



APL Apollo Tubes Limited
Information Memorandum

INFORMATION MEMORANDUM

FOR LISTING OF

20296683 EQUITY SHARES OF RS. 10 EACH FULLY PAID UP

OF

APL APOLLO TUBES LIMITED

CIN : L74899DL1986PLC023443

PAN : AAACB0960D



APL Apollo Tubes Limited

Information Memorandum

INFORMATION MEMORANDUM FOR LISTING OF 20296683 EQUITY SHARES OF RS. 10 EACH FULLY PAID UP

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of APL Apollo Tubes Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of APL Apollo Tubes Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

When making an investment decision, investors must rely on their own examination of the Company including the merits and risks involved. Each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters.

ABSOLUTE RESPONSIBILITY OF APL APOLLO TUBES LIMITED

APL Apollo Tubes Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to APL Apollo Tubes Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of APL Apollo Tubes Limited which are listed on the following Stock Exchanges

1. Delhi Stock Exchange Limited, Delhi [designated Regional Stock Exchange]
2. Calcutta Stock exchange Limited, Kolkata
3. UP Stock Exchange Limited, Kanpur and
4. Ahmedabad Stock Exchange Limited, Ahmedabad

with permission to trade at Bombay Stock Exchange Limited under BSE-Indonext Segment (Scrip Code 590059).



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GLOSSARY OF TERMS/ ABBREVIATIONS

AoA/Articles/ Articles of Association	Articles of Association of APL Apollo Tubes Limited
Auditors	The Statutory Auditors of APL Apollo Tubes Limited
Banker(s) to the Company	The Bankers of APL Apollo Tubes Limited
Board of Directors / Board/ Directors	The Board of Directors of APL Apollo Tubes Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (I) Ltd.
Companies Act	The Companies Act, 1956, as amended from time to time
DSE	Delhi Stock Exchange Limited
EPS	Earnings per Equity Share
Equity Shares	Equity Shares of the Company of Rs.10 each
Financial year/ fiscal/ FY	The twelve months ended March 31 of a particular year
Information Memorandum	This document as filed with the Stock Exchanges is known as and referred to as the Information Memorandum
I. T. Act	The Income-tax Act, 1961, as amended from time to time, except as stated otherwise
MoA / Memorandum / Memorandum of Association	The Memorandum of Association of APL Apollo Tubes Ltd
NSDL	National Securities Depository Limited
RBI	Reserve Bank of India
ROC	Registrar of Companies, NCT DELHI & HARYANA
RSE	Designated Regional Stock Exchange



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SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Guidelines for Disclosure and Investor Protection) 2000 issued by SEBI effective from January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchange	Any Stock Exchange



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I. GENERAL INFORMATION

APL Apollo Tubes Limited was originally incorporated on February 24, 1986 as Bihar Tubes Private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, NCT of Delhi and Haryana. The Company was subsequently converted into a public limited company on October 19, 1993.

The Company initially setup a plant to manufacture ERW Black Pipes with an installed capacity of 6000 MT/Annum at Sikandarabad, Distt. Bulandsahar in the state of Uttar Pradesh. The plant started operations in October 1987. After achieving full utilization of the installed capacity, the Company subsequently expended its ERW Black Pipes manufacturing capacity to 24000 MT/Annum in the year 1989. After that Galvanized Plant was commissioned in March 1994 with an installed capacity of 16000 MT/Annum. Thereafter, the Company has achieved the following milestones by adding further to its manufacturing facilities:

Year	Achievement
2002	Gallium Mill–Sizes (½” - 2½”) –Capacity (25000 MT/PA)
2003	Diversified into structural pipes
2003	Pre Galvanized Tube to substitute GI pipes for fencing & Green Houses
2004	Awarded Export House Certificate
2004	Another Gallium Mill–Sizes (1½” - 4”) –Capacity (45000 MT/PA)
2006	Another Gallium Mill–Sizes (½ - 2½”)–Speed (150 mtr/mnte) Capacity (30000MTPA)
2006	Installation of modern slitter, 2nd Galvanizing Bath, Fully Automatic Threading Machine, diversification into Structural Pipes and Pre-Galvanized Pipes. Achieved total installed Tube capacity of 125,000 MT/PA
2007	Apollo Metalex Private Limited becomes 100% subsidiary of the Company with coil galvanizing capacity of 24000 MT/PA
2007	Awarded Star Export House status
2008	Acquisition of 100% Equity of Shri Lakshmi Metal Udhog Limited, Bangalore with total installed Tube capacity of 50,000 MT/PA
2009	Commissioned Unit II at Hosur, Tamilnadu ~ a world class plant spread over 24+ acres with installed production capacity of approx 200000 MTPA
2010	Received UL, CE & SGF France certifications with other approvals. Name changed to APL Apollo Tubes Limited , acquired Lloyds Line Pipes Limited, as another 100% subsidiary
2011	Successfully completed commissioning of Hosur Plant



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- Registered Office : 37, Hargobind Enclave,
Vikas Marg, New Delhi 110092.
Phone : 011-22373437, Fax : 011-22373537
- Corporate Office : 36, Kaushambi, Behind Wave Cinema
Near Anand Vihar Terminal,
Ghaziabad – 201010 Delhi-NCR
Phone : 0120-4041400-03, Fax : 0120-4041444
- E-mail : investors@aplapollo.com
Website : www.aplapollo.com
- Registrar & 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
rta@abhipra.com
- Works : Unit – I
A-19, Industrial Area,
Sikandrabad, Distt. Bulandsahar (U.P.)
Phone: 05735-222504, 223157
- Unit –II
No. 332-338, Alur Village,
Perandapalli, Hosur, Tamil Nadu.
Phone : 04344-560550
- Subsidiaries' Plants : Apollo Metalex Private Ltd
A-2, Industrial Area, Sikandrabad,
Distt Bulandshahar (U.P.)
- Shri Lakshmi Metal Udyog Ltd
No. 9 to 11, KIADB Industrial Area
Attibele, Bengaluru – 562107
- Lloyds line Pipes Ltd
Plot No. M-1, Additional MIDC Area,
Murbad, Thane Maharashtra - 421401



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4. Ahmedabad Stock Exchange Limited, Ahmedabad

with permission to trade at Bombay Stock Exchange under BSE-Indonext Segment (Scrip Code 590059).

Now the Equity Shares of the Company i.e. APL Apollo Tubes Limited Shall, be admitted for direct listing on Bombay Stock Exchange Limited (BSE). Such admission for listing shall be subject to fulfillment by the Company of listing criteria of BSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE at the time of the application by the Company seeking listing.

Eligibility Criterion

The Company is submitting its Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their website viz. www.bseindia.com.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.



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Disclaimer Clause of BSE

As required, a copy of this Information Memorandum is being submitted to BSE.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be traded or will continue to be traded on the BSE; or take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copies of this Information Memorandum have been filed with BSE in due compliance.

Demat Credit

The Company has executed agreements with NSDL and CDSL for its securities in dematerialized form as per the following details:

Dematerialization	:	With National Securities Depository Limited. w.e.f. January 4, 2001 ISIN INE 702C01019 DNR 1 to 20296683 Vide Agreement dated 27 th Dec. 2000
	:	With Central Depository Services (India) Limited w.e.f. January 13, 2001 ISIN INE 702C01019 DNR 1 to 20296682 Vide Agreement dated 26 th Dec. 2000



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<p>Registrar and Transfer Agent</p> <p>M/s. Abhipra Capital Limited GF- Abhipra Complex, Dilkhush Industrial Area A-387, G.T. Karnal Road Azadpur, Delhi-110033 Tele. No. 011-42390725 Fax. No. 011-2721 5530 rta@abhipra.com</p>	<p>Statutory Auditors</p> <p>M/S VAPS & Co. Chartered Accountants C-42, South Ext. Part II New Delhi – 110049 Ph. 011-41645051 Fax 011-41645052 vaps@airtelmail.in</p>
<p>Bankers to the Company</p> <p>Union Bank of India HDFC Bank Limited YES Bank Limited</p>	<p>Company Secretary cum Compliance Officer</p> <p>Mr. Adhish Swaroop 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 Ph.:011-22373437 Fax : 011-22373537 comsec@aplapollo.com</p>

Investors can contact the Compliance Officer in case of any share transfer related problem.



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II. CAPITAL STRUCTURE

	Amount (Rs.)
<u>A. Authorised Capital</u> 25,000,000 Equity Shares of Rs. 10/- each	250,000,000
<u>B. Issued, Subscribed & Paid-up Capital</u> 20,296,683 Equity Shares of Rs. 10/- each fully paid up	202,966,830

EVOLUTION OF CAPITAL

Year	Mode of Issue	No. of Shares	Distinctive Nos.		Issue Price Rs.	Nos. of Allottees	Date of Allotment
1986-87	Pvt. Placement	200	0000001-	0000200	10	2	24.07.86
1987-88	Pvt. Placement	80000	0000201-	0080200	10	8	20.06.87
1988-89	Pvt. Placement	86350	0080201-	0166550	10	11	02.06.88
1989-90	Pvt. Placement	58400	0166551-	0224950	10	2	15.03.90
1991-92	Pvt. Placement	25000	0224951-	0249950	10	3	28.05.91
1992-93	Pvt. Placement	16100	0249551-	0266050	10	14	30.01.93
1992-93	Pvt. Placement	3000	0266051-	0269050	10	6	20.03.93
1993-94	Pvt. Placement	73550	0269051-	0342600	10	11	25.11.93
1994-95	Pvt. Placement	377400	0342601-	0720000	10	8	01.10.94
1994-95	Bonus	288000	0720001-	1008000	-	36	31.12.94
1995-96	Public Issue	2190000	1008000-	3198000	10+10	868	15.11.95
2007-08	Bonus Issue	3198000	3198001-	6396000	Ratio 1:1	2712	06.06.07
	Equity on Warrant Conversion	4281000	6396001-	10677000	10+130	22	23.01.08
2008-09	Pref. Allotment	1798333	10677001-	12475333	NA	9	28.04.08
	Equity on Warrant Conversion	782000	12475334-	13257333	10+130	1	28.04.08
	GDR Issue	2941200	13257334-	16198533	10+135.9	1	18.06.08
	Equity on Warrant Conversion	787000	16198534-	16985533	10+130	3	27.06.08
	GDR Issue	2941150	16985534-	19926683	10+135.9	1	17.07.08
2009-10	Equity on Warrant Conversion	370000	19926684-	20296683	10+130	1	04.04.09

besides these outstanding shares 16,41,953 Warrants, (entitling the holders for one equity share against one warrant) are stands un-converted, on full conversion of these warrants, number of outstanding equity shares shall be 21938636 and accordingly fully diluted Paid-up Capital stands Rs. 21,93,86,360/-



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LIST OF 10 TOP SHAREHOLDERS AS ON SEPTEMBER 30, 2011

S. No.	Name	No. of Shares
1.	Apl Infrastructure Pvt. Ltd.	6806487
2.	Kitara PIIN1001	3000000
3.	DSP Blackrock Micro Cap Fund	898102
4.	FIL Trustee Company Private Limited A/C Fidelity	527722
5.	Abha Bhanshali	500000
6.	Saroj Rani Gupta	426360
7.	FIL Trustee Company Private Limited A/C Fidelity	361000
8.	Apollo Pipes Limited	300000
9.	Neera Gupta	300000
10.	Consolidated Securities Limited	280000

LIST OF CHANGES IN MEMORANDUM & ARTICLES OF ASSOCIATION

S. No.	Date	Particulars
1	29.01.88	Change in Capital Clause Increase in Authorized Capital From Rs.10Lacs to Rs.20Lacs
2	22.01.90	Change in Capital Clause Increase in Authorized Capital From Rs.20Lacs to Rs.50Lacs
3	13.05.93	Change in Capital Clause Increase in Authorized Capital From Rs.50Lacs to Rs.100Lacs
4	25.08.93	1.Sub Division of Equity Shares From Rs.100 Each to Rs.10/- Each 2.Conversion in to Public Limited Company 3.Change in Name by deleting the Word Private
5	30.12.94	Change in Capital Clause Increase in Authorized Capital From Rs.100Lacs to Rs.500 Lacs
6	12.02.2007	1. Change in Capital Clause Increase in Authorized Capital From Rs.5 Crores to Rs. 10 Crores 2. Alteration of article 3 of Articles of Association of the Company for Capital.
7	14.05.2007	Change in Capital Clause Increase in Authorized Capital From Rs. 10 Crores to Rs. 16 Crores
8	11.06.2008	Change in Capital Clause Increase in Authorized Capital From Rs. 16 Crores to Rs. 25 Crores
9	30.6.2010	Name of the Company changed to APL Apollo Tubes Limited
10	30.9.2011	Alteration by way of insertion of sub clause 17 in the Objects incidental or ancillary to the attainment of the main objects



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III. SHAREHOLDING PATTERN AND HISTORY OF CAPITAL

Shareholding pattern for the Quarter ended 30.09.2011

(I) (a) Statement showing Shareholding Pattern

Category Code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					as a % of (A+B)	as a % of (A+B+C)	No. of Shares	as a % of Total
(A)	Shareholding of promoter and promoter group2							
(1)	Indian							
(a)	Individuals / HUF	6	1174813	1174813	5.788	5.788	810000	68.947
(b)	Central / State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	4	7125187	7125187	35.105	35.105	1200000	16.842
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-
(e)	Any other (specify) Person acting in concert	-	-	-	-	-	-	-
	Sub-Total (A) (1)	10	8300000	8300000	40.893	40.893	2010000	24.217
(2)	Foreign							
(a)	Individuals (Non- Resident Individuals / Foreign individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any other (specify)	-	-	-	-	-	-	-
	Sub-Total (A) (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total Shareholding of Promoter & Promoter Group (A) = (A) (1)+(A) (2)	10	8300000	8300000	40.893	40.893	2010000	24.217



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(B)	Public Shareholding³							
(1)	Institutions							
(a)	Mutual Funds/ UTI	5	1956824	1956824	9.641	9.641	-	-
(b)	Foreign Institutional Investors	2	73600	73600	0.363	0.363	-	-
	Sub-Total (B) (1)	7	2030424	2030424	10.004	10.004	-	-
(2)	Non-Institutions							
(a)	Bodies Corporate : Domestic	185	2347827	2347827	11.568	11.568	-	-
(b)	Individuals -							
	I. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	3891	1219598	1192177	6.009	6.009	-	-
	II. Individual shareholders holding nominal share capital in excess Rs. 1 Lakh.	44	2856649	2828649	14.074	14.074	-	-
(c)	Any Other (specify)							
	(i) Non-Resident Indians	53	269269	269269	1.327	1.327	-	-
	(ii) Clearing Members	17	13234	13234	0.065	0.065	-	-
	(iii) Foreign Bodies Corporate	1	3000000	3000000	14.781	14.781		
	(iv) HUFs	118	259682	259682	1.279	1.279	-	-
	Sub-Total (B) (2)	4309	9966259	9910838	49.103	49.103	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4316	11996683	11941262	59.107	59.107	-	-
	TOTAL (A)+(B)	4326	20296683	20241262	100.00	100.00	2010000	9.903
(C)	Shares held by Custodians & against which depository Receipts have been issued	0	0	0	0	0.000	-	-
	GRAND TOTAL (A)+(B)+(C)	4326	20296683	20241262	100.000	100.000	2010000	9.903

¹ For determining public shareholding for the purpose of Clause 40A.

² For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

³ For definitions of "Public Shareholding", refer to Clause 40A.



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(I) (b) Statement showing Shareholding of persons belonging to the Category "Promoter and Promoter Group"

Name of the Shareholder	Number of Shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}	Shares pledged or otherwise encumbered	
			No. of Shares	as a % of Total Shares held
APL Infrastructure Private Ltd.	6806487	33.535	1200000	17.630
Apollo Pipes Limited	300000	1.478	-	-
Saroj Rani Gupta	426360	2.101	403550	94.650
Neera Gupta	300000	1.478	-	-
Sanjay Gupta HUF	210000	1.035	210000	100.000
Sanjay Gupta	196450	0.968	196450	100.000
Vinay Gupta	21900	0.108	-	-
SMT Finance Limited	18700	0.092	-	-
Sameer Gupta	20103	0.099	-	-
	8300000	40.893	2010000	24.217

Note : 2010000 Equity Shares held by promoters (as detailed hereinabove) pledged with Bankers of the Company to secure Working Capital Facilities



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(I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the Shareholder	Number of Shares	Shares as a percentage of total number of shares {I.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
1	Kitara PIIN	3000000	14.781
2	DSP Blackrock Micro Cap Fund	898102	4.425
3	FIL Trustee Co. (P) Ltd. A/C Fidelity Tax Advantage Fund	527722	2.600
4	Abha Bhanshali	500000	2.463
5	FIL Trustee Co. Ltd. A/C Fidelity Equity Fund	361000	1.779
6	Consolidated Securities Limited	280000	1.380
7	Integrated Master Securities (P) Ltd.	279610	1.378
8	Systematix Finvest Private Limited	260000	1.281
9	Madhukar Sheth	255000	1.256
10	Vivek Chand Burman	232576	1.146
11	Neeta Hemant Ashar	222791	1.098
TOTAL		6816801	33.586

(I) (d) Statement showing details of locked-in shares

Sr. No.	Name of the Shareholder	Number of locked-in Shares	Locked-in shares as a percentage of total number of shares {I.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
-----NIL-----			

(II) (a) Statement showing details of Depository Receipts : NIL

(II)(b) Statement showing Holding of Depository Receipts, where underlying shares are in excess of 1% of the total number of shares: NIL



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IV. HISTORY

APL Apollo Tubes Limited was originally incorporated on February 24, 1986 as Bihar Tubes Private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, NCT of Delhi and Haryana. The Company was subsequently converted into a public limited company on October 19, 1993.

