**764.41**

The amount due to Micro and small enterprises as defined in "The Micro, Small and Medium Enterprises Development act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) The principal amount remaining unpaid to supplier as at the end of the year	5.70	1.08
(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	-	-

22 Other financial liabilities (Current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Security deposit	1.00	0.94
(b)	Current maturities of non-current borrowings (see note 15)	78.84	106.58
(c)	Payable on purchase of property, plant and equipment	6.96	2.97
(d)	Retention money payable	2.37	0.94
(e)	Unclaimed dividends	0.51	0.54
(f)	Interest accrued but not due on borrowings	1.19	2.44
	Total	**90.87**	**114.41**

Notes to the Consolidated Financial Statements

23 Other current liabilities

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Statutory remittances	18.64	6.27
(b)	Advance from customers	11.67	7.04
(c)	Deferred income (see note 19)		
	- Purchase of equipment	4.47	3.88
	- deferred liability related to sales tax	0.07	0.07
	Total	**34.85**	**17.25**

24 Provisions (Current)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Provision for compensated absences	0.52	0.64
(b)	Provision for gratuity (see note 37)	0.71	0.49
	Total	**1.23**	**1.13**

25 Current tax liabilities (net)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Provision for tax (net of advance tax ₹ 175.41 crore, March 31, 2020 : ₹ 58.24 crore)	7.42	4.11
	Total	**7.42**	**4.11**

26 Revenue from operations

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a)	Sale of products (see note (i) below)	8,214.88	7,426.52
(b)	Other operating revenue (see note (ii) below)	284.87	296.71
	Total	**8,499.75**	**7,723.23**

Notes :

(i) Reconciliation of revenue recognised with contract price :

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price	8,455.87	7,679.73
Adjustments for:		
Discount & incentives	(240.99)	(253.21)
Revenue from operations	**8,214.88**	**7,426.52**

(ii) Other operating revenue comprises :

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of scrap	278.69	284.65
Export incentives	6.16	11.94
Job work	0.02	0.12
	284.87	**296.71**

Notes to the Consolidated Financial Statements

27 Other income

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a)	Interest income on fixed deposit	19.34	0.93
(b)	Interest income on others	1.37	1.56
(c)	Profit on sale of property, plant and equipment (net)	-	0.22
(d)	Profit on sale of assets held for sale	-	1.46
(e)	Gain on foreign currency transactions (net)	1.87	3.85
(f)	Provision written back for expected credit loss	1.27	-
(g)	Profit on Derivatives measured at fair value through profit & loss account	1.08	0.89
(h)	Miscellaneous income (see note below)	11.01	13.27
	Total	**35.94**	**22.18**

Notes :

Miscellaneous income includes (a) unwinding of deferred income of ₹ 4.03 crores (March 31, 2020 : ₹ 3.60 crores), (b) Subvention interest income on export packing credit facilities of ₹ 5.89 crores (March 31, 2020 : ₹ 5.90 crores) and (c) other miscellaneous income of ₹ 1.09 crores (March 31, 2020 : ₹ 3.77 crores).

28 Cost of materials consumed

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories of raw material as at the beginning of the year	247.94	398.58
Add: Stock of raw material acquired on business combination (see note 45(b))	-	23.48
Add: Purchases during the year	7,075.13	6,421.27
Less: Inventories of raw material as at the end of the year	163.48	247.94
Total	**7,159.59**	**6,595.39**

29 Change in inventories

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Inventories at the end of the year:		
(a)	Finished goods	371.80	361.44
(b)	Stock in trade	4.17	
(c)	Work in progress	172.62	134.17
(d)	Rejection and scrap	19.00	9.66
		567.59	**505.27**
	Inventories at the beginning of the year:		
(a)	Finished goods	361.44	343.05
(b)	Work in progress	134.17	13.01
(c)	Rejection and scrap	9.66	9.20
		505.27	**365.26**
	Inventories acquired on business combination (see note 45(b))		
(a)	Finished goods	-	4.27
(b)	Rejection and scrap	-	0.07
		-	**4.34**
	Total	**(62.32)**	**(135.67)**

Notes to the Consolidated Financial Statements

30 Employee benefits expense

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a)	Salaries and wages	116.35	128.14
(b)	Contribution to provident fund (see note 37)	4.97	4.68
(c)	Gratuity expense (see note 37)	2.77	2.73
(d)	Share-based payments to employees (see note 38)	3.28	3.68
(e)	Staff welfare expenses	2.26	2.97
	Total	**129.63**	**142.19**

During the year, the Company recognised an amount of ₹ 9.07 crore (Year ended March 31, 2020 ₹ 10.83 crore) as remuneration to key managerial personnel. The details of such remuneration is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Short term employee benefits	8.77	10.30
(ii) Post employment benefits (Gratuity expense)	0.16	0.36
(iii) Other long term employee benefits (Leave encashment expense)	0.14	0.17
	9.07	**10.83**

31 Finance costs

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a)	Interest expense :		
	(i) working capital facilities	27.00	52.00
	(ii) term loan	30.04	32.87
	(iii) vehicle loan	0.01	0.01
	(iv) debentures	-	16.05
	(v) on account of leases	0.06	0.03
	(vi) delayed payment of income tax	1.85	0.23
		58.96	101.19
(b)	Other borrowing cost	7.13	6.08
	Total	**66.09**	**107.27**

32 Depreciation and amortisation expense

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a)	Depreciation on property, plant and equipment (see note 2(a))	99.33	92.93
(b)	Amortisation on right of use assets (see note 2(c))	2.12	1.88
(c)	Amortisation on intangible assets (see note 2(e))	1.21	1.05
(d)	Depreciation on capital work in progress	0.11	0.05
	Total	**102.77**	**95.91**

