



APL APOLLO TUBES LIMITED
REGD. OFFICE: 37, HARGOBIND ENCLAVE,
VIKAS MARG, NEW DELHI – 110 092

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of M/s. APL APOLLO TUBES LIMITED will be held at IMA-East Delhi Branch, 35-X, Institutional Area, Karkardooma, Delhi - 110092 on Friday, August 30, 2013 at 12.45 P.M. to transact the following businesses :

as ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Mr. Sameer Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Aniq Husain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. VAPS & Co., Chartered Accountants, as Statutory Auditors of the Company, fix their remuneration and for the purpose, to consider and if thought fit, to pass the following resolution with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. VAPS & Co. (Regn. No. 003612N), Chartered Accountants, New Delhi, the retiring Auditors, be and are hereby re-appointed as the

Statutory Auditors of the Company, to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period."

as SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT Mr. Rakesh Jinsi, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose his candidature for the office of Director of the Company be and is hereby appointed as Director of the Company."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Sections 16, 17 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to alter Clause III. (B) - 'Objects that are incidental or ancillary to the attainment of the main objects' of the Memorandum of association of the Company, by substituting the existing sub-clause 2 with the below mentioned sub-clause 2 :

2. To amalgamate, absorb, merge, demerge, into, any other company, companies in India or abroad or vice versa, enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concession, or for limited competition with any person, firm or body corporate whether in India or outside carrying on or engaged in or about to carry on or engage to any business or transaction which the company is authorized to carry on or engaged in or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly benefit the Company and further to enter into any arrangement or contract with any person, association or body corporate whether in India or outside, for technical collaboration, technical know-how or for such other purposes that may seem calculated beneficial or conducive to the objects of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and usual to implement this resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification, to the extent hereinafter appearing, of the resolution passed by the members at their meeting held on September 29, 2012 and subject to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof,

for the time being in force) the Company hereby approves the modification in the ceiling on Remuneration payable to Mr. Sanjay Gupta, Chairman (under whole time director category) of the Company, w.e.f. April 1, 2013, for the remainder of his tenure i.e. upto March 31, 2017 from ₹20,000,000 per annum to ₹2,000,000 per month, with specific authority to Board of Directors of the Company to fix, alter or vary the remuneration, pursuant to recommendation of the remuneration committee, within the said ceiling of ₹2,000,000 per month, as may be agreed to between the Board of Directors and Mr. Sanjay Gupta”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in partial modification, to the extent hereinafter appearing, of the resolution passed by the members at their meeting held on November 18, 2011 and subject to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the Company hereby approves the following modification in the ceiling on Remuneration payable to Mr. Ashok K. Gupta, Managing Director of the Company, w.e.f. April 1, 2013, for the remainder of his tenure i.e. upto January 31, 2017 from ₹10,000,000 per annum to ₹1,000,000 per month, with specific authority to Board of Directors of the Company to fix, alter or vary the remuneration, pursuant to recommendation of the remuneration committee, within the said ceiling of ₹1,000,000 per month, as may be agreed to between the Board of Directors and Mr. Ashok K. Gupta”

Registered Office:
37, Hargobind Enclave,
Vikas Marg, Delhi - 110092

Place: Delhi
Date: May 30, 2013

By order of the Board
APL Apollo Tubes Ltd.

Adhish Swaroop
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, VOTE IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER.** The instrument appointing a proxy, to be effective, must be duly filled, stamped and signed and must reach the Company’s registered office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 10, 2013 to Friday, August 30, 2013 (both days inclusive), for the purpose of the Annual General Meeting and declaration of dividend.
3. Explanatory statement as required under section 173 (2) of the Companies Act, 1956 in respect of the Special Business listed at item No. 6,7,8 and 9 is annexed hereto.
4. Members are requested to refer any change of address among others. :
 - To the Company’s Registrar in respect of their physical share folios.
 - To their Depository Participants (DPs) in respect of their electronic demat accounts as the Company is obliged to print the bank details on the dividend warrant as furnished by NSDL/CDSL.
5. Members are requested to:
 - Send their queries, if any at least 10 days in advance of meeting so that the information can be made available
 - Note that copies of the Annual Report will not be distributed at the Annual General Meeting
 - Note that no gifts/coupons will be distributed at the Annual General Meeting
6. Members holding shares in multiple folios are requested to apply for consolidation to the Company or its Registrar along with relevant share certificates.
7. As per the Circular No. MRD/Dop/Cir-5/2009 dated May