The Company initially setup a plant to manufacture ERW Black Pipes with an installed capacity of 6000 MT/Annum at Sikandarabad, Distt. Bulandsahar in the state of Uttar Pradesh. The plant started operations in October 1987. After achieving full utilization of the installed capacity, the Company subsequently expended its ERW Black Pipes manufacturing capacity to 24000 MT/Annum in the year 1989. After that Galvanized Plant was commissioned in March 1994 with an installed capacity of 16000 MT/Annum. Thereafter, the Company has achieved the following milestones by adding further to its manufacturing facilities:

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2011	Successfully completed commissioning of Hosur Plant



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V. BUSINESS

The Company is engaged in the business of manufacturing of ERW mild steel pipes and tubes in Black, Galvanized, Pre-Galvanized and Hollow Sections categories in various specifications, sizes, thicknesses and over the years the Company has emerged as a competitive supplier of high quality tubes for diverse applications across industries and sectors and its' products comply with Indian and International Standards. Its' brand 'APL Apollo' enjoys an outstanding reputation not only in India but in promising international markets also. 'APL Apollo' signifies our passion and commitment for innovations, superior quality, services and trust.

On Consolidated basis APL Apollo is among the top manufacturers of steel tubes, pipes and hollow sections in India. Only player having Nationwide Distribution Network supported by multi-location manufacturing facilities for ERW Black Steel Tubes, Hot-dipped and Pre-Galvanized Tubes and Hollow Sections. In last decade the we have changed product mix more towards Value Added Tubes such as Rectangular and Square Hollow Structural Sections, Infrastructure and Fencing Tubes. All these tubes are manufactured in different sizes (1/2" to 14") with varying thickness (0.8 mm to 8.0 mm). We manufacture and export a wide range of steel tubes and pipes - both ERW and Black Galvanized. The Company exports to various countries like USA, UK, Ghana, Mauritius, Srilanka, UAE, Nigeria, Guyana, North Ireland, Belgium, Trinidad, West Africa and others.

The various products of the Company can be categorised as under:

Tube variant	Size	End Use
ERW Black*	21 mm to 273 mm Outer Dia	Water, Gas & Oil, Transport and Infrastructure
Hot-dipped Galvanized Pipe*	21 mm to 219 mm Outer Dia	Mechanical & Engineering Applications
Pre Galvanized	27 mm to 114 mm Outer Dia	Fencing, Cabling, Ducting and Green Houses
Hollow Section	19X19 - 220X220 mm square 40X20 - 300X150 mm rectangular	Infrastructure, Oil & Gas, Sugar Industry

*with acquisition of LLPL, offering of ERW Black & Hot-dipped Galvanised has enhanced upto 14"

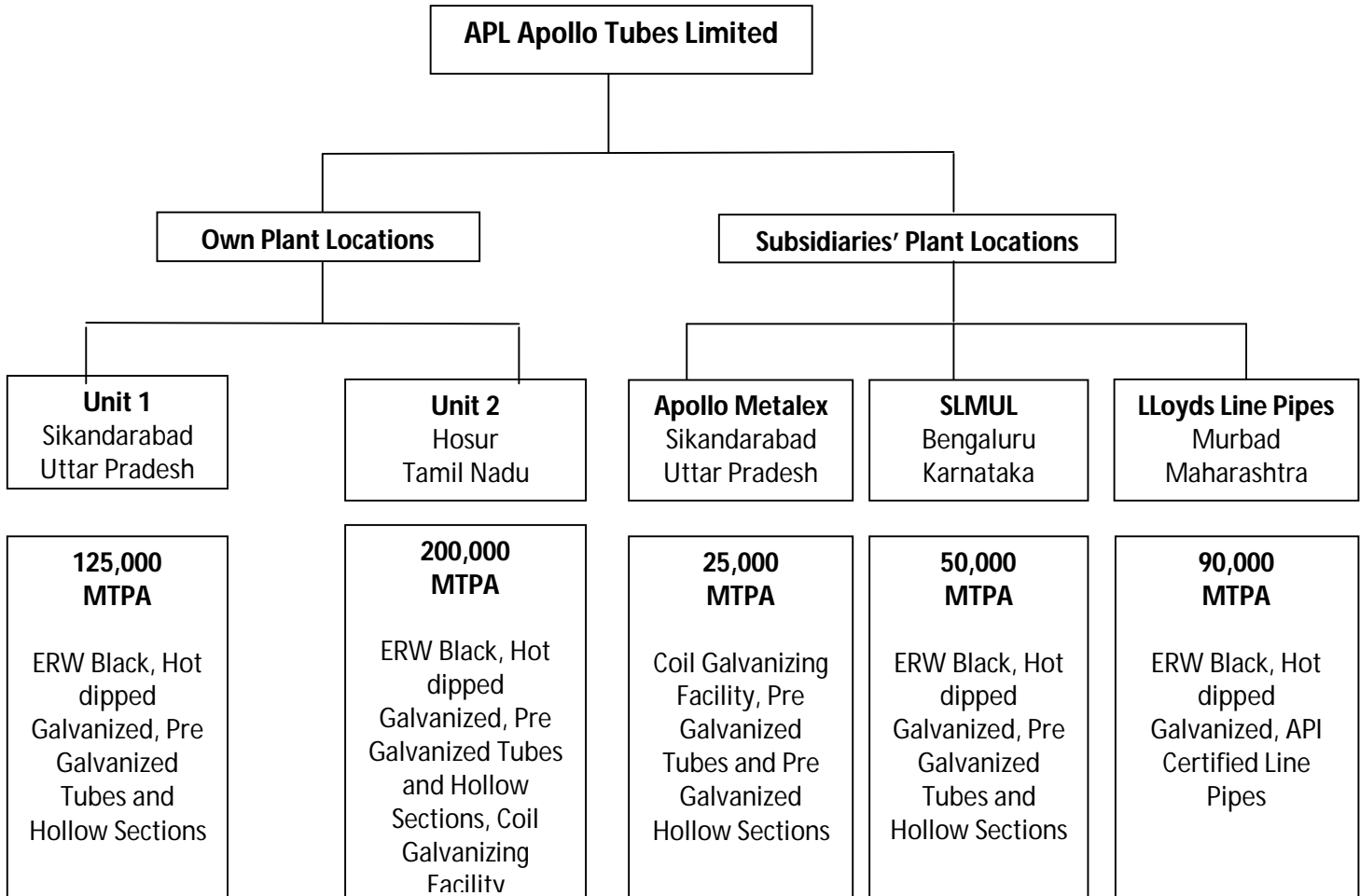
SELLING/MARKETING STRATEGIES :

APL Apollo Tubes (along with its wholly owned subsidiaries) is among the top 3 manufacturers of steel tubes, pipes and hollow sections in India and only player having Nationwide Distribution Network supported by multi-location manufacturing facilities. Have direct marketing presence in over 15 states and vast distributor-network comprising ~300 Dealers across India, supported by full-fledged branches. At present, Company's having manufacturing presence as follows :



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The Company has its own distribution network supported by its multinational manufacturing facilities and it enables us to serve emerging demand quickly and closely. Direct access to marketplace realities prepare us towards informed decision-making and providing continuous and contiguous back-office support. We are targeting Cash and carry terms of trade. The major advantages from this kind of manufacturing cum marketing network are as follows :

- Geographical reach offers advantage over competitors
- Proximity to the key raw material procurement and consumption markets
- Wider geographical reach at lower logistics cost and lead time
- Ability to fulfill orders and replenish the stocks at a much faster pace
- Proximity to the client's base ensures quicker delivery and lower risk of transit damage



APL Apollo Tubes Limited

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Traditionally, steel tubes and pipes were used mainly for water infrastructure, construction and management. In the recent years, it has evolved into a full-fledged infrastructure material with diverse applications across industries. We targets new age uses rather than its conventional uses :

TRADITIONAL USES	NEW AGE USES	
Irrigation & Plumbing	Bus Body Structures (Low Floor Buses)	Walkways, Footway Bridges
Water Infrastructure Systems Buildings & High-rises	Telecommunication Towers Oil, Gas and Sewage Transportation	Hotels, Malls Green Houses
Fencings	Wind Mills, Pre-fabricated Structures	Metro Rails, Bus Terminals
Engineering Applications	Fire Fighting Systems	Ports, Bridges, Airports etc

Proximity of our units to key markets coupled with our initiatives to expand distribution network would result in lower inventory cycle and higher market share.

BRAND

The Company's product enjoys good brand recall and fetches good premium. The Company has competitive prices for its products and has the ability to provide products as per the customer's specific requirements, which resulting in the greater value for money for the customers. Good brand recall and recognition for its products fetch good margins too.

QUALITY & CERTIFICATION

The Company's products and process quality are endorsed by the following certifications:

- Integrated Management System ISO 9001:2008
- Environment Management Systems 14001: 2004
- OHSAS 18001:2007
- IS 1161: Structural application
- IS 1239: Water and gas application
- IS 3589: Water, gas and sewerage
- IS 3601: General engineering
- IS 4270: Water wells and casing pipes
- IS 4923: Structural tubes for infrastructural purpose
- IS 9295: Idlers for conveyors

The Company has prestigious accreditations like Underwriter Laboratories, CE and SGS France and is a recognised Export House. All its products are endorsed by BIS.



APL Apollo Tubes Limited

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OWN DISTRIBUTION NETWORK

Conventionally in our business, much of the material is marketed to dealers who in turn market our products to end customers. What makes our story compelling is that in view of the explosive demand growth taking place in some of our downstream sectors, we decided to reinforce this dealer-led marketing model with direct sales. We did so through the institution of our own network across India, creating a robust direct servicing and selling network.

The advantages of going direct to consumers comprise the following:

- An ability to service emerging demand closer and quicker to customers
- The provision of continuous and contiguous back-office support
- Direct access to marketplace realities leading to informed decision-making
- Cash and carry terms of trade, shrinking receivables
- Better capture of the value chain from raw material to retail

**presently having direct marketing presence in over 15 states and vast distributor-network
comprising ~300 Dealers across India
Exports to over 35 countries across all continents**



APL Apollo Tubes Limited

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VI. PROMOTERS AND MANAGEMENT

The company was promoted by Late Sh. S. K. Gupta and Mrs. Saroj Rani Gupta. Subsequently other persons also assisted in the expansion and diversification of the affairs of company. These persons are also considered as the Promoters. Over the years after the demise of Sh. S. K. Gupta, Its management was taken over by his son Mr. Sanjay Gupta. At present Mr. Sanjay Gupta is Chairman cum Managing Director of the Company, other directors are

1. Mr. Vinay Gupta
2. Mr. Sameer Gupta
3. Mr. C. S. Johri
4. Mr. Aniq Husain
5. Mr. S. T. Gerela

DETAILED PROFILE OF THE DIRECTORS

Mr. Sanjay Gupta

Chairman cum Managing Director

PAN : ALQPG6676F

DIN : 00233188

Date of Birth : 20.07.1971

Address : 106, Hargobind Enclave, Vikas Marg, Delhi – 110092,

Brief profile : a renowned Industrialist and carries enriched experience of more than 17 years in the various segments of the steel industry. Due to his rare administrative and entrepreneurial skills, the Company have attained a remarkable market value and steady growth.

His specific functional areas include manufacturing and marketing of Steel Pipes and Tubes, Hollow Sections and other Infrastructure products besides having in-depth knowledge of investment and management matters. He has steered the Company to national and international recognitions. With his vision and leadership, APL Apollo Tubes Ltd. today stands as the premier manufacturer of ERW Steel Tubes and Pipes, a government recognised Export House, a household name for quality products. He is responsible for all day-to-day affairs of of the Company.

Mr. Vinay Gupta

Promoter Director

PAN : AAJPG8386L

DIN : 00005149

Date of Birth : 05.09.1976

Address : 106, Hargobind Enclave, Vikas Marg, Delhi – 110092,

Brief profile : a commerce graduate having more than 14 years experience in export and international markets. He has in-depth knowledge of manufacturing and trading of pipes, tubes, sheets and other steel products having participated in many international steel pipe fairs and exhibitions.



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Mr. Sameer Gupta

Promoter Director

PAN : ACCPG1590P

DIN : 00005209

Date of Birth : 02.11.1977

Address : 106, Hargobind Enclave, Vikas Marg, Delhi – 110092,

Brief profile : a Commerce Graduate having experience of more than 12 years in the various segments of the tube industry and has wide knowledge of manufacturing and trading of pipes, tubes and other allied products. Due to his extensive knowledge, business skills, managerial experience and capabilities Apollo Pipes Private Limited has achieved a remarkable place in PVC pipes in a very short span of time.

Mr. S. T. Gerela

Independent Director

PAN : ACHPG1486H

DIN : 01565534

Date of Birth : 06.02.1938

Address : 34, New Silverline, Home No. 15, Kantawadi Road, Bandra (W) Mumbai

Brief profile : M.A., L.L.B and C.A.I.I.B has been associated with various regulatory authorities like SEBI, RBI, BSE and others. He has rich experience of capital market, banking, regulatory affairs, economic analysis and policy, management, administration and investor relations. He has been member of various committees; study groups; delegates constituted by government/semi govt. authorities and authored several articles, research papers, books on capital market /economic affairs.

Mr. Aniq Husain

Independent Director

PAN : AAAPH0319P

DIN : 01435138

Date of Birth : 10.07.1953

Address : 876, Sector A, Pocket C, Vasant Kunj, New Delhi 110 070

Brief profile : B. Tech (Mechanical) from IIT Kharagpur and Master in Industrial Engineering & Management. He has wide experience in industrial projects, engineering and management affairs. He has been associated with various ventures in different capacities and is conversant with latest industrial techniques.

Mr. C. S. Johri,

Independent Director

PAN : AAAPJ0683L

DIN : 00005312

Date of Birth : 02.04.1941

Address : C-5/5, 53, Mangala Apptt. Patparganj, I.P. Extn. Delhi 110 092

Brief profile : a Law graduate and post graduate in Arts is an independent director associated with the Company. Mr. Johri has worked with Bank of India as Asstt. General Manager at Zonal Office and has expert knowledge of banking, finance, management and administration.



APL Apollo Tubes Limited

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VII STATUS ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

Your Company has complied, in all material respects, with the features of Corporate Governance code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

The Status of the Corporate Governance code of the Listing Agreement by APL Apollo Tubes Limited is given below:

1. Company philosophy on Code of Governance

The Company believes in and has consistently followed good Corporate Governance. A sound governance process consists of various business practices, which not only result in enhanced shareholders' value in the long run but also enables the Company to fulfill its obligations towards its customers, employees, vendors and to the society in general. The Company firmly believes that good governance is founded upon the principles of transparency, accountability, independent monitoring and environmental consciousness.

2. Board of Directors

Composition

The Board of Directors consists of an optimal mix of Executive Directors and Independent Professionals who have in-depth knowledge of business, in addition to expertise in their areas of specialisation. The Directors bring in expertise in the fields of human resource development, strategy, management, finance and economics among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on March 31, 2011, the Board comprised six Directors. The Board meets the requirement of not less than one half being independent Directors. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement (Corporate Governance Code) with the Stock Exchanges.

None of the Directors hold chairmanship of more than 5 committees or Membership in more than 10 committees of public limited companies.

Board functions and procedure

The Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Board members always had complete freedom to express their opinion and decisions are taken after detailed discussions after which, a consensus is reached. They are also free to bring any matter up for discussion at the Board Meetings with the permission of the Chairman.



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In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda as required under Annexure 1A of Clause 49 of Listing Agreement, and if necessary, additional meetings are held. It has always been the Company's policy and practice that apart from matters requiring the Board's approval by law, all major decisions including quarterly/yearly results of the Company and its divisions, financial restructuring, capital expenditure proposals, sale and acquisition of material nature of assets, mortgage and guarantee, among others, are regularly placed before the Board. This is in addition to information with regard to detailed analysis of operations, major litigations, feedback reports and minutes of all committee meetings.

During the financial year 2010-11, ten Board Meetings were held on April 26, 2010, June 4, 2010, June 21, 2010, July 14, 2010, July 28, 2010, September 1, 2010, September 20, 2010, October 18, 2010, December 22, 2010 and January 31, 2011.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at March 31, 2011 are given below:

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

C = Chairman, MD = Managing Director, NE = Non-Executive Director

** Also Independent in terms of Provisions of Clause 49 (1) (A) (iii)*

Excludes private/foreign companies.

All the independent Directors fulfil the minimum age criteria i.e. 21 years as specified in Clause 49 of the listing agreement. No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956, except Mr. Sanjay Gupta, Mr. Vinay Gupta and Mr. Sameer Gupta, who are brothers.

** None of the Directors hold chairmanship/membership in Board Committees (Clause 49 of Listing Agreement) of other companies.*



APL Apollo Tubes Limited

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3. Audit Committee

The Audit Committee comprises 3 Directors, of which 2 are Non-Executive and Independent Directors. The Chairman of the committee is a Non-Executive Independent Director. All the Members of the committee have good financial and accounting knowledge. Auditors and Vice-President (Finance) are invitees to the meetings and Company Secretary acts as secretary of the committee. The minutes of the Audit Committee Meetings are placed before subsequent Board Meeting.

During the year, the meetings of the Audit Committee were held on April 26, 2010, July 28, 2010, September 1, 2010, October 18, 2010 and January 31, 2011. The composition of the Audit Committee as on March 31, 2011 and the meetings attended by its members are as under:

S. No.	Name of Directors	Category	Attendance
1.	Mr. C S Johri (Chairman)	Independent Non-executive	5
2.	Mr. Aniq Husain	Independent Non-executive	5
3.	Mr. Sameer Gupta	Non-executive Promoter	5

The Chairman of Audit Committee was present in the last Annual General Meeting to answer shareholders queries.