Notes to the Consolidated Financial Statements

33 Other expenses

(₹ in crore)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a)	Freight outward	268.66	250.38
(b)	Power and fuel	102.70	103.84
(c)	Consumption of stores and spare parts	81.45	73.79
(d)	Advertisement and sales promotion	23.47	49.71
(e)	Rent expense	4.50	4.88
(f)	Travelling and conveyance	3.11	7.58
(g)	Legal and professional charges (see note (i) below)	5.87	8.12
(h)	Job work charges	0.11	0.64
(i)	Repair and maintenance:		
	(i) Building	0.37	0.43
	(ii) Plant and machinery	6.15	5.58
	(iii) Others	2.46	1.53
(j)	Rates and taxes	2.81	4.38
(k)	Security services	2.96	2.56
(l)	Allowance for expected credit loss	-	2.36
(m)	Allowance for doubtful advances	0.56	-
(n)	Allowance for doubtful claims receivable	0.27	-
(o)	Allowance for doubtful payment under protest	0.13	-
(p)	Bad debts written off	-	0.02
(q)	Loss on sale of property, plant and equipment (net)	0.04	0.19
(r)	Corporate social responsibility (see note 34)	5.33	0.13
(s)	Insurance	1.94	1.36
(t)	Provision for slow moving inventory of stores and spares	1.02	0.24
(u)	Miscellaneous expenses	12.70	9.69
	Total	**526.61**	**527.41**
	Note :-		
(i)	Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows :		
	(a) To statutory auditors		
	For audit (including quarterly limited reviews)	1.20	1.47
	For taxation matters	-	0.01
	For other services	0.02	0.16
	Reimbursement of expenses	0.01	0.10
	Total	**1.23**	**1.74**
	(b) To cost auditors for cost audit	0.04	0.04
	Total	**0.04**	**0.04**

34 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:

Notes to the Consolidated Financial Statements

(₹ in crore)

	Particulars	Year ended March 31, 2021
a)	Amount required to be spent as per section 135 of Companies Act, 2013	5.33

	Particulars	In Cash	Yet to be paid in 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	2.75	2.58	5.33
		2.75	**2.58**	**5.33**

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 ("the rules"), the group has subsequent to balance sheet date has deposited amount of ₹ 1.58 crore to a separate bank account.

(₹ in crore)

	Particulars	Year ended March 31, 2020
a)	Amount required to be spent as per section 135 of Companies Act, 2013	5.02

	Particulars	In Cash	Yet to be paid in 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
		0.13	**-**	**0.13**

35 Earnings per Equity share

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

(₹ in crore, unless otherwise stated)

Particulars	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	360.16	237.97
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 14(a)(5))	2	2
(a) Basic earnings per share in ₹	28.91	19.43
(b) Diluted earnings per share in ₹	28.81	19.26

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 14(a)(5).

Notes to the Consolidated Financial Statements

36 Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	**Contingent liabilities (for pending litigations)**		
(1)	Disputed claims/levies in respect of sales tax:		
	- Reversal of input tax credit	8.00	8.07
	- Classification of goods	0.36	0.36
	- Provisional Assessment	2.40	2.40
		10.76	**10.83**
(2)	**Disputed claims/levies in respect of excise duty:**		
	- Availability of input credit	10.28	10.28
	- Excise demand on excess / shortages	6.72	6.72
		17.00	**17.00**
(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	5.68	2.35
(5)	Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952 (see note (ii) below)	-	-
	Total	**34.38**	**31.12**

(i) During the year, the Group has discounted the sales bill from the banks for ₹ Nil (March 31, 2020 ₹ 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 Group if any, can not be ascertained.

(iii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially effect on its consolidated financial statements.

(b) Commitments

(1) Estimated amount of contracts remaining to be executed on capital account and not provided for

(i) Property, plant and equipments	424.26	196.19

(2) The Group has obtained EPCG (Export Promotion Capital Goods Scheme) licenses for importing the capital goods without payment of basic custom duty against submission of bonds.

The export obligation is to be fulfilled within a period of 6 years from the date of issuance of license. Under this scheme the Group has to achieve FOB value of exports which will be 6 times of duty saved. Accordingly the Group is required to export of FOB value of ₹ 267.47 crore (March 31, 2020 ₹ 298.50 crore) against which the Group has saved a duty of ₹ 44.58 crore (March 31, 2020 ₹ 49.85 crore).

(3) The Group has entered in Power Supply Agreement with a Vendor. As per agreement, the Group is required to draw an 'Annual Contracted Quantity' of 55 Lacs KWH for a period of 5 years having estimated power purchase price of ₹ 3.08 crore (March 31, 2020 : ₹ 3.08 crore).

(4) The holding 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 ₹ 70.43 crore (March 31, 2020 ₹ 90.01 crore), Shri Lakshmi Metal Udyog Limited is ₹ NIL (March 31, 2020 ₹ 67.28 crore) and Apollo Tricoat Tubes Limited is ₹ 62.03 crore (March 31, 2020 ₹ 112.56 crore).

(5) The Group has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Group does not have any other long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

37 Employee benefit obligations

(₹ in crore)

Particulars	As at March 31, 2021		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.71	11.06	11.77
Total employee benefit obligations	**0.71**	**11.06**	**11.77**

Particulars	As at March 31, 2020		
	Current	Non-current	Total
Gratuity			
Present value of obligation	0.49	11.51	12.00
Total employee benefit obligations	**0.49**	**11.51**	**12.00**

(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 ₹ 0.20 crore (Previous Year ₹ 0.20 crore). Vesting occurs upon completion of 5 years of servic.