20, 2009 issued by the Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer/ transmission of shares in physical form. Therefore, the transferee(s)/legal heirs are required to furnish a copy of their PAN to the Registrar and Share Transfer Agent of the Company.

8. Reserve Bank of India has, vide its Circular No. RBI/2009-10/109/DPSS (CO)EPPD No. 191/04.01.01/2009-10, dated July 29, 2009 instructed the banks to move to the National Electronic Clearing Services (NECS) platform with effect from October 1, 2009. In view of the aforesaid, the shareholders are requested to forthwith furnish to the Company or RTA, their new bank account number allotted to them, after the bank has implemented the Core Banking System (CBS), along with the name of the bank, branch details, the nine digit MICR Code and the account type along with their folio number and a photocopy of the cheque pertaining to their bank account respectively, so that the future dividends, if declared, can be credited to their bank account, vide the NECS platform. In case shareholders are holding shares in demat form, there are requested to provide the above mentioned details to their respective DPs.

9. The Company is obliged to print such bank details on the dividend warrant(s)/NECS advice(s) as furnished by the depositories to the Company and the Company is constrained not to entertain any request for deletion/ change in bank details already printed on the dividend warrant(s)/NECS advice(s) based on the information received from the concerned depositories, without confirmation from them. In this regard members are advised to contact their Depository Participant (DP) and furnish them the particulars of any change desired.

10. Members are requested to visit the website of the Company ‘www.aplapollo.com’ for viewing the quarterly & annual financial results and for more information on the Company.

Brief resume of directors seeking appointment/re-appointment as required in Clause 49 of the Listing Agreement are as follows:

Name of Director	Mr. Sameer Gupta	Mr. Aniq Husain	Mr. Rakesh Jinsi
Date of birth	November 2, 1977	July 10, 1953	January 15, 1955
Date of Appointment	May 16, 2008	May 16, 2008	March 23, 2013
Expertise in specific functional areas	Experience of over 13 years in exports and international markets with in-depth knowledge of manufacturing and trading of PVC pipes, tubes, sheets and other steel products.	Wide experience in industrial projects, engineering and management affairs.	Experience of more than three decades in various capacities in automotive industry and presently working as Secretary General of a social service organization for last four (4) years.
Qualification	B. Com(H)	B. Tech (Mechanical)	B. E. (Electrical)
No. of Equity Shares held in the Company	20,103	700	Nil
List of other companies in which directorships are held	Apollo Pipes Ltd. Shri Lakshmi Metal Udyog Ltd. SMT Finance and Investment Ltd. Apollo Metalex Pvt. Ltd. Amulya Leasing and Finance Ltd.	Nil	Hero Motors Limited
List of committees of the Board of Directors (across all companies) in which chairmanship/ membership is held	Audit Committee – Member APL Apollo Tubes Limited Audit Committee – Member Amulya Leasing and Finance Limited	Remuneration Committee – Chairman APL Apollo Tubes Limited Audit Committee – Member APL Apollo Tubes Limited	Nil

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By order of the Board
APL Apollo Tubes Ltd.

Place: Delhi
Date: May 30, 2013

Adhish Swaroop
Company Secretary

ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as “the Act”) the following Explanatory Statement set out all material facts relating to the business mentioned under Item No. 6,7,8 and 9 of the accompanying Notice dated May 30, 2013.

Item No. 6:
With a view to broad-base the Board and bring strategic focus in business and ensure better governance of the increased level of business activities of the Company, Mr. Rakesh Jinsi was appointed as an Additional Director by the Board of Directors of the Company in its meeting held on March 23, 2013.