Scope and functions

The terms of reference of audit committee includes overseeing the audit functions, review of the Company's financial performance, compliance with Accounting Standards and all other matters specified under Clause 49 of the Listing agreement and in Section 292A of the Companies Act, 1956.

The Audit Committee's role includes overview of our financial reporting process, recommending the appointment and removal of statutory auditors, fixing audit fees, reviewing management discussion and analysis, annual financial statements prior to submitting those to the Board, reviewing related party transactions and financial risk management policies.

4. Remuneration Committee

The Board has constituted a Remuneration Committee to evaluate the performance and remuneration of directors and approving remuneration and terms of whole-time Directors within the overall ceilings approved by the shareholders.



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The decisions of the Remuneration Committee are placed in the subsequent board meeting. During the year, the committee met once, on September 1, 2010, which was duly attended by all committee members. The constitution of the Remuneration Committee as on March 31, 2011 is as follows:

S. No.	Name of Directors	Status
1.	Mr. Aniq Husain	Chairman
2.	Mr. C S Johri	Member
3.	Mr. S T Gerela	Member

Remuneration to Directors

During the year ended March 31, 2011 only Mr. Sanjay Gupta was paid Salary: Rs. 24,00,000 Other Benefits: Nil and no payment was made to any other Director.

5. Investor Grievance Committee

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

S. No.	Name of Directors	Status
1.	Mr. S T Gerela	Independent Non-executive
2.	Mr. C S Johri	Independent Non-executive
3.	Mr. Vinay Gupta	Non-executive Promoter

Scope and functions

The scope and functions of the Committee includes approval of transfer/transmission of shares and other matters like consolidation/ split of certificates, issue of duplicate share certificates, dematerialisation/rematerialisation of shares in stipulated period of time. The Committee also supervises redressal of Investor Grievances and ensures cordial investors relations. During the year, the committee met once on October 18, 2010, which was duly attended by all the Committee members. Details of share transfer/transmission etc. as approved by the Committee are placed at the Board Meetings from time to time.

Details of Shareholders' complaints received and replied to their satisfaction: the Company has adequate systems and procedures to handle the investors grievances and the same are being resolved on priority basis.

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



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6. Details of last three Annual General Meeting

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

Financial Year	Date	Time	Venue
2007-08	30.09.2008	12.30 P.M.	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi
2008-09	30.09.2009	12.30 P.M.	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi
2009-10	30.09.2010	3.30 P.M.	Gg's Banquet, Plot No. 14, Laxmi Nagar District Center, Vikas Marg, Delhi

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

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

7. Disclosure

a) Management discussion and analysis

The detailed report on 'Management Discussion and Analysis' is given separately in the annual report.

b) Disclosure on materially significant related party transactions

Transactions with related parties are being disclosed separately in notes to the accounts in the annual report. There was no transaction of material nature with the Directors or the Management during the year that had potential conflicts with the interest of the Company at large.

c) Detail of non-compliance, penalties, strictures etc.

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital market.

d) Whistle Blower Policy

The Company has adopted a proper procedure in this regard. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Further no personnel have been denied access to the Audit Committee.



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e) Code of Conduct

In line with the amended Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for its Directors and Senior Executives. The same has also been placed on the Company's website www.aplapollo.com under the head 'Investor Relations'

Declaration as required under Clause 49 of listing agreement

All the members of the Board and senior management personnel complied with the Code of Conduct for the financial year ended March 31, 2011.

Delhi 110 092
August 30, 2011

SANJAY GUPTA
Chairman-cum-Managing Director

f) Certification by CEO

A certificate obtained from Chief Executive Officer on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took note of it and took the same on record.

g) Secretarial Audit

A qualified practicing Company Secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd. ("NSDL") and Central Depository Services Ltd. ("CDSL") and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL

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

A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board and his shareholdings in the Company forms part of the Notice of the Annual General Meeting, annexed to this Annual Report.

i) Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements along with some non-mandatory requirements also.



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8. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. VAPS & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed herewith, forming part of the Annual Report.

This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

9. Means of communication

The information about the financial performance of the Company is disseminated on a regular basis through newspapers and website of the Company www.aplapollo.com besides communicating the same to the Stock Exchanges.

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

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

10. Share holders information

Annual general meeting

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

Financial calendar (tentative)

<i>Period</i>	Board Meetings
Results for Quarter Ended June 30, 2011	end July 2011
Results for Quarter Ended September 30, 2011	end October 2011
Results for Quarter Ended December 31, 2011	end January 2012
Results for Quarter Ended March 31, 2012	end April 2012



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Listing Information

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

In addition, Equity Shares of the Company are permitted to trade at Bombay Stock Exchange under BSE-Indonext segment (Scrip Code : 590059) The Listing Fees of all the stock exchanges has been paid.

Distribution Schedule as at March 31, 2011

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

Shareholding pattern as on March 31, 2011

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

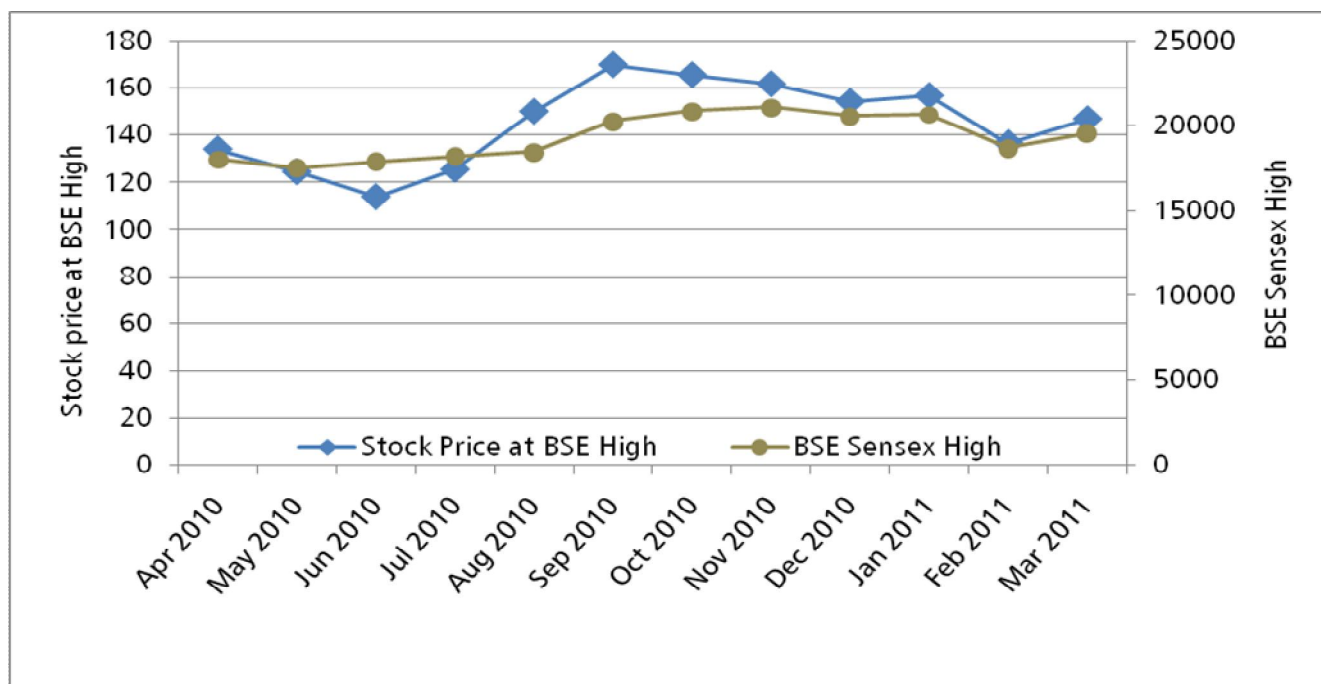


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Market Price Data*

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





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Registrar and Share Transfer Agent

M/s. Abhipra Capital Limited
GF- Abhipra Complex, Dilkhush Industrial Area
A-387, G.T. Karnal Road Azadpur, Delhi-110033
Tele. No. 011-42390725 Fax. No. 011-2721 5530
rta@abhipra.com

Share transfer system

Share transfer and related operations for APL Apollo Tubes Limited are conducted by M/s Abhipra Capital Limited, which is registered with the SEBI as Category I Registrar. Share transfer is normally affected within stipulated period, provided all the required documents are submitted.

Dematerialisation of Shares

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

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

Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments

During the year under review, 16,41,953 Warrants were allotted to APL Infrastructure Private Limited, a promoter group entity, on preferential basis, on December 22, 2010. Each warrant entitles the holder thereof, to subscribe to one Equity share of the Company of the face value of Rs. 10/- each, at a price of Rs 176/- per share, at any time within a period of 18 months from the date of allotment of warrants i.e. before June 22, 2012.

Plant Location

Unit – I

A-19, Industrial Area,
Sikandrabad, Distt. Bulandsahar (U.P.)
Phone: 95-5735-222504, 223157

Unit –II

No. 332-338, Alur Village,
Perandapalli, Hosur,
Tamil Nadu.
Phone : 04344-560550



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Subsidiaries' Plant Locations

Apollo Metalex Private Ltd
A-2, Industrial Area, Sikandrabad,
Distt Bulandshahar (U.P.)

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

Lloyds line Pipes Ltd
Plot No. M-1, Addituional MIDC Area, Murbad, Thane
Maharashtra - 421401

Investors Correspondence

Investors correspondence can be made on Regd. Office of the Company as given under:

Investor cell
APL Apollo Tubes Limited
37, Hargobind Enclave,
Vikas Marg, Delhi – 110092.
Phone: 011- 22373437 Fax 011-22373537
Mail : investors@aplapollo.com



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VIII MANAGEMENT DISCUSSIONS AND ANALYSIS

Global economy

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

GDP growth

(%)

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

Source: IMF

Indian economy

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

Global pipes industry

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

Opportunity

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

(Source: Simdex, Wallfort Research)

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



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Indian pipes industry

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

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

(*Source: IOC, Industry*)

Road ahead

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

Growth drivers

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

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

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



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

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

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

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

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

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

Low-floor buses: Since 2009, petrol prices increased 50% with over 30% increase in 2010-11 itself. This induced bus makers (Volvo and Mercedes-Benz) to introduce low-floor buses. A production of 52,000 units in 2010-11 is expected to rise to 65,000-70,000 units by 2011-2012 (Source: *Times of India, May 30, 2011*) The bus market is expected to grow at a healthy 20% over three years with Rs. 15,260 cr allocated under JNNURM for low-floor buses in Budget 2011-12.

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



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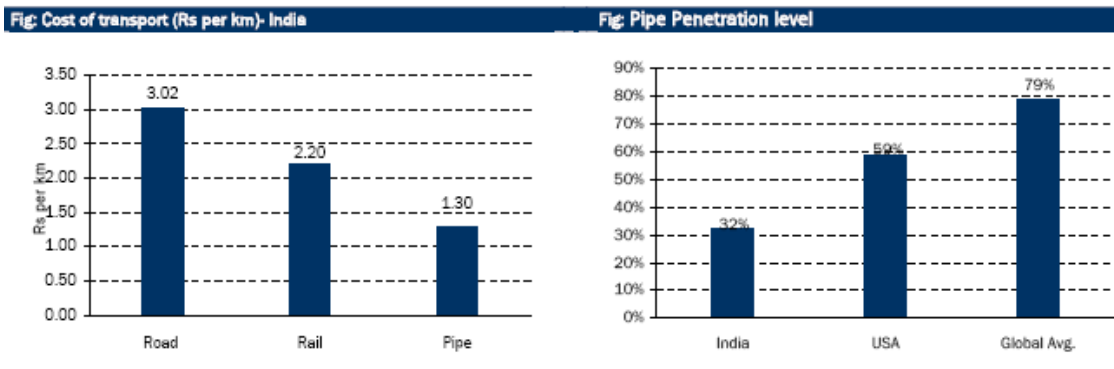
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City gas distribution pipelines (CGD): Presently due to discretionary demand, the gas distribution lines are in select cities. However, aggressive plans and expansion will drive the CGD networks to more than 250 cities by 2015. This will require adequate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

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

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

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



Source: Industry, Wellfort Research



APL Apollo Tubes Limited

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APL APOLLO'S SWOT ANALYSIS

Strengths

- accredited with ISO 9001:2000, ISO 14001:2004, OHSAS 18001:2007
- UL, CE & SGF France certifications
- Units located in north south and west India, proximate to customers
- Possesses a range of more than 300 products
- Installed cutting-edge manufacturing technology (Kusakabe, Japan) at all plants
- International footprint across 35 countries
- Direct reach to retail consumers through own distribution network
- Distinct business model with capacity to inroad into adjacent business space

Challenges

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

Opportunities

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

Threats

- Increased capacity addition in the industry.
- Rising interest rates



APL Apollo Tubes Limited

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IX. FINANCIAL RESULTS OF APL APOLLO TUBES LIMITED

AUDITOR'S REPORT

**The Board of Directors
APL Apollo Tubes Limited**

1. We have audited the attached consolidated balance sheet of APL Apollo Tubes Limited (the 'Company') and its subsidiaries (together referred as 'Group') as at March 31, 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of two subsidiaries namely Shri Lakshmi Metal Udyog Limited and Lloyds Line Pipes Limited have not been audited by us, whose financial statements reflect total assets of ` 12591.82 Lacs as at 31st March 2011, total revenues of `19804 Lacs and net cash out flows amounting to ` 229.40 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of such other auditors
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards 21, (CFS), issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounting Standard) Rules, 2006 and on the basis of separate audited financial statements of the Company and its Subsidiaries included in the Consolidated Financial Statement.
4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2011.
 - b) In the case of the consolidated profit and loss, of the profit / loss for the year ended on that date; and
 - c) In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

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

(P.K.JAIN)
Partner
M.N. 82515

Date: August 30, 2011
Place: New Delhi



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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011					
PARTICULARS	SCHEDULE	As at March, 2011		As at March 31, 2010	
SOURCES OF FUND					
1. SHAREHOLDER'S FUND					
(a) Share Capital	1	20,29,66,830		20,29,66,830	
(b) Share Warrants		7,22,45,932		-	
(c) Reserve & Surplus	2	2,09,11,88,488	2,36,64,01,250	1,70,75,80,623	1,91,05,47,453
2. LOAN FUNDS					
(a) Secured Loan	3	2,40,17,94,370		1,57,25,02,749	
(b) Unsecured Loan	4	6,13,75,949	2,46,31,70,319	-	1,57,25,02,749
3. DEFERRED TAX LIABILITY					
	5		17,95,42,694		10,89,83,104
	TOTAL		5,00,91,14,264		3,59,20,33,305
APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	6	2,11,58,30,563		1,31,16,56,659	
Less : Depreciation		18,13,69,252		10,22,60,114	
NET BLOCK			1,93,44,61,311		1,20,93,96,545
2. GOODWILL ON CONSOLIDATION					
			19,90,00,163		-
3. INVESTMENTS					
	7		2,31,31,829		-
4. NET CURRENT ASSETS					
Current Assets, Loans &					
(a) Inventories	8	1,46,54,18,074		80,50,15,731	
(b) Sundry Debtors	9	1,01,29,02,741		78,17,21,497	
(c) Cash and Bank balance	10	21,83,02,854		27,18,61,628	
(e) Loans and Advances	11	44,13,61,706		76,89,60,221	
(f) Other Current Assets	12	26,67,53,849		10,58,68,795	
		3,40,47,39,225		2,73,34,27,872	
Less : Current Liabilities &					
(a) Current Liabilities	13	37,03,35,109		18,86,58,098	
(b) Provisions	14	19,88,48,618		16,91,16,282	
		56,91,83,727		35,77,74,380	
Net Current Assets					
			2,83,55,55,497		2,37,56,53,491
Profit & Loss Account					
5. MISC. EXPENDITURE					
	15		1,69,65,463		69,83,269
	TOTAL		5,00,91,14,264		3,59,20,33,305
Notes forming part of Accounts					
	25				



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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2011				(Figures in `)
PARTICULARS	SCHEDULE	YEAR ENDED		
		MARCH 31, 2011	MARCH 31, 2010	
INCOME				
Gross Realisation	16	9,85,14,83,431	6,65,94,82,772	
Less : Excise Duty & Cess		79,95,36,320	47,93,99,812	
Net Realisation		9,05,19,47,111	6,18,00,82,960	
Other Income	17	25,94,242	49,95,798	
Variation in Stock	18	16,98,06,513	16,81,99,198	
Profit on Sale of Capital ts		24,423	2,28,00,098	
	TOTAL	9,22,43,72,289	6,37,60,78,053	
EXPENDITURE				
Raw Material Consumed	19	7,52,34,48,482	,21,83,52,844	
Manufacturing Expenses	20	27,20,75,764	16,70,00,477	
Excise Duty on Increase/Decrease in Stock		75,60,807	2,18,75,459	
Power and Fuel	21	14,40,65,690	11,63,77,987	
Administrative and Other Expenses	22	8,81,31,299	5,82,17,376	
Financial Charges	23	20,93,44,623	10,83,05,638	
Selling and Other Expenses	24	28,99,30,872	19,22,27,076	
Depreciation	6	5,73,04,041	3,61,32,869	
Misc Expenditure Written off	15	45,90,073	17,58,842	
Loss on Sale of Capital Assets		18,27,497	12,99,735	
		8,59,82,79,149	5,92,15,48,303	
Profit for the Year Before Tax		62,60,93,140	45,45,29,751	
Less : Provision for Current Year Tax		14,22,69,259	10,76,20,931	
Deferred Tax Liability (Net)		5,79,85,413	5,22,95,481	
Wealth Tax		73,446	52,665	
Add : MAT Credit Entitlement		83,73,558	44,39,480	
Less : Adjustment of Taxes for Earlier Years		31,95,298	12,50,645	
		43,09,43,281	29,77,49,511	
Add : Profit and Loss b/f		50,25,91,170	27,23,33,867	
Amount Available for Appropriation		93,35,34,451	57,00,83,378	
Interim Dividend Paid		4,05,93,366	4,05,93,366	
Dividend Distribution Tax on Interim Dividend		67,42,050	68,98,842	
Transfer to General Reserve		4,00,00,000	2,00,00,000	
Balance Carried to Balance Sheet		84.61.99.035		
Earning Per Share (Basic) - Rs.		21.32	13.61	
Earning Per Share (Diluted) - Rs.		19.73	13.61	
Notes forming part of Accounts	25			