During the year, the Company has made contribution of ₹ 1.00 crore (March 31, 2020 : ₹ 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 Group 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 Group recognised ₹ 4.97 crore (Year ended March 31, 2020 ₹ 4.68 crore) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Notes to the Consolidated Financial Statements

(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:

(₹ in crore)

Particulars	Gratuity
Opening balance as at April 1, 2019	**7.40**
Current service cost	2.15
Interest expense/(income)	0.58
Total amount recognised in profit or loss	**2.73**
Add : Acquistion on business combination (see note 45(b))	0.03
Add : Acquistion on business combination (see note below)	0.68
Remeasurements	
effect of change in financial assumptions	1.72
effect of change in demographic assumptions	0.01
effect of experience adjustments	0.41
changes in asset ceiling	(0.01)
Total amount recognised in other comprehensive income	**2.13**
Employer contributions: Benefit payments	(0.28)
Balance as at March 31, 2020	**12.69**
Balance as at March 31, 2020	**12.69**
Current service cost	1.96
Interest expense/(income)	0.86
Expected return on plan assets	**(0.05)**
Total amount recognised in profit or loss	**2.77**
Remeasurements	
effect of change in financial assumptions	(0.16)
effect of change in demographic assumptions	-
effect of experience adjustments	(1.49)
changes in asset ceiling	0.01
Total amount recognised in other comprehensive income	**(1.64)**
Employer contributions: Benefit payments	(0.66)
Balance as at March 31, 2021	**13.16**

Note :

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 45(a)). The Company has carried out acturial 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.

(d) Movement of Plan Assets

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	0.69	-
Contribution by the employer	1.00	0.68
Expected return on plan assets	0.04	-
Acturial gains / (loss)	(0.01)	0.01
Benefits paid	(0.33)	-
Closing balance	**1.39**	**0.69**

(e) Net asset / (liability) recognised in the Balance Sheet

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Present value of defined benefit obligation	13.16	12.69
Less : Fair value of plan assets	1.39	0.69
Funded status- Surplus/ (Deficit)	**(11.77)**	**(12.00)**
Unrecognised past service costs	-	-
Net liability recognised in the Balance Sheet	**(11.77)**	**(12.00)**

(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 March 31, 2021	Year ended March 31, 2020
Discount rate	7.09%	6.77%
Salary growth rate	8.00%	8.00%
Expected Return on Assets	6.77%	-
Mortality	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Attrition Rate		
18 to 30 years	3.00%	3.00%
30 to 45 years	2.00%	2.00%
Above 45 years	1.00%	1.00%

Notes :

(1) The discount rate is based on the prevailing market yield of Indian Government Securities as at Balance Sheet date for the estimated term of obligation.

(2) The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(h) The Group expects to make a contribution of ₹ 9.83 crores (March 31, 2020: ₹ 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 : (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity		
Discount rate (increase by 1%)	(1.64)	(1.56)
Salary growth rate (increase by 1%)	1.96	1.85

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity		
Discount rate (decrease by 1%)	2.00	1.89
Salary growth rate (decrease by 1%)	(1.64)	(1.56)

Notes to the Consolidated Financial Statements

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.

(k) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 16.95 to 19.77 years. (March 31, 2020 : 17.20 to 19.77 years)

The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Less than a year	0.72	0.50
Between 1 - 1 years	0.33	0.41
Between 2 - 3 years	0.58	0.48
Between 3 - 4 years	0.83	0.71
Between 4 - 5 years	1.10	0.96
Beyond 5 years	8.10	8.24
Total	**11.66**	**11.30**

38 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 ₹ 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 ₹ 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 ₹ 1,633.05 and ₹ 2,124.10 respectively per share.

(v) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 has granted 95,000 options under the ESOS to eligible employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The options granted vest over a period of 4 years from the date of the grant in equal proportion of 25% each year. Options may be exercised within 5 years. The exercise price of each option is the market price of the shares on the stock exchange with the highest trading volume, one day before the date of grant of options. The exercise price has been determined at ₹ 1,438.55 per share.

(vi) During the financial year 2019-20, the Nomination and Remuneration Committee in its meeting held on November 9, 2019 also recommended reduction in exercise price of options granted on September 9, 2017 and February 5, 2018 to reflect the fall in Company's share prices. The same was approved by shareholders of the Company on January 27, 2020 through postal ballot. The revised exercise price of each option 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 ₹ 1,438.55 per share.

(b) The following share based payment arrangements were in existence during the current and prior years:

Number of options granted (before giving effect of share split)	Grant Date	Expiry Date	Exercise Price (see note below)	Fair Value at grant date
			Amount in ₹	Amount in ₹
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 ₹ 1,633.05 and ₹ 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 ₹ 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, 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 ₹ 131.46 and ₹ 372.36 respectively which has been recognised as expense over the period from the modifcation 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.

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The incremental fair value of the options has been determined using the Black Scholes Model with the following model inputs :

Particulars	Original Grant on September 9, 2017	Original Grant on February 5, 2018
Modification date share price (before giving effect of share split)	1,438.55	1,438.55
Revised Exercise Price (before giving effect of share split)	1,438.55	1,438.55
Expected volatility	33.49%-34.96%	33.28%-33.96%
Option remaining Life	1.31-2.12	1.51-2.53
Dividend yield	0.80%	0.80%
Risk-free Interest Rate	5.45%-5.70%	5.70%-6.23%

(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:

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		(Amount in ₹)		(Amount in ₹)
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
			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
			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 14(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 ₹ 3.28 crore (net of amount cross charged to subsidiaries) (March 31, 2020 ₹ 3.68 crore).