However, in terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Rakesh Jinsi holds office as an Additional Director only up to the date of this Annual General Meeting and in terms of Section 257 of the Companies Act, 1956, the Company has received notice from a member along with requisite deposit proposing his candidature of as a Director of the Company.

Your Directors recommend the Ordinary Resolution for approval of the members.

None of the Director of the Company except Mr. Rakesh Jinsi himself may be considered as concerned or interested in the resolution.

Item No. 7:
The Company has acquired certain entities as its wholly owned subsidiaries and the Company is now proposing to amalgamate its subsidiary namely Lloyds Line Pipes Limited with it for synergizing the capabilities of this company so as to ensure efficient and cost effective operations, in accordance with the laws as may be prevailing and applicable at the time of such corporate restructuring.

In view of the above and the precedents laid down by the various company courts, and as a measure of abundant precaution, it is proposed to alter Clause III(B) relating to “Objects that are incidental or ancillary to the attainment of the main objects” to include the power to amalgamate, merge or absorb, into, other Company or companies or vice-versa.

The proposed alteration in Clause III(B) can be conveniently and advantageously combined and carried out along with the existing objects/activities of the Company.

Pursuant to provisions of Sections 16, 17 and 192A of the Act, any alteration in the objects of the Clause of the Memorandum of Association requires approval of the members by way of special resolution through postal ballot and as such Postal Ballot Notice, Postal Ballot Form and Prepaid-postage Envelope being circulated to all the members along with this Notice.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the resolution set out under Item no. 7 of the accompanying Notice as Special Resolution.

None of the Director of the Company is concerned or interested in the said resolution.

Item No. 8 & 9 :
The Members of the Company had in their Annual General Meeting held on September 29, 2012 appointed Mr. Sanjay Gupta as a whole time director and designated as Chairman of the Company for a period of 5 years commencing from April 1, 2012 also approved the remuneration payable to him within an overall ceiling of ₹Two Crores per annum

Mr. Ashok Kumar Gupta’s appointment as Managing Director of the Company for a period of 5 years commencing from February 1, 2012 was approved by the members in their Extra Ordinary General Meeting held on November 18, 2011 and also the remuneration payable to him within an overall ceiling of ₹One Crore per annum.

However, your Directors felt that the compensation paid to the aforesaid key management personnel be revised w.e.f. April 1, 2013 more or less in line with the remuneration drawn by their counterparts in the Country, and accordingly, the Remuneration Committee and Board of Directors have approved increase in ceiling of compensation payable to them as per the following details:

Mr. Sanjay Gupta, Chairman of the Company : Remuneration (including Salary & Perquisites) within an overall ceiling of ₹2,000,000/- per month and

Mr. Ashok K. Gupta, Managing Director of the Company : Remuneration (including Salary & Perquisites) within an overall ceiling of Rs.1,000,000/- per month

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) Gratuity as per rules of the Company (which shall not exceed one half month’s salary for each completed year of service); and
- c) Encashment of leave at the end of the tenure.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence any such Rules, perquisites shall be evaluated at actual cost.

The Board of Directors may, in its discretion, pay the above named executives lower remuneration than the maximum remuneration herein above stipulated and revise the same

from time to time within the maximum limit stipulated by these resolution.

Approval of the members is now being sought for the aforesaid increase in the ceiling on remuneration w.e.f. April 1, 2013. The proposed increase in ceiling is within the limits prescribed under Part II of Section I of Schedule XIII of the Companies Act, 1956.

All other terms and conditions of appointment of aforesaid whole time directors as approved by the members remain unchanged. The above details may also be treated as an abstract of modification in terms of appointment of the aforesaid wholetime directors of the Company under section 302 of the Companies Act, 1956

None of the Directors other than that Mr. Sanjay Gupta and Mr. Ashok K. Gupta themselves, and Mr. Vinay Gupta and Mr. Sameer Gupta being brother of Mr. Sanjay Gupta is concerned or interested in the proposed resolutions.