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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011		(Figures in `)
PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	62,60,68,717	43,17,29,654
Add: Adjustments for:		
Depreciation	5,73,04,042	3,61,32,869
Misc Exps Written Off	45,90,073	17,58,842
Interest & Finance Charges	20,93,44,623	17,21,84,866
Loss on sale of fixed assets	18,27,497	12,35,838
Adjustment of Taxes Earlier Years	(31,95,298)	(12,28,805)
Operating Profit Before Working Capital Changes	89,59,39,653	64,18,13,263
Adjustments for:		
Increase/Decrease in Sundry Debtors	(21,47,97,667)	(8,51,89,701)
Increase/Decrease in Other Receivables	25,97,60,798	(13,28,43,910)
Increase/Decrease in Inventories	(66,04,02,343)	(36,06,88,863)
Increase/Decrease in Trade & Other Payable	18,31,74,092	8,34,01,018
Cash Generated From Operations	46,36,74,534	14,64,91,807
Direct Taxes paid including Fringe Benefit Tax	(13,01,26,380)	(3,07,24,538)
Cash Flow before extra ordinary items	33,35,48,154	11,57,67,269
Extra ordinary items	24,423	2,28,00,098
Net Cash from Operating Activities (A)	33,35,72,577	13,85,67,367
2. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(79,05,29,186)	(55,90,90,967)
Investment in Subsidiaries(Net Off)	(19,63,42,153)	-
Misc Expenditure	(1,45,72,268)	(86,63,961)
Sale of Fixed Assets	76,86,125	2,24,40,047
Advances for Fixed Assets	(7,64,75,505)	16,02,19,653
Misc investments	(2,31,31,829)	2,03,87,612
Net Cash from Investing Activities (B)	(1,09,33,64,815)	(36,47,07,616)
3. Cash Flow from Financing Activities:		
Proceeds of Shares/Warrants Issued during the Year	7,22,45,932	-
Receipt / Repayment of Secured loans	82,92,91,622	(22,12,44,749)
Receipt / Repayment of Unsecured loans	6,13,75,949	--
Dividend & DDT paid	(4,73,35,416)	(4,74,92,208)
Interest & Finance Charges	(20,93,44,623)	(17,21,84,866)
Net cash generated from Financing activities	70,62,33,464	(44,09,21,823)
Net Cash from Financing Activities (C)	70,62,33,464	44,09,21,823
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	(5,35,58,774)	(66,70,62,072)
ADD: Cash & Cash Equivalents at the Beginning of the Year	27,18,61,628	93,89,23,700
Cash & Cash Equivalents at the End of the Year	21,83,02,854	27,18,61,628
Notes :		
1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Schedule-10 .		
2. The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard (AS -3), "Cash Flow statement".		
3. Figures in Brackets indicate cash outflow.		



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SCHEDULE '1' TO '15' & '25' ANNEXED TO AND FORMING PART OF CONSOLIDATED		
ACCOUNTS FOR THE PERIOD ENDED MARCH 31,2011		
PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SCHEDULE '1' SHARE CAPITAL		
AUTHORISED		
2,50,00,000 Equity Shares of Rs. 10/- each (Previous year 2,50,00,000 Equity Shares of Rs. 10/- each)	25,00,00,000	25,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
2,02,96,683 Equity Shares of Rs. 10/- each (Previous Year 2,02,96,683 Equity Shares of Rs. 10/- each)	20,29,66,830	20,29,66,830
TOTAL	20,29,66,830	20,29,66,830
SCHEDULE '2' RESERVE AND SURPLUS		
i. Security Premium		
	1,16,85,90,927	1,16,85,90,927
	1,16,85,90,927	1,16,85,90,927
ii. General Reserve		
At the commencement of the year	3,63,98,526	1,63,98,526
Add : Amount transferred from Profit & Loss Account	4,00,00,000	2,00,00,000
	7,63,98,526	3,63,98,526
ii. Balance in Profit and Loss Account		
	84,61,99,035	50,25,91,170
TOTAL (i+ii+iii)	2,09,11,88,488	1,70,75,80,623
SCHEDULE '3' SECURED LOANS		
A. Term Loans	34,09,57,896	7,99,96,582
B. Working capital facilities from Banks	2,03,06,57,157	1,30,74,45,180
C. Secured Overdraft	3,01,79,317	18,50,60,986
TOTAL	2,40,17,94,370	1,57,25,02,749
Notes :		
[A] Term Loan of Rs. 7,27,90,933/- from ICICI Bank Ltd. is secured against mortgage of residential properties (2 Nos.) under construction at Land-II, Jaypee Greens, Greater Noida (U.P). Car loans from various Banks are against hypothecation of vehicles		
[B] Working capital facilities from Union Bank of India are secured by first charge on inventories and book debts and 1st charge on all moveable and immovable assets of the company and further guaranteed by Directors of the company and their relatives along with Corporate Guarantee of M/s V.S. Exim (P) Ltd. Working capital facilities from banks includes foreign currency loan of US \$ 50,00,000		
[C] Secured Overdraft availed from Union Bank of India are against pledge of Company's Fixed Deposits.		
SCHEDULE '4' UNSECURED LOANS		
From Body Corporate	5,83,59,447	-
From Others	30,16,502	-
TOTAL	6,13,75,949	-
SCHEDULE '5' DEFERRED TAX LIABILITY		
Last Year Balance	12,15,57,281	5,66,87,623
Add for the Current Year	5,79,85,413	5,22,95,481
TOTAL	17,95,42,694	10,89,83,104



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SCHEDULE '7' INVESTMENTS		
Quoted Long Term		
(300000 Equity Shares of Sharp Industries)	2,31,31,829	-
Market Value as on March 31, 2011 ` 97,29,000/-	2,31,31,829	-
SCHEDULE '8' INVENTORIES		
(As physically verified and valued by the management)		
Raw Material	60,43,52,942	28,18,16,981
Finished Goods	72,93,18,041	47,84,49,045
Scrap & Rejections	2,14,52,344	1,83,25,721
Consumable Store	6,08,47,214	2,44,45,551
Trading Goods Stock	4,94,47,533	-
Stock (Lying at Branches)	-	19,78,433
TOTAL	1,46,54,18,074	80,50,15,731
SCHEDULE '9' Sundry Debtors (Unsecured considered good)		
Outstanding for a period exceeding six months	1,79,11,082	2,03,35,029
Others	99,49,91,659	76,13,86,468
	1,01,29,02,741	78,17,21,497
SCHEDULE '10' CASH & BANK BALANCES		
Cash and Bank Balance	4,32,76,689	1,15,33,522
FDR's with Schedule Banks	14,40,77,934	24,10,88,645
Accrued Interest on FDR's & Securities	3,09,48,231	1,92,39,461
TOTAL	21,83,02,854	27,18,61,628
SCHEDULE '11' LOANS AND ADVANCES		
(Unsecured and Considered good, unless stated otherwise)		
Claims Receivable	12,41,65,371	10,44,30,054
Income Tax Deducted at Source	32,93,650	2,45,20,108
Securities	2,11,08,207	17,08,73,581
Advance to Suppliers And Other Loans & Advances	23,73,12,251	44,10,65,410
Prepaid Expenses	1,10,67,026	45,91,124
Advance Tax	3,16,02,164	1,90,40,463
MAT Credit Entitlement	1,28,13,038	44,39,480
TOTAL	44,13,61,707	76,89,60,221
SCHEDULE '12' OTHER CURRENT ASSETS		
Sales Tax Recoverable	9,62,48,331	2,65,56,382
Service Tax Recoverable	1,66,80,438	1,09,48,341
Export Incentive Receivable	4,48,61,116	2,98,27,423
Excise Duty & Cess Receivable	10,89,63,964	3,85,36,650
TOTAL	26,67,53,849	10,58,68,795



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SCHEDULE '13' CURRENT LIABILITIES		
Sundry Creditors for Raw Material	15,68,00,139	1,37,83,721
Sundry Creditors for Others	11,29,31,860	3,29,80,069
Expenses Payable	7,05,34,205	9,08,21,386
Advances from Parties	2,96,71,629	5,06,75,647
IEPF-Unclaimed Dividend (shall be credited when due)	3,97,275	3,97,275
TOTAL	37,03,35,109	18,86,58,098
SCHEDULE '14' PROVISIONS		
Provision For Excise Duty on Finished Goods	5,65,95,598	3,87,14,941
Provision for Taxation	14,22,53,020	13,04,01,341
TOTAL	19,88,48,618	16,91,16,282
SCHEDULE '15' MISC EXPENDITURE		
Misc Expenditure	2,15,55,536	87,42,111
Less: Misc Expenditure Written off	45,90,073	17,58,842
TOTAL	1,69,65,463	69,83,269



APL Apollo Tubes Limited

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SCHEDULE '16' TO '25' ANNEXED TO AND FORMING PART OF

CONSOLIDATED ACCOUNTS FOR THE PERIOD ENDED MARCH 31,2011

PARTICULARS	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
SCHEDULE '16' GROSS REALISATION		
Sales	9,10,89,69,959	6,02,73,26,664
Sales (Export)	70,04,03,822	59,20,06,797
Other Operating Income		
Job Work	96,292	18,08,110
Export Incentive	4,20,13,359	3,83,41,201
TOTAL	9,85,14,83,431	6,65,94,82,772
SCHEDULE '17' OTHER INCOME		
Miscellaneous Income	25,94,242	49,75,798
Dividend	-	20,000
	25,94,242	49,95,798
SCHEDULE '18' VARIATION IN STOCK		
CLOSING STOCK		
Finished Goods	64,51,28,935	47,84,49,045
Scrap & Rejections	2,14,52,344	1,83,25,721
TOTAL (A)	66,65,81,279	49,67,74,767
LESS : OPENING STOCK		
Finished Goods	47,84,49,045	32,12,90,356
Scrap & Rejections	1,83,25,721	72,85,213
TOTAL (B)	49,67,74,767	32,85,75,569
NET (A - B)	16,98,06,513	16,81,99,198
SCHEDULE '19' RAW MATERIAL CONSUMED		
Opening Stock	28,18,16,981	10,40,83,630
Add : Purchase During the Year	7,83,62,33,212	5,39,60,86,195
TOTAL	8,11,80,50,193	5,50,01,69,825
Less : Closing Stock	59,46,01,710	28,18,16,981
NET	7,52,34,48,482	5,21,83,52,844



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SCHEDULE '20' MANUFACTURING EXPENSES				
Wages		7,70,46,723		4,07,21,602
Consumable Stores		6,76,34,562		6,74,39,119
Job Work Charges		1,22,40,823		6,84,407
Freight & Cartage Inward		10,75,99,092		5,58,24,970
Insurance		35,206		44,498
Factory Rent		13,62,026		15,31,261
Security Services Charges		7,49,497		7,08,819
Factory Maintenance Exp		54,07,835		45,802
	TOTAL	27,20,75,764		16,70,00,477
SCHEDULE '21' POWER AND FUEL				
Electricity Expenses		7,90,16,392		5,05,71,726
Generator Running Charges		2,39,74,594		2,61,08,176
Furnace Oil		4,10,74,704		3,96,98,085
	TOTAL	14,40,65,690		11,63,77,987
SCHEDULE '22' ADMINISTRATIVE AND OTHER EXPENSES				
Salaries		3,51,12,858		1,55,31,801
Director's Remuneration		36,00,000		36,00,000
Office Rent		58,88,459		51,60,057
Printing & Stationery		24,78,354		14,67,416
Postage & Telephone		40,27,357		25,91,219
Charity & Donation		43,979		80,802
Vehicle Repair & Maintenance		18,06,867		14,39,179
Fees & Taxes		72,06,557		33,02,697
Insurance		3,07,490		2,39,884
Travelling Expenses				
Director's Travelling	51,04,464		2,12,494	
Other Travelling	73,56,287	1,24,60,751	44,10,229	46,22,723
Legal Expenses		64,42,613		37,48,465
Office Electricity Expenses		-		6,38,503
Vehicle Running Expenses		12,56,354		4,16,580
Miscellaneous Expenses		45,20,604		1,37,20,121
Auditor's Remuneration		14,00,000		13,00,000
Office Maintenance Exp		13,86,386		3,57,929
Repair & Maintenance		1,92,670		-
	TOTAL	8,81,31,299		5,82,17,376



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SCHEDULE '23' NET FINANCIAL CHARGES		
(A) INTEREST ON :		
- Working Capital	18,32,11,401	11,08,30,792
- on Secured Overdraft	16,75,400	4,73,80,114
- Others	82,81,485	19,01,883
(B) OTHER FINANCIAL CHARGES :		
Exchange Difference	-	46,78,846
Forward Contract Charges	1,13,97,197	22,84,401
Bank & Other Charges	2,19,72,336	51,08,829
TOTAL	22,65,37,819	17,21,84,866
(C) Interest Received on FDR	1,71,93,196	6,38,79,228
TOTAL(A+B-C)	20,93,44,623	10,83,05,638
SCHEDULE '24' SELLING AND OTHER EXPENSES		
Advertisement Expenses	41,62,588	19,60,486
Commission and Discount	5,99,82,262	4,24,93,212
Freight Outward	22,19,57,218	14,53,03,768
Insurance	2,81,121	1,83,370
Sales Promotion	23,02,725	9,55,711
Additional Sales Tax	8,43,172	13,30,528
Sales Tax Arrears & Interest	4,01,787	-
TOTAL	28,99,30,872	19,22,27,076



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SCHEDULE '25'

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. General Principles of Consolidation

The financial statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, income and expenses after eliminating all inter-company balances/transactions and resulting unrealised gain/loss.

Consolidated Financial Statements are prepared by applying accounting policies as followed by the company and its subsidiaries; to the extent it is practicable. Significant differences in the accounting policies, if any, are appropriately disclosed by way of Notes to the Consolidated Financial Statements.

All intercompany transactions; balance and unrealized surpluses and deficits on transactions between group companies are eliminated.

Name of the Company	Relationship	% of ownership/ Interest
Apollo Metalex Pvt Ltd	Subsidiary	100%
Shri Lakshmi Metal Udyog Ltd.	Subsidiary	100%
Lloyd Line Pipe Ltd.	Subsidiary	100%

Note: The consolidated financial results for the financial year ended March 31, 2011 comprise the financial results of APL Apollo Tubes Ltd and its' 100% subsidiaries Shri Lakshmi Metal Udyog Ltd ,Apollo Metalex (P) Ltd. and Lloyd Line Pipe Ltd. and have been prepared in accordance with the AS-21 issued by the ICAI.

2. Basis of Preparation of Financial Statement

a. The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with the Accounting Standard 1 Referred to in section 211(3c) of the companies Act 1956.

b. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

c. Goodwill represents the difference between the group's share in the networth of a subsidiary and the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortized. For this purpose the group's share of net worth is determined on the basis of the latest financial statement prior to the acquisition after making necessary adjustments for material events between the date of such audited financial statement and the date of respective acquisition. Negative goodwill is recognized as capital reserve on consolidation. However for the purposes of consolidation, capital reserve arising on consolidation of subsidiaries is set off against the goodwill arising on consolidation.

3. Fixed Assets

Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and preoperative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work in progress at cost till the same are ready for use.



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Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalised.

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

4. Impairment of Assets

The Company recognizes all the losses as per Accounting Standard-28 due to the impairment of assets in the year of review of the physical conditions of the Assets and is measured by the amount by which, the carrying amount of the Assets exceeds the Fair Value of the Asset.

5. Depreciation

Depreciation on fixed assets is provided on straight-line basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during the period is proportionately charged.

6. Inventories Valuation

Raw material is valued at cost (First in First Out basis) or nets realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/ First in First Out basis).

7. Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within profit and loss account. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in profit and loss account over the life of the contract.

8. Duties & Credits

- a. Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.
- b. Cenvat Credit, to the extent available during the year, is adjusted towards cost of materials.
- c. Duty credit on export sales has been taken on accrued basis whether license has been issued after closing of the financial year.

9. Sales are inclusive of excise duty and after deducting the trade discount and also sales tax applicable and Purchase made against Bank Guarantee, Letter of Credit are classified in sundry creditor for raw materials.

10. Retirement Benefits

The company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method. However in Apollo Metalex Pvt. Ltd being in the forth year of the operation, the provision for Gratuity Liability is not applicable as per the applicable Indian laws.

Retirement benefits in the form of Provident Fund are charged to the Profit & Loss Account of the period when the contributions to the respective funds are due.



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11. Borrowing Cost

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets.

12. Taxes on Income

Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

13. Misc. Expenditure

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

14. Revenue Recognition

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

15. Investments

Long term investments, other than investment in Associates and Subsidiaries, are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Income/ Loss from investments are recognized in the year in which it is generated.