(h) No option expired during the year.

39 Related party transaction :

(a)	Details of related parties :	Name of related parties
(i)	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)
		Mr. Ashok Kumar Gupta (Managing Director till November 11, 2019)
		Mr. Vinay Gupta (Brother of Mr. Sanjay Gupta and Managing Director of Apollo Metalex Private Limited)
		Mr. Romi Sehgal (Whole Time Director till July 1, 2018)
		Mr. Romi Sehgal (Director w.e.f July 1, 2018)
		Mr. Deepak Goyal (Chief Financial Officer)
		Mr. Adhish Swaroop (Company Secretary till September 30, 2019)
		Mr. Deepak C S (Company Secretary w.e.f January 25, 2020)
(ii)	Relative of KMP (with whom transactions have taken place during the year)	Mr. Rahul Gupta (Son of Mr. Sanjay Gupta and Managing Director of Apollo Tricoat Tubes Limited)
		Mrs. Neera Gupta (Wife of Mr. Sanjay Gupta)
		Mrs. Vandana Gupta (Wife of Mr. Vinay Gupta)
		Mrs. Saroj Rani Gupta (Mother of Mr. Sanjay Gupta)
		Mrs. Veera Gupta (Wife of Mr. Ashok Kumar Gupta)
(iii)	Enterprises significantly influenced by KMP and their relatives (with whom transactions have taken place during the year)	APL Infrastructure Private Limited
		Apollo Pipes Limited
		Apollo Tricoat Tubes Limited (till June 16, 2019)

(₹ in crore)

	Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
(b)	**Transactions during the year**				
	Sale of goods (net of discounts)				
	Apollo Pipes Limited	-	-	0.96	0.96
		(-)	(-)	(0.95)	(0.95)
	Apollo Tricoat Tubes Limited	-	-	-	-
		(-)	(-)	(24.09)	(24.09)
		-	**-**	**0.96**	**0.96**
		(-)	**(-)**	**(25.04)**	**(25.04)**
	Sale of scrap (other operating revenue)				
	Apollo Tricoat Tubes Limited	-	-		-
		(-)	(-)	(0.39)	(0.39)
	Apollo Pipes Limited	-	-	0.03	0.03
		(-)	(-)	(0.01)	(0.01)
		-	**-**	**0.03**	**0.03**
		(-)	**(-)**	**(0.40)**	**(0.40)**

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(₹ in crore)

Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Sale of property, plant and equipments				
Apollo Tricoat Tubes Limited	-	-	-	-
	(-)	(-)	(0.66)	(0.66)
	-	**-**	**-**	**-**
	(-)	**(-)**	**(0.66)**	**(0.66)**
Sale of licenses				
Apollo Pipes Limited	-	-	1.91	1.91
	(-)	(-)	(0.41)	(0.41)
	-	**-**	**1.91**	**1.91**
	(-)	**(-)**	**(0.41)**	**(0.41)**
Purchase of stores and consumables				
Apollo Pipes Limited	-	-	0.64	0.64
	(-)	(-)	(-)	(-)
	-	**-**	**0.64**	**0.64**
	(-)	**(-)**	**(-)**	**(-)**
Purchase of property, plant and equipment				
Apollo Pipes Limited	-	-	0.01	0.01
	(-)	(-)	(-)	(-)
	-	**-**	**0.01**	**0.01**
	(-)	**(-)**	**(-)**	**(-)**
Purchase of stock-in-trade (net of discounts)				
Apollo Pipes Limited	-	-	2.72	2.72
	(-)	(-)	(-)	(-)
Apollo Tricoat Tubes Limited	-	-	-	-
	(-)	(-)	(13.87)	(13.87)
	-	**-**	**2.72**	**2.72**
	(-)	**(-)**	**(13.87)**	**(13.87)**
Purchase of raw material (net of discounts)				
Apollo Tricoat Tubes Limited	-	-	-	-
	(-)	(-)	(3.27)	(3.27)
Apollo Pipes Limited	-	-	0.74	0.74
	(-)	(-)	(5.51)	(5.51)
	-	**-**	**0.74**	**0.74**
	(-)	**(-)**	**(8.78)**	**(8.78)**
Purchase of scrap				
Apollo Tricoat Tubes Limited	-	-	-	-
	(-)	(-)	(2.61)	(2.61)
	-	**-**	**-**	**-**
	(-)	**(-)**	**(2.61)**	**(2.61)**
Interest income				
Apollo Tricoat Tubes Limited	-	-	-	-
	(-)	(-)	(0.17)	(0.17)
	-	**-**	**-**	**-**
	(-)	**(-)**	**(0.17)**	**(0.17)**
Rent paid				
APL Infrastructure Private Limited	-	-	0.06	0.06
	(-)	(-)	(0.06)	(0.06)

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(₹ in crore)

Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
Apollo Pipes Limited	-	-	0.14	0.14
	(-)	(-)	(-)	(-)
Apollo Tricoat Tubes Limited	-	-		-
	(-)	(-)	(0.01)	(0.01)
Mrs. Neera Gupta	-	0.03	-	0.03
	(-)	(0.02)	(-)	(0.02)
Mrs. Saroj Rani Gupta	-	0.01	-	0.01
	(-)	(0.02)	(-)	(0.02)
Mrs. Vandana Gupta	-	0.02	-	0.02
	(-)	(0.02)	(-)	(0.02)
	-	**0.06**	**0.20**	**0.26**
	(-)	**(0.06)**	**(0.07)**	**(0.13)**
Salary				
Mr. Sanjay Gupta	3.50	-	-	3.50
	(3.50)	(-)	(-)	(3.50)
Mr. Ashok Kumar Gupta	-	-	-	-
	(1.53)	(-)	(-)	(1.53)
Mr. Vinay Gupta	1.80	-	-	1.80
	(1.80)	(-)	(-)	(1.80)
Mr. Rajeev Kohli	-	-	-	-
	(0.35)	(-)	(-)	(0.35)
Mr. Romi Sehgal	0.96	-	-	0.96
	(1.96)	(-)	(-)	(1.96)
Mr. Deepak Goyal	2.58	-	-	2.58
	(1.49)	(-)	(-)	(1.49)
Mr. Adhish Swaroop	-	-	-	-
	(0.12)	(-)	(-)	(0.12)
Mr. Deepak C S	0.23	-	-	0.23
	(0.08)	(-)	(-)	(0.08)
Mr. Rahul Gupta	-	1.20	-	1.20
	(-)	(1.20)	(-)	(1.20)
	9.07	**1.20**	**-**	**10.27**
	(10.83)	**(1.20)**	**(-)**	**(12.03)**
Dividend paid				
APL Infrastructure Private Limited	-	-	-	-
	(-)	(-)	(11.80)	(11.80)
Mr. Romi Sehgal	-	-	-	-
	(0.02)	(-)	(-)	(0.02)
Mr. Deepak Goyal	-	-	-	-
	(0.01)	(-)	(-)	(0.01)
Mrs. Veera Gupta	-	-	-	-
	(-)	(0.83)	(-)	(0.83)
	-	**-**	**-**	**-**
	(0.03)	**(0.83)**	**(11.80)**	**(12.66)**
Loan repaid				
Mr. Romi Sehgal	-	-	-	-
	(0.14)	(-)	(-)	(0.14)
	-	**-**	**-**	**-**
	(0.14)	**(-)**	**(-)**	**(0.14)**

Notes to the Consolidated Financial Statements

(₹ in crore)

	Particulars	Key Management Personnel (KMP)	Relatives of KMP	Enterprises significantly influenced by KMP and their relatives	Total
(c)	**Balances outstanding at the end of the year**				
	Trade receivables				
	Apollo Pipes Limited	-	-	-	-
		(-)	(-)	(0.33)	(0.33)
		-	**-**	**-**	**-**
		(-)	**(-)**	**(0.33)**	**(0.33)**
	Security deposits given				
	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)**
	Loans to employees				
	Mr. Romi Sehgal	-	-	-	-
		(0.11)	(-)	(-)	(0.11)
		-	**-**	**-**	**-**
		(0.11)	**(-)**	**(-)**	**(0.11)**
	Trade payables				
	APL Infrastructure Private Limited	-	-	-	-
		(-)	(-)	(-)	-
	Apollo Pipes Limited	-	-	0.13	0.13
		(-)	(-)	(0.05)	(0.05)
	Mr. Sanjay Gupta	0.19	-	-	0.19
		(0.19)	(-)	(-)	(0.19)
	Mr. Deepak Goyal (net of advances recoverable)	0.01	-	-	0.01
		(0.02)	(-)	(-)	(0.02)
	Mr. Deepak C S (net of advances recoverable)	0.01	-	-	0.01
		(0.01)	(-)	(-)	(0.01)
		0.21	**-**	**0.13**	**0.34**
		(0.22)	**(-)**	**(0.05)**	**(0.27)**

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 Group are also secured by personal guarantee of directors of the Company, Mr. Sanjay Gupta and Mr. Vinay Gupta.

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40 Income tax expense

The reconciliation of estimated income tax to income tax expense is as below :-

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax as per consolidated statement of profit and loss	545.79	296.34
Income tax expenses calculated as per tax rates of Income tax act of 25.168% (March 31, 2020 : 25.168%)	137.37	74.58
(i) Items not deductible	0.19	0.73
(ii) Reversal of deferred tax liabilities as at March 31, 2019 (see note below)	-	(33.68)
Total (A)	**137.56**	**41.63**
Tax related to previous years		
(i) Income tax expense of earlier year	(0.21)	(1.29)
(ii) Deferred tax expense of earlier year (see note 18)	0.74	-
Total (B)	**0.53**	**(1.29)**
Tax expense as reported (A+B)	**138.09**	**40.34**

Note :

The Group has 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 ₹ 33.68 crores on account of remeasurement of deferred tax liability as at March 31, 2019.

41 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.

(₹ in crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets - Non Current						
Investments						
- in equity instruments	0.10	1.38	0.01	0.15	1.37	-
Security deposit	-	-	26.44	-	-	22.64
In margin money with maturity more than 12 months	-	-	0.38	-	-	0.33
Claim receivable (net of provision)	-	-	0.10	-	-	2.36
Financial assets - Current						
Loans to employees & directors	-	-	1.29	-	-	1.29
Claim receivable	-	-	-	-	-	1.23
Trade receivables	-	-	130.59	-	-	476.36
Cash and cash equivalents	-	-	16.12	-	-	44.39
Bank balances other than cash and cash equivalents	-	-	341.81	-	-	1.22
Export incentives	-	-	-	-	-	0.44
Derivative assets	1.97	-	-	0.89	-	-
Others	-	-	1.17	-	-	0.16
Total financial assets	**2.07**	**1.38**	**517.91**	**1.04**	**1.37**	**550.42**
Financial liabilities - Non current						
Borrowings	-	-	183.47	-	-	404.32
Deferred payment	-	-	1.00	-	-	0.72