Your directors recommend the resolution as at item No. 8 & 9 for your approval.

Registered Office:
37, Hargobind Enclave,
Vikas Marg, Delhi - 110092

Place: Delhi
Date: May 30, 2013

By order of the Board
APL Apollo Tubes Ltd.

Adhish Swaroop
Company Secretary

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, we propose to send documents like the notice convening the General Meeting, Financial Statements, Annual Reports, among others, henceforth, in electronic form, to the email addresses of those members which are available in the Register of Members of the Company. The members holding shares in electronic form, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository participants and those holding shares in physical form are requested to register their e-mail with the Registrar and Transfer Agent viz. M/s. Abhipra Capital Limited, GF- Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, Delhi – 110033. Members desiring to receive the said documents in physical form, are requested to send an e-mail at investors@aplapollo.com or send a letter at the registered office of the company.



APL APOLLO TUBES LIMITED
REGD. OFFICE: 37, HARGOBIND ENCLAVE,
VIKAS MARG, NEW DELHI – 110 092

ATTENDANCE SLIP

Folio No.		DP ID#	
No. of Shares		Client ID#	

SHAREHOLDERS ATTENDING THE MEETING IN PERSON OR BY PROXY ARE REQUESTED TO COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT ENTRANCE OF THE MEETING PLACE.

I hereby record my presence at the 28th Annual General Meeting of the Company to be held IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi - 110092 at 12.45 P.M. on Friday, the 30th day of August 2013.

Full name of the shareholder (in block letters)

Complete address

Full name or proxy (In block letters)

Shareholder/Proxy/Authorised representative*

Please tick in the appropriate box

☐ Member☐ Proxy

*Strike out whichever is not applicable



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FORM OF PROXY

Folio No.		DP ID#	
No. of Shares		Client ID#	

I/We _____ of _____ in the district of _____ being a member/members of APL Apollo Tubes Limited, hereby appoint _____ of _____ in the district of _____ of filling him/her _____ of _____ in the district of _____ as my our proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held at IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi - 110092 at 12.45 P.M. on Friday, the 30th day of August 2013 and/or at any adjournment thereof.

Signed this _____ day of _____ 2013.

Note: Proxy in order to be effective must be duly completed, stamped, signed and deposited at the registered office not less than 48 hours before the meeting.

Please
Affix Re.1
Revenue
Stamp



GAME CHANGER

APL APOLLO TUBES LIMITED | ANNUAL REPORT 2012-13

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APL Apollo Tubes Limited
37, Hargobind Enclave, Vikas Marg, Delhi - 110092
www.aplpollo.com



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AT APL APOLLO TUBES LIMITED, WE ARE NOT JUST ANOTHER TUBE-MAKER. WE ARE A GAME-CHANGER

TRANSFORMING OUR INDUSTRY THROUGH NEW PRODUCTS, ADVANCED TECHNOLOGY, SOPHISTICATED APPLICATIONS, CUSTOMER PROXIMITY AND AGGRESSIVE CAPACITY GROWTH.

THIS EXPLAINS WHY OUR REVENUES HAVE CONSISTENTLY OUTPERFORMED NATIONAL ECONOMIC GROWTH BY A FACTOR OF 8x.

THIS WAS MOST VISIBLE IN A CHALLENGING 2012-13: WHEN THE COUNTRY REPORTED ITS SLOWEST GROWTH IN A DECADE, APL APOLLO REPORTED RECORD REVENUE GROWTH OF 44% TO REACH ₹2,008 CR AND PAT GROWTH OF 40% TO REACH ₹69 CR.

APL APOLLO TUBES LIMITED.

- EVOLVED A COMMODITY PRODUCT INTO A DISTINCTIVE BRAND
- INFUSED CUTTING-EDGE TECHNOLOGY IN A CONVENTIONAL SPACE
- WIDENED A LIMITED PORTFOLIO TO COVER DIVERSE APPLICATIONS
- PIONEERED RETAIL MARKETING IN A WHOLESALE BUSINESS
- DISPERSED MANUFACTURING LOCATIONS IN A REGIONAL BUSINESS
- CREATED INDUSTRY-TRANSFORMING SCALE IN A FRAGMENTED SECTOR

GAME CHANGER.