16. Provision and Contingencies

The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

17. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

18. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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B. NOTES FORMING PART OF ACCOUNTS

1. CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF

S. No.	Particulars	31.03.2011 (In Lacs)	31.03.2010 (In Lacs)
1.	Performance guarantees given to various departments	618.57	565.96

2. RAW MATERIALS CONSUMED*

a. H.R. STRIP

	2011		2010	
	Qty. (M.T.)	Value (In Lacs)	Qty. (M.T.)	Value (In Lacs)
Opening Stock	7,356.648	2,595.29	2012.120	578.99
-with consignee	828.430	317.20		
Add: Purchases	2,01,175.529	65,523.33	162282.585	47028.14
Add: Recd. From Job Work	13.140	4.08	84.280	25.41
Less: Issued For Production	1,81,436.041	57,740.49	149510.134	42688.41
Less: Sales	14,224.986	5,232.16	7769.688	2408.29
Less: Scrap From Job Work	778.160	241.78	3.170	0.91
Closing Stock At Works	12,934.560	5,221.39	6267.563	2217.73
Closing Stock At Consignee	-	-	828.430	317.20

b. G.P. COIL

	2011		2010	
	Qty. (M.T.)	Value (In Lacs)	Qty. (M.T.)	Value (In Lacs)
Opening Stock	537.695	214.05	578.277	183.89
Add: Purchases	18,863.500	7,206.33	13198.255	4498.38
Add: Recd. From Job Work	652.740	221.93	-	-
Less: Issued For Production	18,774.986	7,081.87	12492.116	4234.00
Less: Sales	479.615	208.86	746.721	234.22
Closing Stock At Works	799.334	351.58	537.695	214.05

c. ZINC

	2011		2010	
	Qty. (M.T.)	Value (In Lacs)	Qty. (M.T.)	Value (In Lacs)
Opening Stock	216.498	268.86	187.865	175.06
Add: Purchases	2,818.535	3,213.70	3199.392	3380.41
Less: Issued For Production	2,463.494	2,788.80	2926.449	3015.96
Less: Sales	259.904	317.25	244.310	270.65
Closing Stock At Works	311.635	376.52	216.498	268.86



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d. SOCKET

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

e. BLACK PIPE

	2011		2010	
	Qty.	Value	Qty.	Value
	(M.T.)	(In Lacs)	(M.T.)	(In Lacs)
Opening Stock	-	-	-	-
Add: Purchases	3,785.510	1,427.77	356.555	119.28
Less: Issued For Production	3,785.510	1,427.77	356.555	119.28
Closing Stock At Works	-	-	-	-

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

3. LICENSED AND INSTALLED CAPACITY, PRODUCTION AND TURNOVER

(A) LICENSED AND INSTALLED CAPACITY

	2011		2010	
	Qty. (M.T.)		Qty. (M.T.)	
	Licensed	Installed	Licensed	Installed
M.S. Pipes	Not Applicable	4,90,000	Not Applicable	2,74,000

(B) PRODUCTION*

a. M.S. PIPE

	2011	2010
	Qty. (M.T.)	Qty. (M.T.)
Opening Stock - at Works	6,532.223	3815.059
-Lying with Consignee	491.244	2156.507
Add: Production During the Year	1,56,718.886	127403.874
Add: Recd. From job work	73.970	17.71
Less: Sale	1,09,844.461	73464.138
Less: Issued For Gi Pipe	43,902.741	54025.545
Closing Stock - at Works	8,365.093	5412.223
-Lying with Consignee	1,704.028	491.244



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b. G.P. PIPE

	2011	2010
	Qty. (M.T.)	Qty. (M.T.)
Opening Stock - at Works	398.018	422.685
-Lying with Consignee	19.840	340.777
Add: Production During the Year	35,537.770	26132.938
Add: Recd. From job work	102.090	688.55
Less: Sale	35,107.405	27167.092
Closing Stock - at Works	343.653	242.942
-Lying with Consignee	606.660	174.916

c. G.I. PIPE

	2011	2010
	Qty. (M.T.)	Qty. (M.T.)
Opening Stock - at Works	2,291.353	1335.964
-Lying with Consignee	538.387	494.076
Add: Production During the Year	44,366.403	56524.436
Add: Recd. From job work	3,707.756	68.17
Less: Sale	47,542.763	55594.906
Closing Stock - at Works	2,453.642	2289.353
-Lying with Consignee	907.494	538.387

d. G.P. Sheet

	2011	2010
	Qty. (M.T.)	Qty. (M.T.)
Opening Stock - at Works	687.975	121.363
-Lying with Consignee	-	0.000
Add: Production During the Year	19,319.151	17072.739
Less: Sale	17,521.559	2218.98
Less: Issued For GP Pipe	62.560	14237.137
Less: Issued For Job Work	2,043.789	50.01
Closing Stock - at Works	379.218	687.975

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

- Closing Stock of finished goods has been valued inclusive of Excise Duty amounting to Rs. 3,81,90,396 (Previous Year Rs. 3,87,14,941) as per ASI-14 issued by the Institute of Chartered Accountants of India.
- Earnings per Share (EPS) computed in accordance with AS-20

BASIC

	2011	2010
a. Net profit after tax	43,27,46,356	27,62,49,148
b. Number of Weighted Average Equity Share of Rs. 10 each	2,02,96,683	2,02,96,683
c. Basic Earnings per share	21.32	13.61
Nominal Value per Share	10.00	10.00



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DILUTED

	2011	2010
a. Net profit after tax	43,27,46,356	27,62,49,148
b. Number of Weighted Average Equity Share of Rs. 10 each	2,19,38,636	2,02,96,683
c. Diluted Earnings per share	19.73	13.61
Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	2,02,96,683	2,02,96,683
2. Average fair value of one equity share during the year	10	10
3. Weighted average number of share Warrant issue during the year	16,41,953	-
4. Warrants were issued @ ` 176 each entitling the holders to subscribe for one equity share having nominal value ` 10 for every warrant issued.	10	-
5. Total Diluted Equity Shares (1+3)	2,19,38,636	2,02,96,683

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

	2011	2010
Deferred Tax Liability	17,98,04,369	10,92,62,675
Deferred Tax Assets	2,61,675	2,79,571
Net Deferred Tax Liability	17,95,42,694	1,08,983,104

7. The Group has only one segment i.e. manufacturing of Steel tubes and pipes, therefore segment reporting as required under Accounting Standard –17 is considered as not applicable.

8. Brand Building:

During the Year the Company incurred an expenditure of ` 1,36,36,008 (Previous Year ` 86,63,961) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortized in 5 years equally.

9. Related Party Disclosures

(A) Names of related parties and description of relationships:

Associates

Apollo Pipes Ltd.

V. S. Exim (P) Ltd.

APL Infrastructure (P) Ltd.



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Key Management Personnel

Sh. Sanjay Gupta - Chairman cum Managing Director

Relatives of Key Management Personnel

Mrs. Neera Gupta - Wife of Sh. Sanjay Gupta

Mrs. Saroj Rani Gupta - Mother of Director

(B) Detail of Related Party Transactions

As required by Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountant of India, since CFS presents information about the Parent and its subsidiary as a single enterprise, it is not necessary to disclose intra-group transactions.

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Transfer of DEPB	64,05,411			64,05,411
Director's Remuneration Paid		36,00,000		36,00,000
Office/Works/vehicle Rent Paid	16,48,334		28,80,000	45,28,334

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

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Amount due to related parties	20,25,249	1,54,181	15,000	21,94,430
Amount due from related parties	-	-	-	-

	2011	2010
11.Value of Imports (Rs.)	6,91,76,620	3,42,86,025
12.Value of Export(Rs.)	67,56,34,315	59,13,63,032
13.Expenditure in foreign currency(Rs.) (Including Import)	6,42,97,568	3,68,86,163



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14. The outstanding balance of Debtors/Creditors in the books of the company is subject to confirmation.
15. Duty credit on Export Sales has been taken on accrued basis whether license has been issued by JDGFT after closing of the financial year.

16. Auditors Remuneration (excluding Service Tax)

	2011	2010
i. Statutory Audit Fee	10,55,000	9,80,000
ii. Taxation matters	2,45,000	2,20,000
iii. Other Services	1,00,000	1,00,000
Total	14,00,000	13,00,000

17. Break up of Managerial Remuneration:

	2011	2010
i) Salaries	36,00,000	36,00,000
ii) Contribution to Provident Fund	-	-
iii) Other Perquisites	-	-
iv) Commission	-	-
Total	36,00,000	36,00,000

18. Break up of Directors Travelling Expenses:

i) Foreign Travelling	31,74,535	2,23,762
ii) Inland Travelling	17,13,265	6,88,107
Total	48,87,800	9,11,869

19. The Company could not identify whether any of its creditors is SSI undertaking and Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Particulars of amount as at 31st March 2011, if any, due to such undertaking could, therefore, not be disclosed.
20. The figures of previous year have been regrouped/rearranged/ recasted to conform to those of the current year.



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Auditors' Report

To,
The Members of APL Apollo Tubes Limited

1. We have audited the attached Balance Sheet of **APL Apollo Tubes Limited** as at March 31, 2011 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the explanations furnished to us during the course of our audit, we give in the Annexure a statement specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of accounts as required by law has kept by the company so far as it appears from our examination of such books.
 - (c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - (d) In our opinion the Balance Sheet, the Profit & Loss Account and Cash Flow Statement are in compliance with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account and Cash Flow Statement read together with the notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i.) In so far as it relates to the Balance Sheet of the State of Affairs of the company as at March 31, 2011,
 - ii.) In the case of Profit & Loss Account of the profit of the company for the year ended on that date, and
 - iii.) In the case of Cash Flow Statement of the cash flows of the company for the year ended on that date.
 - (f) Based on representation made by all the Directors of the company to the Board and the information and explanations as made available to us by the company, none of the directors of the company prima-facie have any disqualification as referred to in clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

(P.K.JAIN)
Partner
M.N. 82515

Place: Delhi
Date: August 30, 2011



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Annexure to The Auditors' Report

Re: APL Apollo Tubes Limited

Referred to in paragraph 3 of our report of even date

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
c) Fixed assets disposed off during the year were not significant. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the company.
2. a) The inventories (excluding stocks with the third parties) have been physically verified during the year by the management. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verifications.
3. a) The company has granted unsecured loan to its wholly owned subsidiary company covered in the register maintained under Section 301 of the companies act 1956. The Maximum amount involved during the year was ` 2,359 Lacs (Rupees Two Thousand Three Hundred and Fifty Nine Lacs Only) and the year end balance of loan given to this Company was ` 1,491 Lacs (Rupees One Thousand Four Hundred and Ninety One Lacs Only). In our opinion the rate of interest and other terms and conditions on which loans have been given to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
b) The company has not taken any unsecured loan from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
c) The rate of interest and other terms and conditions of the above-mentioned loans are not prima facie prejudicial to the interest of the company.
d) The repayment of principal and interest are as per the agreed terms.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
5. a) In our opinion and according to information and explanations given to us the transactions that needed to be entered in the register maintained under section 301 of the Act have been entered in the register
b) As per information and explanations given to us aforesaid transactions have been made at price which are reasonable having regard to the prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of sections of 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.



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8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 we are of the opinion that prima facie the prescribed accounts and record have been made and maintained. We have not made however a detailed examination of the record with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Service Tax, Cess etc. were outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and records of the company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Cess which have not been deposited on account of any dispute, are as follows:

Name of the Statue	Nature of Dues	Amount (`)	Period to which dues Related	Authority where the Dispute is Pending for Decision
Central Excise Act,1944	Central Excise levied u/s 11A of Central Excise Act,1944.	36,70,183	07.08.1996	Before the High Court Judicature of Allahabad
..	Penalty u/s 11 AC of Central Excise Rules,1944 read with Rule 9(2) & 173Q of Central Excise Act,1944.	36,70,183	07.08.1996	Before the High Court Judicature of Allahabad
..	Recovery u/s 57 I (4) of Central Excise Act,1944 of modvat credit availed and utilized in contravention of the provisions of Rule 57F(3) of Central Excise Rules, 1944.	3,52,445	07.08.1996	Before the High Court Judicature of Allahabad
..	Penalty u/s 11AC of Central Excise Rules,1944 read with Rule 9(2) & 173Q of Central Excise Rule,1944.	3,52,445	07.08.1996	Before the High Court Judicature of Allahabad
..	Central Excise duty levied u/s 11 A of Central Excise Act,1944.	4,53,676	15.08.1999	Commissioner (Appeals) Central Excise, Noida
..	Penalty u/s 11 AC of Central Excise Act,1944.	4,53,676	15.08.1999	Commissioner (Appeals) Central Excise, Noida
..	Penalty under Rule 9(2) and 173Q of Central Excise Rule,1944.	1,00,000	15.08.1999	Commissioner (Appeals) Central Excise, Noida
..	Penalty u/s 11 AC read with Rule 25 of Central Excise Rule 2001/2002 and 173Q of Central Excise Rule ,1944.	40,00,000	1.12.2001 to 31.03.2004	CESTAT, New Delhi
..	Central Excise duty demanded on Zinc ash/Dross in terms of section 11A of Central Excise Act,1944.	6,46,425	MAY -08 TO JULY- 08	CESTAT, New Delhi
..	Demand in Terms of section 11A on Zinc Ash/Dross clearance.	10,83,460	JULY-08 to MAR-09	CESTAT, New Delhi
..	Penalty under Rule 25 of Central Excise Rules 2002 read with section 11AC of Central Excise Act 1944.	30,000		
U.P. Tax on Entry of Goods in to Local areas Act, 2007	The constitutional validity of U.P. Tax on Entry of Goods in to Local areas Act, 2007 had been Challenged.	4,47,60,767	NOV-08 to MAR-11	Before the High Court Judicature of Allahabad



APL Apollo Tubes Limited

Information Memorandum

Name of the Statute	Nature of Dues	Amount (₹)	Period to which dues Related	Authority where the Dispute is Pending for Decision
Value Added Tax Act-2008	Reversal of Input tax credit on Consignment /Stock Transfer	61,49,143	JAN-08 to MAR-08	Commercial Tax Tribunal, Ghaziabad

10. The company has no accumulated losses as at March 31, 2011 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. We have been informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4(XII) of the order is not applicable.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended 2004 are not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investment and timely entries have been made therein. All shares (except the shares held in the name of nominees of the company in wholly owned subsidiaries), debentures and other investments have been held by company in its own name.
15. The company has given corporate guarantee for securing working capital facilities sanctioned by Banks to its Subsidiary Companies. In our opinion, the terms and conditions on which the company has given said guarantees are not prejudicial to the interest of the company.
16. In our opinion and according to information and explanations given to us by the company the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to Parties and Companies covered in the register to be maintained under section 301 of the Act. However, during the year 16,41,953 warrants were allotted on preferential basis to promoters group entity covering in the register to be maintained under section 301 of the Act, entitling the warrant holder to get one equity share of ₹ 10 each for each warrant, converting within 18 months from the date of allotment of warrants.
19. During the period covered by our audit report, the company has not issued any debentures.
20. The company has not raised any money from public issue and as such question of end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit for the year ended March 31, 2011.

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

(P.K.JAIN)
Partner
M.N. 82515

Place: Delhi
Date: August 30, 2011



APL Apollo Tubes Limited
Information Memorandum

(Figures in `)

STANDALONE BALANCE SHEET AS AT MARCH 31, 2011			
PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUND			
1. SHAREHOLDER'S FUND			
(a) Share Capital	1	202,966,830	202,966,830
(b) Share Warrants		72,245,932	-
(c) Reserve & Surplus	2	1,965,368,420	1,758,879,974
		2,240,581,182	1,961,846,804
2. LOAN FUNDS			
Secured Loan	3	1,727,662,297	1,075,642,320
		1,727,662,297	1,075,642,320
3. DEFERRED TAX LIABILITY			
	4	133,700,094	81,597,190
	TOTAL	4,101,943,573	3,119,086,313
APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	5	1,334,485,745	966,954,134
Less : Depreciation		111,718,060	69,177,260
Net Block		1,222,767,686	897,776,874
2. INVESTMENTS			
	6	790,234,953	435,103,747
3. NET CURRENT ASSETS			
Current Assets, Loans & Advances			
(a) Inventories	7	972,203,029	592,152,612
(b) Sundry Debtors	8	806,776,530	398,391,874
(c) Cash and Bank balance	9	183,394,311	263,277,206
(e) Loans and Advances	10	494,985,699	735,148,012
(f) Other Current Assets	11	96,088,770	52,568,283
		25,53,448,339	2,041,537,986
Less : Current Liabilities & Provisions			
(a) Current Liabilities	12	364,827,695	173,120,595
(b) Provisions	13	115,786,893	89,142,868
		480,614,588	262,263,463
Net CURRENT ASSETS		2,072,833,751	1,779,274,524
4. MISC.EXPENDITURE			
	14	16,107,183	6,931,169
	TOTAL	4,101,943,573	3,119,086,313
Notes forming part of Accounts	24		



APL Apollo Tubes Limited
Information Memorandum

(Figures in `)

STANDLONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
PARTICULARS	SCHEDULE	YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
INCOME			
Gross Realization	15	6,433,774,573	4,072,556,591
Less : Excise Duty & Cess		<u>541,450,025</u>	<u>278,246,467</u>
Net Realization		5,892,324,548	3,794,310,124
Other Income	16	1,017,549	4,902,833
Variation in Stock	17	195,794,644	120,072,210
Profit on Sale of Capital Assets		<u>24,423</u>	<u>22,800,098</u>
	TOTAL	<u>6,089,161,164</u>	<u>3,942,085,265</u>
EXPENDITURE			
Raw Material Consumed	18	4,999,996,283	3,260,327,310
Manufacturing Expenses	19	151,770,013	83,354,860
Excise Duty on increase/decrease in Stock		12,307,325	16,524,707
Power and Fuel	20	86,441,378	70,721,002
Administrative and Other Expenses	21	64,774,867	42,702,803
Net Finance Charge	22	141,683,286	58,319,367
Selling and Other Expenses	23	208,423,069	124,822,341
Depreciation	5	42,685,217	24,768,472
Misc Expenditure Written off	14	4,459,994	1,732,792
Loss on Sale of Capital Assets		<u>1,473,604</u>	<u>1,235,838</u>
		<u>5,714,015,036</u>	<u>3,684,509,492</u>
Profit for the Year Before Tax		375,146,127	257,575,772
Less : Provision for			
Current Year Tax		74,768,500	43,563,500
Deferred Tax		52,102,904	44,751,211
Wealth Tax		73,446	52,665
Add : MAT Credit Entitlement		8,373,558	4,439,480
Less : Adjustment of Taxes Earlier Years		<u>2,750,974</u>	<u>1,266,217</u>
		<u>253,823,861</u>	<u>172,381,660</u>
Add : Profit and Loss b/f		328,847,775	223,958,323
Amount Available for Appropriation		<u>582,671,636</u>	<u>396,339,983</u>
Interim Dividend Paid		40,593,366	40,593,366
Dividend Distribution Tax on Interim Dividend		6,742,050	6,898,842
Transfer to General Reserve		<u>40,000,000</u>	<u>20,000,000</u>
Balance Carried to Balance Sheet		<u>495,336,220</u>	<u>328,847,775</u>
Earning Per Share (Basic) - Rs.		12.58	7.43
Earning Per Share (Diluted) - Rs.		11.64	7.43
Notes forming part of Accounts	24		



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STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011		(Figures in `)
PARTICULARS	YEAR ENDED MARCH 31,2011	YEAR ENDED MARCH 31,2010
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	375,121,705	234,775,675
Add: Adjustments for:		
Depreciation	42,685,217	24,768,472
Misc Exps Written Off	4,459,994	1,732,792
Interest & Finance Charges	141,683,286	58,319,367
Loss on sale of fixed assets	1,473,604	1,235,838
Adjustment of Taxes Earlier Years	(2,750,974)	(1,244,377)
Operating Profit Before Working Capital Changes	562,672,832	319,587,768
Adjustments for:		
Increase/Decrease in Sundry Debtors	(408,384,657)	(16,026,769)
Increase/Decrease in Other Receivables	262,802,949	(70,930,775)
Increase/Decrease in Inventories	(380,050,417)	(280,054,607)
Increase/Decrease in Trade & Other Payable	204,014,426	72,294,068
Cash Generated From Operations	241,055,133	24,869,685
Direct Taxes paid including Fringe Benefit Tax	(39,948,147)	(24,299,341)
Cash Flow before extra ordinary items	201,106,986	570,344
Extra ordinary items	24,423	22,800,098
Net Cash from Operating Activities (A)	201,131,409	23,370,441
2. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(369,932,513)	(459,690,361)
Misc Expenditure	(13,636,009)	(8,663,961)
Sale of Fixed Assets	2,136,125	20,740,150
Advances for Fixed Assets	(79,697,909)	143,423,831
Misc Investments	(355,131,206)	20,387,612
Net Cash from Investing Activities (B)	(816,261,511)	(283,802,729)
3. Cash Flow from Financing Activities:		
Proceeds of Warrant Issued during the Year	72,245,932	-
Receipt / Repayment of Secured loans	652,019,978	(301,703,222)
Receipt / Repayment of Unsecured loans	-	-
Dividend & DDT paid	(47,335,416)	(47,492,208)
Interest & Finance Charges	(141,683,286)	(58,319,367)
Net cash generated from Financing activities	535,247,207	(407,514,797)
Net Cash from Financing Activities (C)	535,247,207	(407,514,797)
Net Increase/(Decrease) in Cash & Cash Equivalents	(667,947,085)	(672,800,985)
ADD: Cash & Cash Equivalents at the Beginning of the Year	183,394,311	263,277,206
Cash & Cash Equivalents at the End of the Year	183,394,311	263,277,206
Notes :		
1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per Schedule-9 .		
2. The Cash Flow Statement has been prepared under the "Indirect method " as set out in the Accounting Standard (AS -3), "Cash Flow Statement".		
3. Figures in Brackets indicate cash outflow.		



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SCHEDULE '1' TO '14' & '24' ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011		
PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SCHEDULE '1' SHARE CAPITAL		
AUTHORIZED		
2,50,00,000 Equity Shares of ` 10/- each (Previous year 250,00,000 Equity Shares of ` 10/- each)	250,000,000	250,000,000
ISSUED, SUBSCRIBED AND PAID UP		
2,02,96,683 Equity Shares of ` 10/- each fully paidup (Previous Year 2,02,96,683 Equity Shares of ` 10/- each fully paidup)	202,966,830	202,966,830
TOTAL	202,966,830	202,966,830
SCHEDULE '2' RESERVE AND SURPLUS		
i. Security Premium		
	1,398,633,674	1,398,633,674
	1,398,633,674	1,398,633,674
ii. General Reserve		
At the commencement of the year	31,398,526	11,398,526
Add: Transferred during the year	40,000,000	20,000,000
	71,398,526	31,398,526
iii. Balance in Profit and Loss Account		
	495,336,220	328,847,774
TOTAL (i+ii+iii)	1,965,368,420	1,758,879,974
SCHEDULE '3' SECURED LOANS		
A. Term Loan		
	304,802,298	45,406,550
B. Working capital facilities from Banks		
	1,392,680,682	845,174,783
C. Secured Overdraft		
	30,179,317	185,060,986
TOTAL	1,727,662,297	1,075,642,320
Notes :		
[A] In Term Loan, vehicle loans from HDFC Bank Ltd. & Union Bank of India are secured by hypothecation of vehicles, loan from ICICI Bank Ltd. is secured by mortgage of Estate Home (residential property under construction) at E-11 (Land-		
[B] Working capital loan from Union Bank of India, HDFC Bank Ltd and Yes Bank Ltd. are secured by charge on current assets , movable and immovable assets, and collaterally secured by immovable assets of the company, present and future		
[C] Secured Overdraft availed from Union Bank of India are against pledge of Company's Fixed Deposits.		
SCHEDULE '4' DEFERRED TAX LIABILITY		
Last Year Balance	81,597,190	36,845,979
Add for the Current Year	52,102,904	44,751,211
TOTAL	133,700,094	81,597,190
SCHEDULE '6' INVESTMENTS		
Quoted Long Term		
-300,000 Equity Shares of Sharp Industries Ltd. (Previous Year NIL Equity Shares)	22,631,829	-
Market Value as on March 31, 2011 ` 97,29,000		



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Unquoted		
In subsidiary companies		
- 27,11,100 Equity shares of Apollo Metalex Pvt. Ltd. of ` 10/- each fully paid up	72,111,000	72,111,000
- 58,95,000 Equity shares of Shri Lakshmi Metal Udyog Ltd. of ` 10/- each fully paid up	362,992,747	362,992,747
-2,00,00,000 Equity shares of Lloyds Line Pipes Ltd. of ` 10/- each fully paid up	<u>332,499,377</u>	-
	790,234,953	435,103,747
SCHEDULE '7' INVENTORIES		
(As physically verified and valued by the management)		
Raw Material	310,110,614	190,621,876
Finished Goods	575,542,881	375,814,316
Scrap & Rejections	9,136,728	13,070,649
Consumable Store	27,965,273	10,667,338
Stock (lying at Branches)	<u>49,447,533</u>	<u>1,978,433</u>
	<u>972,203,029</u>	<u>592,152,612</u>
SCHEDULE '8' SUNDRY DEBTORS		
Sundry Debtors (Unsecured and considered good)		
Outstanding for a period exceeding six months	14,776,987	19,616,955
Others	<u>791,999,543</u>	<u>378,774,919</u>
	<u>806,776,530</u>	<u>398,391,874</u>
SCHEDULE '9' CASH & BANK BALANCE		
Cash and Bank Balance	11,990,391	9,456,002
FDR's with Schedule Banks	140,455,689	234,581,743
Accrued Interest on FDR's & Securities	<u>30,948,231</u>	<u>19,239,461</u>
TOTAL	<u>183,394,311</u>	<u>263,277,206</u>
SCHEDULE '10' LOANS AND ADVANCES		
(Unsecured and Considered good, unless stated otherwise)		
Claims Receivable	123,478,633	88,629,765
Income Tax Deducted at Source	2,082,853	24,385,474
Securities	12,414,274	166,733,619
Advance to Suppliers And Other Loans & Advances	318,982,934	433,767,479
Prepaid Expenses	10,723,195	4,520,391
Advance Tax	14,490,772	12,671,803
MAT Credit Entitlement	<u>12,813,038</u>	<u>4,439,480</u>
TOTAL	<u>494,985,699</u>	<u>735,148,012</u>
SCHEDULE '11' OTHER CURRENT ASSETS		
Export Incentive Receivable	17,187,094	11,508,424
Service Tax Recoverable	5,281,627	7,992,857
Excise Duty & Cess Receivable	73,040,425	33,067,003
Sales Tax Recoverable	<u>579,625</u>	-
TOTAL	<u>96,088,770</u>	<u>52,568,283</u>



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SCHEDULE '12' CURRENT LIABILITIES		
Sundry Creditors for Raw Material	240,713,095	13,072,499
Sundry Creditors for Others	66,061,274	42,728,569
Expenses Payable	36,424,316	81,209,207
Advances from Parties	21,231,734	35,713,045
Investor Education & Protection Fund-Unclaimed Dividend (shall be credited when due)	397,275	397,275
TOTAL	364,827,695	173,120,595
SCHEDULE '13' PROVISIONS		
Provision for Excise Duty on Finished Goods	41,018,393	28,711,068
Provision for Taxation	74,768,500	60,431,800
TOTAL	115,786,893	89,142,868
SCHEDULE '14' MISC EXPENDITURE		
Misc Expenditure	20,567,177	8,663,961
Less: Misc Expenditure written off	4,459,994	1,732,792
TOTAL	16,107,183	6,931,169



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SCHEDULE '15' TO '24' ANNEXED TO AND FORMING PART OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2011			
PARTICULARS		YEAR ENDED MARCH 31, 2011	YEAR ENDED MARCH 31, 2010
SCHEDULE '15' GROSS REALIZATION			
Sales ~ Domestic		6,070,820,465	3,809,804,727
Sales ~ Export		333,783,123	241,622,927
Other Operating Income			
Job Work		10,621,181	6,763,612
Export Incentive		18,549,805	14,365,324
	TOTAL	6,433,774,573	4,072,556,591
SCHEDULE '16' OTHER INCOME			
Miscellaneous Income		1,017,549	4,882,833
Dividend		-	20,000
	TOTAL	1,017,549	4,902,833
SCHEDULE '17' VARIATION IN STOCK			
Closing Stock			
Finished Goods		575,542,881	375,814,316
Scrap		9,136,728	13,070,649
	TOTAL A	584,679,609	388,884,965
Less : Opening Stock			
Finished Goods		375,814,316	263,331,395
Scrap		13,070,649	5,481,360
	TOTAL B	388,884,965	268,812,755
	TOTAL (A-B)	195,794,644	120,072,210
SCHEDULE '18' RAW MATERIAL CONSUMED			
Opening Stock		190,621,876	34,374,524
Add : Purchase During the Year		5,119,485,021	3,416,574,661
		5,310,106,897	3,450,949,185
Less : Closing Stock		310,110,614	190,621,876
	TOTAL	4,999,996,283	3,260,327,310
SCHEDULE '19' MANUFACTURING EXPENSES			
Factory Wages		32,487,176	21,287,413
Consumable Stores		34,142,454	38,793,204
Job Work Charges		14,387,544	2,290,220
Freight & Cartage Inward		68,487,034	19,487,293
Insurance		45,526	32,138
Factory Rent		1,343,040	1,464,592
Factory Maintenance Expenses		877,240	-
	TOTAL	151,770,013	83,354,860



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



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Schedule '24' Accounting Policies and Notes Forming Part of Accounts

A. Significant Accounting Policies

1) Basis of Preparation of Financial Statement

- a) The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with the Accounting Standard-1 Referred to in section 211(3c) of the companies Act 1956.
- b) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- c) Expenditure incurred in connection with the issue of Shares/GDRs is written off against security premium account in the year of incurrence.

2) Fixed Assets

- a) Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and preoperative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work in progress at cost till the same are ready for use.
- b) Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalised.
- c) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalised as part of the cost of machinery.

3) Impairment of Assets

The Company recognizes all the losses as per Accounting Standard-28 due to the impairment of assets in the year of review of the physical conditions of the Assets and is measured by the amount by which, the carrying amount of the Assets exceeds the Fair Value of the Asset.

4) Depreciation

Depreciation on fixed assets is provided on straight-line basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during the period is proportionately charged.

5) Inventories Valuation

Raw material is valued at cost (First in First Out basis) or net realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/First in First Out basis).

6) Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within profit and loss account. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in profit and loss account over the life of the contract.



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7) Duties & Credits

- a) Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.
- b) Cenvat Credit, to the extent available during the year, is adjusted towards cost of materials.
- c) Duty credit on export sales has been taken on accrued basis whether license has been issued after closing of the financial year.

8) Sales are inclusive of excise duty and after deducting the trade discount and also sales tax applicable and Purchase made against Bank Guarantee, Letter of Credit are classified in sundry creditor for raw materials.

9) Retirement Benefits

- a) The company has provided for the retirement benefits as per the actuarial valuation under the Projected Unit Credit Method.
- b) Retirement benefits in the form of Provident Fund are charged to the Profit & Loss Account of the period when the contributions to the respective funds are due.

10) Borrowing Cost

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets.

11) Taxes on Income

Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

In accordance with Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

12) Misc. Expenditure

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

13) Revenue Recognition

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

14) Investments

Long term investments, other than investment in Associates and Subsidiaries, are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Income/Loss from investments are recognized in the year in which it is generated.

15) Provision and Contingencies

The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.



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16) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

17) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

B. Notes Forming Part of Accounts

1) Contingent Liability

Contingent liability not provided for in respect of;

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

2) Raw Material Consumed

a. H.R. Strip

	2011		2010	
	Qty. (M.T.)	Value (` In Lacs)	Qty. (M.T.)	Value (` In Lacs)
Opening Balance	4,998.147	1,770.89	913.070	255.66
-with consignee	828.430	317.20	--	--
Add: Purchase	1,33,074.687	42,350.42	100,447.387	29,009.99
Add: Recd. From Job Work	13.140	4.08	84.280	25.41
Less: Issued for Production	1,19,131.626	36,945.92	88,887.498	25,108.68
Less : Sales	12,128.101	4490.00	6,727.492	2,093.38
Less : Scrap from job work	--	--	3.170	0.91
Less : Issued From Job Work	778.160	241.78	--	--
Closing Balance-at works	6,876.517	2,768.90	4,998.147	1,770.89
-with consignee	--	--	828.430	317.20

b. G.P. Coil

	2011		2010	
	Qty. (M.T.)	Value (` In Lacs)	Qty. (M.T.)	Value (` In Lacs)
Opening Balance	31.637	11.10	97.594	31.23
Add: Purchase	8,376.945	3,291.88	2101.621	686.85
Add: Recd. From Job Work	652.740	221.93	--	--
Less: Issued for Production	8,351.633	3,218.76	1519.932	507.33
Less:- Sales	279.445	119.74	647.646	199.65
Closing Balance	430.244	186.41	31.637	11.10



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c. Zinc

	2011		2010	
	Qty. (M.T.)	Value (₹ In Lacs)	Qty. (M.T.)	Value (₹ In Lacs)
Opening Balance	89.369	107.60	42.074	33.87
Add: Purchase	1,649.012	1,846.83	1951.795	2,001.11
Less: Issued for Production	1,510.881	1,687.11	1661.670	1,658.61
Less : Sales	110.390	133.22	242.830	268.77
Closing Balance	117.110	134.10	89.369	107.60

3) Licensed and Installed Capacity, Production and Turnover

a) Licensed and Installed Capacity

	2011 Qty. (M.T.)		2010 Qty. (M.T.)	
	Licensed	Installed	Licensed	Installed
M S Pipe	N. A.	325000	N. A.	200000

b. Production

i) M.S.Pipe

	2011 Qty. (M.T.)	2010 Qty. (M.T.)
Opening Stock- at works	5,205.663	3,321.747
-lying with consignee/branches	491.244	2,156.507
Add: Production During the Year	1,13,668.710	84,351.253
Add: Recd. From job work	73.970	17.710
Less: sale	78,990.335	49,738.840
Less: Issued for GI Pipe	31,714.150	34,411.470
Closing Stock- at works	7,031.074	5,205.663
- lying with consignee/branches	1,704.028	491.244

ii) G.P. Pipe

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

iii) G.I. Pipe

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



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4) The closing stock of finished goods has been valued inclusive of Excise Duty amounting to ₹ 2,27,06,411 (Previous Year ₹ 2,87,11,068) As per ASI-14 (Revised) issued by the Institute of Chartered Accountants of India.