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(₹ in crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Lease liabilities	-	-	-	-	-	0.12
Financial liabilities - current						
Borrowings	-	-	336.86	-	-	429.43
Security Deposits	-	-	1.00	-	-	0.94
Unclaimed dividends	-	-	0.51	-	-	0.54
Interest accrued but not due on borrowings	-	-	1.19	-	-	2.44
Lease liabilities	-	-	0.14	-	-	0.58
Trade payables	**-**	**-**	**795.18**	**-**	**-**	**768.32**
Total financial liabilities	**-**	**-**	**1,319.35**	**-**	**-**	**1,607.41**

(a) Financial assets and liabilities measured at fair value - recurring fair value measurements :

(₹ in crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Level 1	Level 2	Level 1	Level 2
Financial Assets				
- Assets for foreign currency forward contracts	-	1.97	-	0.89
- 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	-
Total financial assets	**0.10**	**1.97**	**0.15**	**0.89**

Fair value of forward contracts determined by reference to quote from financial institution.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

(c) Assets and liabilities which are measured at amortised cost for which fair values are disclosed

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

(d) Valuation inputs and relationships to fair value- Assets classified as held for sale (Level 3)

(₹ in crore)

Particulars	Fair Value as at March 31, 2021	Fair Value as at March 31, 2020
Assets classified as held for sale	-	2.20

(i) The fair value was derived using the market comparable approach based on recent market prices carried out by an independent valuer without any significant adjustments being made to the market observable data.

(ii) There were no significant inter-relationships between unobservable inputs that materially affect fair values.

42 Financial risk management objectives

The Group's activities expose it to market risk including foreign currency risk and interest rate risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

The Group's risk management is carried out by a treasury department under policies approved by the Board of Directors, Group Treasury Department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as hedging of foreign currency transactions foreign exchange risk.

(a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements can not be normally predicted with reasonable accuracy.

(i) Foreign currency risk

The Group's functional currency in Indian ₹ (INR). The Group undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw material. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in the increase in the Group's overall debt positions in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivable in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Group hedges its payable as when the exposure arises.

Details of derivative instruments and unhedged foreign currency exposure :-

(1) The position of foreign currency exposure to the Company as at the end of the year are as follows :-

(₹ in crore)

(a)	Option Outstanding	Buy/Sell	As at March 31, 2021	As at March 31, 2020
	In USD	Buy	72,33,289	98,63,576
	Equivalent amount in ₹ in crore		52.88	74.62
	In USD	Sell	72,33,289	98,63,576
	Equivalent amount in ₹ in crore		52.88	74.62

(b)	Forward contract outstanding	Buy/Sell	As at March 31, 2021	As at March 31, 2020
	In USD	Sell	1,02,48,782	1,50,00,000
	Equivalent amount in ₹ in crore	Sell	74.93	113.35

Notes to the Consolidated Financial Statements

(2) 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, 2021	As at March 31, 2020
Receivables:		
USD	5,39,901	23,69,944
Equivalent amount in ₹ in crore	3.95	17.87
EURO	64,701	75,978
Equivalent amount in ₹ in crore	0.56	0.63
Payables:		
USD	2,74,000	39,646.00
Equivalent amount in ₹ in crore	2.00	0.30
EURO	-	37,802.99
Equivalent amount in ₹ in crore	-	0.31
Advance paid to vendors:		
USD	42,08,033	44,40,591
Equivalent amount in ₹ in crore	30.82	32.88
EURO	3,70,203	3,16,536
Equivalent amount in ₹ in crore	3.18	2.56
Advance Received from Customers:		
USD	29,33,629	3,48,019
Equivalent amount in ₹ in crore	21.45	2.62
EURO	-	6,277
Equivalent amount in ₹ in crore	-	0.05

Sensitivity

If INR is depreciated or appreciated by 2.5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss (after tax) of the Group are given below:

(₹ in crore)

Particulars	Impact on profit after tax	
	Year ended March 31, 2021	Year ended March 31, 2020
EURO sensitivity		
INR/EURO Increases by 2.5% (March 31, 2019 - 2.5%)	(0.01)	(0.01)
INR/EURO Decreases by 2.5% (March 31, 2019 - 2.5%)	0.01	0.01
USD sensitivity		
INR/USD Increases by 2.5% (March 31, 2019 - 2.5%)	(0.04)	(0.33)
INR/USD Decreases by 2.5% (March 31, 2019 - 2.5%)	0.04	0.33

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	467.40	759.40
Fixed rate borrowings	52.93	74.35
Total borrowings	**520.33**	**833.75**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	Balance (₹ in crore)	% of total loans
As at March 31, 2021		
Bank overdrafts, bank loans, Cash Credit	467.40	90%
As at March 31, 2020		
Bank overdrafts, bank loans, Cash Credit	759.40	91%

Sensitivity

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in crore)

Particulars	Impact on profit after tax	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest rates – increase by 50 basis points (50 bps)	(1.75)	(2.84)
Interest rates – decrease by 50 basis points (50 bps)	1.75	2.84

(b) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Group..

Group's trade receivables are generally categories into following categories:

1. Export customers
2. Institutional customers
3. Dealers

In case of export sales, in order to mitigate credit risk, generally sales are made on advance payment terms. Where export sales are not made on advance payment terms, the same are secured through letter of credit or bank guarantee, etc.

In case of sale to institutional customers certain credit period is allowed. In order to mitigate credit risk, majority of the sales are secured by letter of credit, bank guarantee, post dated cheques, etc.

In case of sale to dealers certain credit period is allowed. In order to mitigate credit risk, majority of the sales made to dealers are secured by way of post dated cheques (PDC).

Further, Group has an ongoing credit evaluation process in respect of customers who are allowed credit period.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Notes to the Consolidated Financial Statements

Reconciliation of expected credit loss allowance – Trade receivables

(₹ in crore)

Opening balance as at April 1, 2019	5.31
Charge in statement of profit and loss	2.38
Utilised during the year	(0.02)
Allowance for expected credit loss on March 31, 2020	**7.67**
Charge / (Provision written back) in statement of profit and loss	(1.27)
Utilised during the year	-
Allowance for expected credit loss on March 31, 2021	**6.40**

In current year ended March 31, 2021, revenues arising from direct sales of goods as disclosed in note 26(a) does not include revenue from any customer who contributed more than 10% to the Group's revenue.

In previous year ended March 31, 2020, revenues arising from direct sales of goods as disclosed in note 26(a) includes revenue of approximately ₹ 1090.81 crore from customer who contributed more than 10% to the Group's revenue.

(c) Liquidity risk

The Group has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows :

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Floating rate borrowings	1,256.98	892.15
Nature of facility	Working Capital	Working Capital

(ii) Maturities of financial liabilities

The table below analyses the Group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities :-

(₹ in crore)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2021				
Borrowings (Interest bearing)	336.86	183.47	-	520.33
Interest accrued but not due on borrowings	1.19	-	-	1.19
Trade payables	795.18	-	-	795.18
Security Deposits	1.00	-	-	1.00
Lease liabilities	0.14	-		0.14
Deferred payment (Interest bearing)	-	0.78	0.22	1.00
Unclaimed dividends	0.51	-	-	0.51
Total non-derivative liabilities	**1,134.88**	**184.25**	**0.22**	**1,319.35**

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2020				
Borrowings (Interest bearing)	429.43	404.32	-	833.75
Interest accrued but not due on borrowings	2.44	-	-	2.44
Trade payables	768.32	-	-	768.32
Security Deposits	0.94	-	-	0.94
Lease liabilities (Interest bearing)	0.58	0.12		0.70
Deferred payment (Interest bearing)	-	-	0.72	0.72
Unclaimed dividends	0.54	-	-	0.54
Total non-derivative liabilities	**1,202.25**	**404.44**	**0.72**	**1,607.41**

43 Reconciliation of liabilities arising from financing activities

(₹ in crore)

Particulars	Opening balance as at April 1, 2019	Acquisition on business combination (see note 45(b))	Net Cash flows	Non-cash changes-foreign exchange movement	As at March 31, 2020
Non-current borrowings	174.52	56.05	178.61	(4.86)	404.32
Current borrowings	535.59	14.50	(228.57)	1.33	322.85
Current maturities of non-current borrowings	148.02	4.04	(45.48)	-	106.58
Total liabilities from financing activities	**858.13**	**74.59**	**(95.44)**	**(3.53)**	**833.75**

(₹ 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	404.32	(218.55)	(2.30)	183.47
Current borrowings	322.85	(64.83)	-	258.02
Current maturities of non-current borrowings	106.58	(27.74)	-	78.84
Total liabilities from financing activities	**833.75**	**(311.12)**	**(2.30)**	**520.33**

44 Capital management

(a) Risk management

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Notes to the Consolidated Financial Statements

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current borrowings	183.47	404.32
Current maturities of non current borrowings	78.84	106.58
Current borrowings	258.02	322.85
Less: Cash and cash equivalents	(16.12)	(44.39)
Less: Bank balances other than cash and cash equivalents	(341.81)	(1.22)
Total Debts (net)	**162.40**	**788.14**
Total equity	**1,694.66**	**1,356.15**
Gearing Ratio	**0.10**	**0.58**

Equity includes all capital and reserves of the Group that are managed as capital.

45 Acquisition of business & subsidiary

a. During the previous year ended March 31, 2020, the Holding 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 :-

Fair value of identifiable assets acquired as on date of acquisition is as below :

(₹ in crore)

Particulars	Fair value as on acquisition date
Property, plant and equipment	83.36
Capital work-in-progress	3.60
Fair Value of identifiable net assets (A)	**86.96**
Consideration paid (B)	70.00
Capital Reserve (C=A-B)	16.96
Less : Deferred tax liability recognised on fair valuation gain (D)	3.58
Net Capital Reserve recognised (C-D)	**13.38**

Note :

Acquisition-related costs amounting to ₹ 2.36 crores was excluded from the consideration transferred and have been recognised as an expense in the consolidated statement of profit and loss within other expenses.

b. The Board of Directors of APL Apollo Tubes Limited ('the Company') in their meeting held on October 18, 2018 considered and approved the acquisition / investment by Shri Lakshmi Metal Udyog Limited ('SLMUL'), a wholly owned subsidiary of the Company 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').

Pursuant to the said Agreement, SLMUL made an open offer, which got completed on February 1, 2019. 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.

On 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 ('Acquisition Date').