5) Employee Benefits

Long Term Employee Benefits

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

Particulars	Year ended March 31, 2011 (₹)
Changes in the present value of defined benefit obligation	
Present benefit obligation at the beginning of year	20,66,888
Current service cost	6,21,986
Interest cost	1,65,351
Past service cost	15,504
Actuarial loss/(gain)	7,10,288
Benefits paid	7,25,367
Projected benefit obligation at the end of the year	28,54,650
Changes in the fair value of plan assets	
Fair value of plan assets at the beginning of the year	-
Expected return on plan assets	-
Contributions	-
Actuarial (loss)/gain	-
Fair value of plan assets at the end of the year	-
Amount recognized in the balance sheet	
Projected benefit obligation at the end of the year	28,54,650
Fair value of plan assets at the end of the year	-
Funded status of the plans-asset/(liability)-Liability recognized in the balance sheet	(28,54,650)
Gratuity cost for the year	
Current service cost	6,21,986
Interest Cost	1,65,351
Past service cost	15,504
Expected return on plan assets	-
Net actuarial gain/(loss) recognized in the year	7,10,288
Net Gratuity cost	15,13,129
Assumptions	
Discount rate	8.00
Expected rate of return on plan assets	-
Long term rate of compensation increase	5.50

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

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

7) Details of utilization of funds received on preferential of convertible warrants:

(Figures in ₹)

Particulars	2011	2010
Net issue proceeds	7,22,45,932	Nil
Less: Part funding of Llyod Lines Pipes Ltd's acquisition	7,22,45,932	Nil
Balance	Nil	Nil



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

	2011	2010
A. Basic EPS		
Profit After Tax As per P&L A/c (₹)	25,52,73,042	15,08,17,401
Weighted Avg. Number of Equity Share	2,02,96,683	2,02,96,683
Basic EPS (₹)	12.58	7.43
B. Diluted EPS		
Profit After Tax As per P&L A/c (₹)	25,52,73,042	15,08,17,401
Diluted Number of Equity Shares O/s	2,19,38,636	2,02,96,683
Diluted EPS (₹)	11.63	7.43
C. Computation of Diluted Number of Equity Shares		
1. Weighted average number of equity shares outstanding during the year	2,02,96,683	2,02,96,683
2. Average fair value of one equity share during the year	10	10
3. Weighted average number of share Warrant issue during the year	16,41,953	-
4. Warrants were issued @ ₹ 176 each entitling the holders to subscribe for one equity share having nominal value ₹ 10 for every warrant issued.	10	-
5. Total Diluted Equity Shares (1+3)	2,19,38,636	2,02,96,683

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

	2011	2010
	<i>(Figures in ₹)</i>	
Deferred Tax Liability	13,39,61,769	8,18,76,761
Deferred Tax Assets	2,61,675	2,79,571
Net Deferred Tax Liability	13,37,00,094	8,15,97,190

10) The Company has only one segment i.e. manufacturing of Steel tubes and pipes, therefore segment reporting as required under Accounting Standard –17 is considered as not applicable.

11) Brand Building

During the Year the Company incurred an expenditure of ₹ 1,36,36,008 (Previous Year ₹ 86,63,961) on Brand building exercise, which has been grouped under miscellaneous expenses and will be amortized in 5 years equally.

12) Provision for Income Tax for the current year has been computed based on Minimum Alternate Tax in accordance with Section 115JB of the Income Tax Act, 1961. Taking into consideration the future profitability and the taxable position in the subsequent years, the Company has recognized MAT Credit Entitlement to the extent of ₹ 1,24,89,285 (Previous Year ₹ 44,39,480) in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.

13) Related Party Disclosures (AS-18)

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

Related Parties with whom transaction have taken place during the year and balances outstanding as on the last day of the year;

Name of related parties where control exists irrespective of whether transactions have occurred or not	
Wholly Owned Subsidiary companies	Apollo Metalex (P) Ltd.
	Shri Lakshmi Metal Udyog Ltd.
	Lloyds Line Pipes Limited



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Name of other related parties with whom transactions have taken place during the year	
Associates	Apollo Pipes Ltd.
	V. S. Exim (P) Ltd.
	APL Infrastructure (P) Ltd.
Key Management Personnel	Mr. Sanjay Gupta (Chairman cum Managing Director)
Relatives of key management personnel	Mrs. Saroj Rani Gupta (Mother of Directors)
	Mrs. Neera Gupta (Wife of Sh. Sanjay Gupta)

b) Detail of Related Party Transactions

(Figures in `)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
*Sales of Goods / Job Work/Machinery	15,26,70,897	-	-	-	15,26,70,897
Purchase of Goods / Job Work/Machinery	24,69,19,583	-	-	-	24,69,19,583
Transfer of DEPB	4,69,360	64,05,411	-	-	68,74,771
Director's Remuneration Paid	-	-	24,00,000	-	24,00,000
Office/Vehicle/Factory rent Paid	-	16,48,334	-	28,80,000	45,28,334
Fund Received	7,78,11,046	-	-	-	7,78,11,046
Fund Given	14,90,50,000	-	-	-	14,90,50,000

*Sale includes Goods sent on Consignment

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

(Figures in `)

Particulars	Wholly Owned Subsidiaries	Associates	Key Management Personnel	Relative of key management Personnel	Total
Amount due to Related Parties	12,43,90,162	20,25,249	1,54,181	15,000	12,65,84,592
Amount due from Related Parties	14,90,00,000	-	-	-	14,90,00,000

	2011	2010
14) Value of Import (`)	6,91,76,620	3,42,86,025
15) Value of Export (CIF) (`)	33,38,01,963	24,16,22,927
16) Expenditure in foreign currency (`)	5,96,52,460	3,59,17,056

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

18) Auditors Remuneration (excluding Service Tax)

	<i>(Figures in `)</i>	
	2011	2010
i) Statutory Audit Fee	7,50,000	7,50,000
ii) Taxation matters	1,50,000	1,50,000
iii) Other Services	1,00,000	1,00,000
Total	10,00,000	10,00,000



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19) Break up of Managerial Remuneration

	2011	<i>(Figures in `)</i> 2010
i) Salaries	24,00,000	24,00,000
ii) Contribution to Provident Fund	-	-
iii) Other Perquisites	-	-
iv) Commission	-	-
Total	24,00,000	24,00,000

20) Break up of Directors Traveling Expenses:

	2011	<i>(Figures in `)</i> 2010
i) Foreign Travelling	18,57,507	2,23,762
ii) Inland Travelling	16,92,720	4,75,613

21) The Company could not identify whether any of its creditors is SSI undertaking and Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Particulars of amount as at 31st March 2011, if any, due to such undertaking could, therefore, not be disclosed.

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

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



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IXA Financial Results for the Latest Quarter

CONSOLIDATED UNAUDITED (PROVISIONAL) FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED JUNE 30, 2011

These financial results, reviewed by Audit Committee have been taken on record by the Board of Directors at its' meeting held on July 21, 2011. The Statutory Auditors have carried out the 'Limited Review' of the results.

The consolidated financial results have been prepared in accordance with the AS-21 issued by the ICAI and comprise the financial results of APL Apollo Tubes Ltd and its' 100% subsidiaries.

During the quarter, sheet galvanizing facilities at Shri Lakshmi Metal Udyog, Bangluru became operational with installed capacity of 30,000 MTPA, augmenting the total in-house sheet galvanization installed capacity to 54000 MTPA

Warehouse-cum-branches were opened at Kochin, Goa and Nagpur to further strengthen the Company's distribution network supported by its multi-locational manufacturing facilities.

There were no investors' complaints pending at the beginning of the quarter, all two complaints received during the quarter were resolved and no complaints were pending at the end of the quarter.

The Company operates only in one segment i.e. manufacturing of Infrastructure Products. Previous period figures have been regrouped / reclassified / recasted, wherever necessary to facilitate comparison.

for **APL APOLLO TUBES LIMITED**

Delhi 110 092
July 21, 2011

www.aplpollo.com

SANJAY GUPTA
CHAIRMAN CUM MANAGING DIRECTOR

CONSOLIDATED UNAUDITED (PROVISIONAL) FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED JUNE 30, 2011
(Rupees in Lacs except for shares and EPS)

PARTICULARS	Quarter Ended		Year Ended
	30.06.2011	30.06.2010	31.03.2011
	(Unaudited)	(Unaudited)	(Unaudited)
Gross Sales	3,198.88	17,191.41	98,405.41
Less: Excise Duty & Cess	2,531.71	1,495.27	8,391.34
Net Sales/Income from Operations	30,667.17	15,696.14	90,014.07
Expenditure			
(a) (Increase)/ Decrease in Stock	(474.77)	(511.37)	(678.29)
(b) Consumption of Raw Materials	24,499.26	12,650.34	70,173.37
(c) Purchase of traded goods	1,305.76	849.88	4,231.71
(d) Employees Cost	428.30	158.19	1,086.98
(e) Depreciation	205.00	105.43	610.50
(f) Other Expenditure	2,125.79	1,081.93	6,325.38
Total Expenditure	28,089.34	14,334.40	81,749.65
Profit before Interest & Exceptional Item	2,577.83	1,361.74	8,264.42
Net Interest Expenses	646.77	293.46	1,824.73
Earning before Exceptional Item	1,931.06	1,068.28	6,439.69
Exceptional Item	-	-	-
Profit/Loss before Tax	1,931.06	1,068.28	6,439.69
Tax Expense			
-Current Tax	495.00	252.85	1,480.00
-Deferred Tax	135.00	98.05	652.21
Net Profit/Loss	1,301.06	717.38	4,307.48
Exceptional Item (net of tax expenses)	-	-	-
Paid-up Equity Shares Capital	2029.67	2029.67	2029.67
(Face value of Rs. 10/- each)			
Reserves excluding Revaluation Reserve			
Earning Per Shares (EPS)			
- Basic (in Rupees, not annualised)	6.41	3.53	21.22
-Diluted (in Rupees, not annualised)	5.93	3.53	20.76
Public Shareholding			
-Number of Shares	11996683	12046683	11996683
-Percentage of Shareholding	59.107	59.353	59.107
Promoters & Promoter Group Shareholding			
Pledged/Encumbered			
-Number of Shares	2010000	2400000	1800000
-Percentage to total Promoter Shareholding	24.217	29.091	21.687
-Percentage to total Share Capital	9.903	11.825	8.868
Un-encumbered			
-Number of Shares	6290000	5850000	6500000
-Percentage to total Promoter Shareholding	75.783	70.909	78.313
-Percentage to total Share Capital	30.990	28.822	32.025

STANDALONE UNAUDITED (PROVISIONAL) FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED JUNE 30, 2011
(Rupees in Lacs except for shares and EPS)

PARTICULARS	Quarter Ended		Year Ended
	30.06.2011	30.06.2010	31.03.2011
	(Unaudited)	(Unaudited)	(Unaudited)
Gross Sales	24,587.78	11,784.05	64,068.27
Less: Excise Duty & Cess	1,832.10	993.78	5,369.51
Net Sales/Income from Operations	22,755.68	10,790.27	58,698.76
Expenditure			
(a) (Increase)/ Decrease in Stock	(442.74)	(521.48)	(576.89)
(b) Consumption of Raw Materials	15,775.56	8,431.67	43,526.03
(c) Purchase of traded goods	4,164.12	1,254.17	5,741.96
(d) Employees Cost	223.43	91.73	603.76
(e) Depreciation	145.00	73.36	464.85
(f) Other Expenditure	1,327.75	675.60	3,986.75
Total Expenditure	21,193.12	10,005.05	53,746.46
Profit before Interest & Exceptional Item	1,562.56	785.22	4,952.30
Net Interest Expenses	431.85	161.33	1,200.51
Earning before Exceptional Item	1,130.71	623.89	3,751.79
Exceptional Item	-	-	-
Profit/Loss before Tax	1,130.71	623.89	3,751.79
Tax Expense			
-Current Tax	260.00	115.85	780.00
-Deferred Tax	110.00	90.85	457.15
Net Profit/Loss	760.71	417.19	2,514.64
Exceptional Item (net of tax expenses)	-	-	-
Paid-up Equity Shares Capital	2029.66	2029.67	2029.67
(Face value of Rs. 10/- each)			
Reserves excluding Revaluation Reserve			
Earning Per Shares (EPS)			
- Basic (in Rupees, not annualised)	3.75	2.06	12.39
-Diluted (in Rupees, not annualised)	3.47	2.06	12.12
Public Shareholding			
-Number of Shares	11996683	12046683	11996683
-Percentage of Shareholding	59.107	59.353	59.107
Promoters & Promoter Group Shareholding			
Pledged/Encumbered			
-Number of Shares	2010000	2400000	1800000
-Percentage to total Promoter Shareholding	24.217	29.091	21.687
-Percentage to total Share Capital	9.903	11.825	8.868
Un-encumbered			
-Number of Shares	6290000	5850000	6500000
-Percentage to total Promoter Shareholding	75.783	70.909	78.313
-Percentage to total Share Capital	30.990	28.822	32.025



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X OUTSTANDING LITIGATIONS

There is no outstanding litigation pending against the company and its subsidiaries and their office bearers.

XI GOVERNMENT APPROVALS

The Company has all the necessary permissions and approvals from the Government and various Government agencies for the existing activities.

XII - DIVIDEND POLICY

The declaration and payment of Dividends will be recommended by our Board of Directors, at their discretion and with the approval of our Shareholders. The recommendation of dividend will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. As a part of the Silver Jubilee celebrations, the Company declared two interim dividends at 10% each during the financial year 2010-11 on the 2,02,96,683 outstanding equity shares. The total dividend payout works out to Rs. 4,05,93,366, i.e. Rs. 2/- per equity share.



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XIII MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

10. The certificate of title to share shall be issued under the Seal of the Company.

11. Every member shall be entitled free of charge to certificate in marketable lot for all the shares of each class registered in his name or, if any member so wishes, to several certificate each for one or more of such shares. unless the Conditions of issue of any shares otherwise provide, the Company shall either within two months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, sub-division, consolidation renewal or exchange of any of its shares, as the case may be, complete, and have ready for delivery the certificates of such shares. Every certificate of shares, shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Companies (Issue of Share Certificates) Rules, 1960.

12.

(1) If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation if any certificate be defaced, torn or old, decrepit, worn-out or where the pages on the reverse for recording transfer have been duly utilized, then upon surrender thereof to the Company, the Board, may order the same to be cancelled and may issue new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof, shall be given To party entitled to the shares to which such lost or destroyed certificate relate. Where a new certificate has been issued as aforesaid, it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed, the word duplicate shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may be determine.

(2) No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denomination, corresponding to the market units of trading, for sub-division of renounceable letters of rights; for issue of new certificate in replacement of those which are old, decrepit or worn out, or where the pages on the reverse for recording transfers have been fully utilized. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its share may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of share and debenture certificates and



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for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

13. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to the following provisions and to the other provisions of these Articles relating to joint holders :-

- (a) The Company shall not be bound to register more than three persons as the joint-holder for any share.
- (b) The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.
- (c) On the death of any one of such joint-holders, the survivor or survivors shall be the only person recognized by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit.
- (d) Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share.

CALLS

14. The Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.

15. That the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

16. Not less than 30 (Thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

17. If by the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by installments at fixed times, every such amount of issue price of installment thereof shall be payable as if it were a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or installments accordingly.

18. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 12 (Twelve) percent per annum, from the day appointed for the payment



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thereof to the actual payment or at such other areas the Directors may determine but they shall have power to waive the payment thereof wholly or in part.

19. On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter but the proof of the matters aforesaid shall be conclusive evidence of the debt.

20. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of call then made upon the share in respect of which such advance has been made, the company may pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, 6 (Six) percent per annum on the member paying such sum as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the Amount so advanced upon giving such member not less than three months notice in writing.

FORFEITURE AND LIEN

21. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the Company by reasons of such non-payment.

22. The notice shall name a day (not being less than 30 (Thirty) days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

23. If the requirement of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the Company of a



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portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.

24. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

25. Any share so forfeited shall be deemed to be the property of the Company, and the Director may sell, re-allot or otherwise dispose off the same in such manner as they think fit.

26. The Directors may, at any time before any share so forfeited shall be sold; re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit.

27. Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all call, instalments, interest and the expenses, owing upon or in respect of such shares, at the time of all instalments interest on the forfeited together with interest there-upon, from the time of the forfeiture until payment at 12 (Twelve) per cent per annum or such other rate as the Directors may determine any the Directors may enforce the payment thereof without any deduction of allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.

28. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

29. A duly verified declaration in writing that the declarant is Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a written title to such shares.

30. That fully paid shares shall be free from all lien, and that in the case of partly paid shares, the Companys lien shall be restricted to money called or payable at a fixed time in respect of such shares.

30a. That common form of transfer shall be used.

31. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such



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member, his committee, curator bonis or other person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residual (if any) be paid to such member, his executors, administrators or other representatives or persons so recognized as aforesaid.

32. Upon any sale after forfeiture or enforcing a lien in purported exercise of the powers by these presents given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchasers name to be entered in the register in respect of the shares sold and after his name has been entered in the Register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

33. Where any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holders of the said shares the Directors may issue new certificate not so delivered.

TRANSFER AND TRANSMISSION OF SHARES

34. Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the shares, or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of transferees and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.

35. Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manners prescribed by the Act, and, subject to the provisions of Articles hereof, the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner, and subject to the same conditions as if the application for Registration was made by the transferee.

36. Before registering any transfer tendered for registration, the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within two



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weeks from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.

37. The Company shall keep a Register of Transfers and therein shall be fairly and distinctly entered particular of every transfer of any share.

38. Subject to the provisions of section 111 of the Act, the Board, of director without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and, in the case of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve.

Provided that the registration of a transfer of share shall not be refused on the ground of the transferor being either alone or Jointly with any other person or persons indebted to the Company on any account whatsoever.

39. (1) No transfer shall be made to a minor or a person of unsound mind.

(2) No fee shall be charged for registration of transfer, probate, letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments.

40. All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds.

41. If the Directors refuse to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer notice of such refusal.

42. On giving seven days notice by advertisement in a newspaper circulating in the District in which the Office of the Company is situated the Register of Members may be closed during such time as the Directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.

43. The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person whom the Company shall recognise as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered shares the survivors shall be only persons recognized by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased jointholder from any liability on shares held by him jointly with any other person. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares the Company may require him to obtain a grant of probate or letters of administration or succession certificate, or other legal representation, as the case may be from a competent



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Court, provided nevertheless that in any case where the Board in its absolute discretion think fit it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

44. Any person becoming entitled to or to transfer shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this article, or of his title as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained transfer such shares. This Article is hereinafter referred to as The transmission Article. Subject to any other provisions of these Articles if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person he shall execute an instrument of transfer in accordance with the provisions of these articles relating to transfer of shares. All the limitations, restrictions and provisions of these articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.

45. Subject to any other provisions of these Articles if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequences of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.

46. The instrument of transfer shall be in writing and all the provision of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

SHARE WARRANTS

47. Subject to the provisions of Section 114 and 115 of the Act and subject to any direction which may be given by the Company in General Meeting, the Board may issue share-warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue Regulations 40 to 43 of table A in Schedule I to the Act, shall apply.

STOCKS

48. The company may exercise the power of conversion of its shares into stock and in that case regulations 37 to 39 to table A in schedule I to the Act shall apply.



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ALTERATION OF CAPITAL

49. The Company may, by ordinary resolution, from time to time, alter The condition of Memorandum of Association as follows :-

- a) Increase the Share Capital by such amount to be divided into shares of such amount as may be specified in the resolution.
- b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived, and
- d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.

50. Subject to the provisions of Section 100 to 104 of the Act, the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agree.

MODIFICATION OF RIGHTS

51. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue f the shares of that class) may, whether or not the Company is being wound up, be carried with consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate Meeting of the holders of the shares of that class. To every such Separate Meeting the provisions of these Articles, relating to general meeting shall apply, but so that the necessary quorum shall be two persons atleast holding or representing by proxy one-tenth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of the class of which he is the holder. the Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

52. The Board may, from time to time and at its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act, and Regulations made thereunder and Directors issued by the RBI raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purpose of the Company.



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53. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it think fit, and in particular, by the issue of bonds, perpetual or redeemable debenture or debenture-stock or any mortgage, or other security on the undertaking of the whole or part of the property of the Company (both present and future), including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.

54. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings allotment of shares, appointment of Directors and otherwise debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

55. Save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.

56. If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, sent to the transferee and to the transferor notice of the refusal.

RESERVES

57. Subject to the provisions of the Act, the Board shall in accordance with Section 205 (2A) of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at its discretion, either be employed in the business of the company or be invested in such investments (other than shares of the Company as the Board may, from time to time, think fit). The Board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.

58. Any General Meeting any resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part if such capitalized amount be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be distributed accordingly in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such manner in full satisfaction of their interest in the said capitalized amount. Provided that



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any sum standing to the credit of a shares premium account or a capital redemption, reserve account may, for the purposes of this Article only be applied in the paying up of unissued shares to be issued to members of the company as fully-paid bonus shares.

59. For the purpose of giving effect to any resolution under two last preceding Articles the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate.

GENERAL MEETINGS

60. The Directors may, whenever they think fit, call an extra ordinary general meeting provided however if at any time these are not in India Directors capable of action who are sufficient in number to form a quorum any Director present in India may call an extra ordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

61. The Board of Directors of the Company shall on the requisition of such member or members of the company as is specified in subsection (4) of Section 169 of the Act forthwith proceed to call an extra ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the provisions of section 169 of the Act and of any statutory modification thereof for the time being shall apply.

62. The quorum for a general meeting shall be five members present in person.

63. At every General Meeting, the Chair shall be taken by the Chairman of the Board of Directors. If at any meeting, the Chairman of the Board of Directors is not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be Chairman or if no Director shall be present or though present shall choose one of their members, being a member entitled to vote, to be the Chairman.

64. Any act or resolution which, under the provision of this Article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution.

65. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon a requisition of share holders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.



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66. In the case of a equality of votes the Chairman shall both on a show of hands and a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

67. The Chairman of a General Meeting may adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place, it shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.

68. If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

69. (1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorized representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own rights, shall have one vote.

(2) On a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act

(3) The voting rights of the holders of the Preference Shares including the Redeemable Cumulative Preference Share shall be accordance with the provisions of section 87 of the act.

(4) No company or body corporate shall vote by proxy so long as a resolution its Board of Directors under Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

70. A person becoming entitled to a share shall not, before being registered as member in respect of the share, entitled to exercise in respect thereof any right conferred by membership in relation to meeting of the Company.

70A. If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided that atleast twenty four hours before the time of holding the meeting or adjourned meeting, as the case may be, at which a any such person proposes to vote he, shall satisfy the Board of his rights under this Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

71. Where there are joint holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executor or



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administrators of deceased member in whose name any share stands shall for the purpose of this Article, be deemed joint-holders thereof.

72. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation, under its common seal or the hands of its Attorney.

73. The instrument appointing a proxy and the Power-of-Attorney or other authority (if any) under which it is signed or a natorially certified copy of that power of authority shall be deposited at the office not less than fourty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote in default the instrument of proxy shall not be treated as valid.

74. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote given. Provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office or by the Chairman of the Meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

75. Every instrument appointing a proxy shall as nearly as circumstances will admit, be in the form set out in Schedule IX to the Act. No objection shall be taken to the validity to any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.

76. Before or on the declaration of the result of the boting an any resolution on a show of hands; a poll be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 179, of the Act, for the time being in force.

77. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right or lien.

DIRECTORS GENERAL PROVISIONS

78. The number of Directors shall not be less than three and not more than twelve.



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79. The following shall be First Directors of the Company :

1. Sudesh Kumar Gupta
2. Smt. Saroj Rani Gupta

80. The Directors shall have power, at any time and from time to time, to appoint any person as an additional Directors as an addition to the board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next Annual General meeting of the Company and shall be eligible for re-election.

81. A Director shall not be required to hold any share qualification shares.

82. The Director shall be entitled to receive in each year a commission @ 1%(One percent) in the net profits of the Company such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Company Act, 1956 Rules made thereunder and such commission shall be divided among the Directors in such proportion and manner as may be determined by them. The Director may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to made any special exertions for any of the purposes of the Company then, subject to Section 198, 309, 310 and 314 of the Act and ruled made the under the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

82A. The sitting fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a general meeting shall be decided by the Board of Directors, from time to time, within the maximum limits of such fees prescribed under the provisions of Section 310 of the Act, and schedule XIIth XIIIth thereof.

83. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number above fixed, the Directors shall not except for the purpose of filling vacancies or of summoning a General Meeting act so long as the number is below the minimum.

84. Subject to the provisions of section 297, 299, 300 and 314 of the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor,



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purchaser lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or behalf of the Company with a relative of such Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a private company in which such Director is a member or Director interested be avoided, nor shall any Director or otherwise so contracting or being such members or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

APPOINTMENT OF DIRECTORS

85. The Company in General Meeting may, subject to the provision of these Articles and the Act, at any time elect any person to be a Director and may, from time to time, increase or reduce the number of directors.

85A. Any member of the company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of company for the office of director in the company and shall accordingly give a notice of at least 14 days in writing along with a deposit of Rs. 500/- (Rupees Five Hundred) or such sum as may for the time being be prescribed by the Act, which and rules made thereunder shall be refunded only after the person proposed to be appointed as director is elected.

86. If any Director appointed by the Company in general meeting vacates office as a Director before his terms of office will expire in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Act.

87. The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same right and privileges and be subject to the same obligation as any other Director of the Company.

88A. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to the Industrial Development Bank of India (IDBI), industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), Unit Trust of India (UTI) and other Financial Institutions of Central or State Governments or to any other Corporation of Institution or to any other financing Company or other Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, which IDBI, IFCI, ICICI, and LIC, GIC, UTI or other Finance corporation or Credit Corporation or any other financing



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Company or body is hereinafter in this Articles referred to as the Corporation) continue to hold shares in the Company as a result of underwriting or direct subscription, the Corporation shall have a right to appoint from time to time any person or persons as a director or directors, whole time or non-whole time, (which director or directors is/are hereinafter referred to as nominee director/s) on the board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

(b) The Board of directors of the company shall have no power to remove from office the nominee director/s. At the option of the Corporation, such nominee director/s shall not be liable to retirement by rotation of directors. Subject as aforesaid, the nominee director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Company.

(c) The nominee director/s so appointed shall hold the said office only so long as may money remain owing by the company to the Corporation or as a result of underwriting or direct subscription and the nominee director/s so appointed in exercise of the said power shall ipso-facto vacate such office immediately after the moneys owing by the company to the Corporation is paid off on the Corporation shall also be entitled to receive all such notices and minutes.

(d) The nominee director/s appointed under this Article shall be entitled to receive all notices of and attend all general meetings, board meetings and of the meetings of the committee of which the nominee director/s is /are member/s also the minutes of such meetings. The Corporation shall also be entitled to received all such notices and minutes.

(e) The Company shall pay to the nominee director/s sitting fees and expenses which the other directors of the Company are entitled to, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such nominee director/s shall accrue to the corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such nominee director/s in connection with their appointment or directorship shall also be paid or reimbursed by the company to the Corporation or as the case may be to such nominee director/s. Provided that if any such nominee director/s is an officer of the Corporation the sitting fees, in relation to such nominee Director/s shall also accrue to Corporation and the same shall accordingly be paid by the company directly to the corporation. Provided also that in the event of the nominee Director/s being appointed as wholetime director/s such nominee ditectors shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a wholetime director, in the management of the affairs of the Company. Such nominee director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

(f) Subject to the provisions of section 313 of, the Act, the Board may appoint any person to act as an alternate director for a director during the latters absence for a period of not less then three months from the State in which meeting of the Board are ordinarily held and such



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appointment shall have effect and such appointee, while he holds office as an alternate Director; shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and/when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

ROTATION OF DIRECTORS

89. (1) Not less than two-third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Director by rotation.

(2) At each Annual General Meeting of the Company one-third of or such of the Directors for the time being as are liable to retire by rotation of if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

(3) The Directors to retire by rotation at every Annual General meeting shall be those who have longest in office since their last appointment, but as between persons who became Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

(4) If at any Annual General Meeting all the Directors appointed under Article 87 and 108 hereby are not exempt from retirement by rotation under Section 255 of the Act, then to the extent permitted by the said Section, the exemption shall extend to the Directors or Director appointed under Article 105. Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

90. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.

91. Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and places and if at the adjourned meeting, the places of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (it will to continue in office) be deemed to have been re-elected at the adjourned meeting.

PROCEEDINGS OF DIRECTORS

92. The Directors may meet together for the dispatch of business, adjourned and otherwise regulate their meetings and proceedings as they think fit. Notice in writing of every meeting to the Director shall ordinarily be given by a Director or such other officers of the company duly authorized in this behalf to every Directors for the time being in India and at his usual address in India.



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93. The quorum for a meeting of the Directors shall be determined, from time to time, in accordance with the provisions of section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time as the Directors present shall appoint.

94. The Secretary may at any time and upon request of any two Directors shall summon a meeting of the Directors.

95. Subject to the provisions of Section 316, 372 (5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, each director having one vote and in case of an equality of votes, the Chairman shall have a second or casting vote.

96. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors. Provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, the Director present shall choose one of their members to be Chairman of such meeting.

97. A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the fact for the time being vested in or exercisable by the Directors generally.

98. The Directors may, subject to compliance of the provisions of the Act, from time to time, delegate any of their powers to Committee consisting of such member or members of their body as they think fit, and may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Directors. The meeting and proceedings of any such Committee, if consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under Article.

99. All acts done at any meeting of Directors or of a Committee of the Directors or by any person acting as a Directors shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director, Committee or person acting as aforesaid or that they or any of them were disqualified.

100. Except resolution which the Companies Act, 1956 requires in specifically to be passed in a board meeting, a resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions of Section 289 of the Act.

And any such minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of the such meeting or by the Chairman of next succeeding meeting shall be revocable as prime facie evidence of the matters in such minutes.



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POWERS OF DIRECTORS

101. Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents, from time to time, made by the Company in General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

102. Without prejudice to the general powers conferred by the preceding article, the Director may, from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorized and discretions for the time being vested in the Directors.

103. The Directors may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

104. All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Directors shall, from time to time, by resolution determine.

105. The Directors may make such arrangement as may be thought fit for the management of the Company's affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by such persons as the Directors shall, from time to time, by writing under the common seal appoint. The company may also exercise the powers of keeping Foreign Registers. Such regulations not being in consistent with the provisions of Section 157 and 158 of the Act, the board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law.

106. Subject to Section 197A, 388, 388A and 314 of the Act, a manager or secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions as they may think fit, and any Manager or Secretary appointed may be removed by the Directors.



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A director may be appointed as Manager or Secretary, subject to Section 314, 197A, 383A, 387 and 388 of the Act.

107. A provision of the Act or these regulations required or authorizing a thing to be done by a director, manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of the manager or secretary.

MANAGING DIRECTORS

108. Subject to the provisions of Sections 197A, 269, 316 and 317 and XIII of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.

109. Subject to the provisions of Section 255 of the Act and Article 89 (4) hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be counted for as-certaining the number of Directors to retire (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause.

110. Subject to the provisions of Sections 198, 309, 310 and 311 and Schedule XIII of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

111. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 292 and 293 thereof, the Board may, from time to time, entrust to confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

COMMENCEMENT OF BUSINESS

112. The Company shall not at any time commence any business out of other objects of its Memorandum of Association unless the provisions of sub-section 2 (B) of Section 149 of the Act have been duly complied with by it.

SEAL



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113. The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Directors or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the seal is affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

DIVIDENDS

114. Subject to Rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company, from time to time, determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the Shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid provided always that Subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.

115. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 205 of the Act, fix the time for payment.

116. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

117. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.

118. The declaration of the Directors as to the amount of the net profits in the audited annual accounts of the Company for any year shall be conclusive.

119. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

120. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205 A of the Act.



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121. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

122. Subject to Section 205A of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

123. Any one of the several persons who are registered as a joint-holders of any share may give effectual receipts of all dividends payments on account of dividends in respect of such shares.

124. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address and the member or person entitled or such joint holders as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint-holders as the case may be may direct.

125. The payment of every cheque or warrant send under the provisions of the last preceding Article shall, if such cheque or warrant purports to be dully endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.

125A. Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with Section 205A and 205B of the Companies Act1956 and rules made thereunder.

125B. No unclaimed or unpaid dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205 of the Companies Act, 1956 and rules made thereunder in respect of such dividend.

BOOKS AND DOCUMENTS

126. Subject to the provisions of the Companies Act, 1956, the Book of Account shall be kept at the registered office or at such other place as the Directors think fit, and shall be open to inspection by the Director or Directors during business hours.

127. The Directors shall, from time to time, determine whether and to what extend and at what times and places and under what conditions or regulations the accounts or books or documents



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of the Company or any of them shall be open for inspection to members not being Directors, and no member (not being a Director) shall have any right of inspection to any books of account or documents of the Company except as conferred by law or authorized by the Board of Directors or by the Company in General meeting.

128. Balance Sheet and Profit and Loss Account will be audited once in a year by a qualified auditor for correctness as per provisions of the Act.

129. The first auditors of the company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of first annual general meeting.

130. The directors may fill up any casual vacancy in the office of the auditors.

131. The remuneration of the auditors shall be fixed by the company in the annual general meeting except as otherwise decided or that remuneration of the first or any auditors appointed by the directors may be fixed by the directors.

NOTICES

132. The Company shall comply with the provisions of Section 53, 172 and 190 of the Act as to the serving of notices.

133. Every person who, by operation by law, or by transfer or by other means whatsoever, shall become entitled to any shares shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person whom he derives his title to such share.

134. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holders thereof and such services shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons, if any, jointly interested with him or her in any such share.

135. The signature to any notice to be given by the Company may be written or printed.

RECONSTRUCTION

136. On any sale of the undertaking of the Company, the Directors or the Liquidators on a winding up may, if authorized by a special resolution, accept fully paid or partly paid up shares; debentures or securities of any other Company whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company,



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and the Directors (if the profits of the Company permit), or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of Company amongst the members without realization, or vest the same in trustees for them, and any Special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under Section 494 of the Act as are incapable of being varied or excluded by these presents.

SECRECY

137. Subject to the provisions of law of the land and the Act, no member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the Companys premises or properties of the Company without the permission of the Directors, or subject to article 126 to require discovery or any information in respect of any detail of the Companys trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the Directors, will be inexpedient in the interest of the members of the Company to Communicate.

WINDING UP

138. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to without prejudice to the rights of the holders of shares issued upon special terms and conditions.

139. In the event of Company being wound up, whether voluntarily or otherwise, the liquidators, may with the sanction of Special Resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators, with the sanction shall think fit.

INDEMNITY

140. Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other or employee of the Company shall be indemnified against and it shall be the duty of the Directors to



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pay out of the funds of the Company all bonafide cost, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all bonafide liabilities incurred by him or by them as such Director, Manager, Secretary, Officer or employee in defending any proceeding whether civil or criminal in which judgement is given in his or their favour or he or they is or are acquitted, or in connection with any application under section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all claims.

141. Subject to the provisions of the Act and so far as such provisions permit, no director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other director or Officer, or for joining in any receipt or act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned by any error or judgement, omission, default or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.



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XIV - MATERIAL DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company as amended from time to time.
2. Certificate of Incorporation of the Company.
3. Copies of Annual Report of APL Apollo Tubes Limited for the year ended March 31, 2011.



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XV DECLARATION

NO STATEMENT MADE IN THIS INFORMATION MEMORANDUM SHALL CONTRAVENE ANY OF THE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER. ALL THE LEGAL REQUIREMENTS AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY SEBI, GOVERNMENT OR ANY OTHER COMPETENT AUTHORITY IN RESPECT OF LISTING OF SECURITIES HAVE BEEN DULY COMPLIED WITH. ALL THE INFORMATION CONTAINED IN THIS DOCUMENT ARE TRUE AND CORRECT.

Signed on behalf of the Board of Directors
for **APL Apollo Tubes Limited**

Place: Delhi
Date: August 13, 2011


Name: Sanjay Gupta
Designation: Chairman cum
Managing Director