Notes to the Consolidated Financial Statements

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition was as below :-

(₹ in crore)

Particulars	Fair value as on acquisition date
Non-current assets	
Property, plant and equipment	141.60
Capital work-in-progress	45.16
Other intangible assets	0.26
Financial assets	0.85
Other assets	59.08
	246.95
Current assets	
Inventories	
-Raw material	23.48
-Finished goods	4.27
-Stores and spares	1.49
-Rejection and scrap	0.07
Trade receivables	17.28
Cash and cash equivalents	0.29
Other financial assets	7.36
Other assets	16.03
	70.27
Total Assets (A)	**317.22**
Non-current liabilities	
Borrowings	56.05
Provisions	0.10
Deferred tax liabilities (net)	3.45
Other non-current liabilities	8.88
	68.48
Current liabilities	
Borrowings	14.50
Trade payables	39.79
Other financial liabilities	9.86
Other current liabilities	17.63
Provisions	0.00
Current tax liabilities (net)	1.09
	82.87
Total Liabilities (B)	**151.35**
Fair value of identifiable net assets (C = A-B)	**165.87**
Consideration paid	198.37
Non-controlling interests	82.00
Consideration paid including non-controlling interests (D)	**280.37**
Goodwill (D-C)	**114.50**

Note :

(i) Acquisition-related cost amounting to ₹ 0.05 crore was excluded from the consideration transferred and have been recognised as an expense in the consoldated statement of profit and loss wihtin other expenses.

46 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 under Sections 230 to 232 of the Companies Act, 2013, of Shri Lakshmi Metal Udyog

Notes to the Consolidated Financial Statements

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 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 directed.

47 Disclosure of additional information as required by Schedule III to the Companies Act, 2013 :

(a) As at March 31, 2021 and for the year ended March 31, 2021

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Rupees in crore	As % of consolidated profit or loss	Rupees in crore	As % of consolidated other comprehensive income	Rupees in crore	As % of total comprehensive income	Rupees in crore
A.	**Holding Company**								
	APL Apollo Tubes Limited	59.30%	1,448.79	37.95%	153.78	91.19%	1.11	38.11%	154.89
B.	**Wholly owned subsidiares**								
a)	**Indian**								
(1)	Shri Lakshmi Melatex Udyog Limited	8.83%	215.86	11.37%	46.05	19.72%	0.24	11.39%	46.29
(2)	Apollo Metalex Private Limited	13.63%	333.10	25.33%	102.64	13.97%	0.17	25.30%	102.81
(3)	Blue Ocean Private Limited	0.66%	16.05	-0.03%	(0.12)	0.00%	-	-0.03%	(0.12)
(4)	APL Apollo Building Products Private Limited	4.25%	103.82	-0.46%	(1.87)	0.00%	-	-0.46%	(1.87)
b)	**Foreign**								
(1)	APL Apollo Tubes FZE	0.88%	21.42	-0.08%	(0.32)	0.00%	-	-0.08%	(0.32)
C.	**Step down subsidiary**								
a)	**Indian**								
(1)	Apollo Tricoat Tubes Limited (w.e.f June 17, 2019)	12.45%	304.25	25.92%	105.01	-24.88%	(0.30)	25.77%	104.71
	Total	**100.00%**	**2,443.29**	**100.00%**	**405.17**	**100.00%**	**1.22**	**100.00%**	**406.39**
	Adjustment due to consolidation		(748.63)		2.53		-		2.53
	Consolidated Net Assets/Profit		**1,694.66**		**407.70**		**1.22**		**408.92**

Notes to the Consolidated Financial Statements

(b) As at March 31, 2020 and for the year ended March 31, 2020

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Rupees in crore	As % of consolidated profit or loss	Rupees in crore	As % of consolidated other comprehensive income	Rupees in crore	As % of total comprehensive income	Rupees in crore
A.	**Holding Company**								
	APL Apollo Tubes Limited	67.55%	1,275.24	44.45%	115.01	-190.00%	(1.14)	43.90%	113.87
B.	**Wholly owned subsidiares**								
a)	**Indian**								
(1)	Shri Lakshmi Melatex Udyog Limited	8.98%	169.57	17.48%	45.23	325.00%	1.95	18.19%	47.18
(2)	Apollo Metalex Private Limited	12.20%	230.29	24.07%	62.29	-31.67%	(0.19)	23.94%	62.10
(3)	Blue Ocean Private Limited	0.60%	11.35	-0.11%	(0.28)	0.00%	-	-0.10%	(0.28)
(4)	APL Apollo Building Products Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
b)	**Foreign**								
(1)	APL Apollo Tubes FZE	0.10%	1.85	-0.07%	(0.19)	0.00%	-	-0.07%	(0.19)
C.	**Step down subsidiary**								
a)	Indian								
(1)	Apollo Tricoat Tubes Limited (w.e.f June 17, 2019)	10.57%	199.54	14.18%	36.70	-3.33%	(0.02)	14.14%	36.68
	Total	**100.00%**	**1,887.85**	**100.00%**	**258.76**	**100.00%**	**0.60**	**100.00%**	**259.36**
	Adjustment due to consolidation		(531.70)		(2.76)		-		(2.76)
	Consolidated Net Assets/Profit		**1,356.15**		**256.00**		**0.60**		**256.60**

For and on behalf of the Board of Directors of
APL APOLLO TUBES LIMITED

SANJAY GUPTA
Chairman & Managing Director
DIN : 00233188

VINAY GUPTA
Director
DIN : 00005149

DEEPAK GOYAL
Chief Financial Officer

DEEPAK C S
Company Secretary
ICSI Membership No. : F5060

Place : Ghaziabad
Date : June 3, 2021

APL APOLLO®
STEEL PIPES
Tapasya Corporate Heights Tower A
4th Floor, Sector 126, Noida, Uttar Pradesh 201303 (India)
Phone: +91-120-4742700/701
Email: info@aplapollo.com
Website: www.aplapollo.com