THE RESULT: APL APOLLO HAS EMERGED AS THE LARGEST ERW STEEL TUBE MANUFACTURER IN INDIA. AT APL APOLLO, OUR 'GAME CHANGER' MINDSET HAS ENHANCED VALUE FOR OUR CUSTOMERS, SHAREHOLDERS AND VENDORS.

- A 46% SIX YEARS CAGR IN GROSS REVENUES LEADING TO 2012-13.
- A ~ELEVEN-FOLD INCREASE IN CASH PROFIT DURING THE LAST SEVEN YEARS
- INCREASE IN THE NUMBER OF PRODUCTS FROM 100 TO 300+.

Lineage

Established in 1986, APL Apollo is the fastest growing steel tube manufacturer in India. The APL Apollo team - Mr. Sanjay Gupta (Chairman), Mr. Ashok Gupta (Managing Director) and experienced professionals -- achieved national ERW pipe leadership through strategic expansion of manufacturing capacity, product portfolio, cutting-edge technologies and wider consumer access (within and outside India).

Mission statement

- To create sustainable value for all stakeholders
- To satisfy customers' requirements by supplying high-quality products at affordable rates
- To emerge as a 'one-stop shop' for the entire spectrum of steel tubes and to attain a paramount market position for its quality products
- To achieve revenue worth US\$1 bn by 2015

- To achieve capacity of 1 million TPA by 2015

Presence

APL Apollo (headquartered in Delhi-NCR) has five manufacturing facilities - two in Sikandrabad (UP) and one each in Bangalore (Karnataka), Hosur (Tamil Nadu) and Murbad (Maharashtra). The Company's vast distribution network is spread across India, with warehouse-cum-branch offices in 20 cities. Besides, the Company's products are

marketed to more than 35 countries. The Company's shares are listed and traded on the Bombay Stock Exchange and the National Stock Exchange (market capitalization ₹3,715 million as on March 31, 2013).

Certificates and accreditations

- ISO 9001:2008 for quality management
- ISO 14001:2004 for environment management
- OHSAS 18001:2007 for health & safety management systems

■ IS1161 (Structural application), IS1239 (Water and gas application), IS3589 (Water, gas and sewerage) IS3601 (General engineering), IS4270 (Water wells and casing pipes), IS4293 (Structural tubes for infrastructural purpose) and IS9295 (Idlers for conveyers).

- Received prestigious accreditations like Underwriters Laboratories, CE and SGC France
- Recognised 'Export House'.
- Products endorsed by the Bureau of Indian Standards and British Standards.

₹3,715 million
market capitalization as on March 31, 2013

FINANCIAL
HIGHLIGHTS, 2012-13

- Gross sales increased 46% from ₹15363 million in 2011-12 to ₹22,471 million
- EBITDA increased 39% from ₹1154 million in 2011-12 to ₹1,612 million
- Net profit enhanced 40% from ₹491 million to ₹686 million
- Cash profit increased 39% from ₹584 million to ₹812 million

Gross sales growth

46% | 46%
six-year CAGR | over 2011-12

EBIDTA growth

39% | 49%
over 2011-12 | six-year CAGR

PAT growth

40% | 47%
over 2011-12 | six-year CAGR

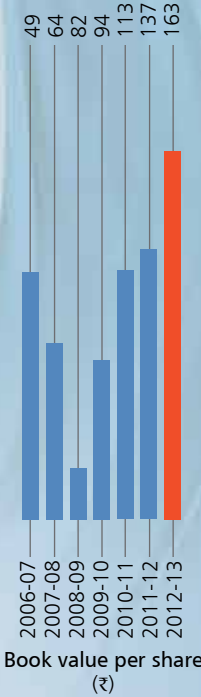
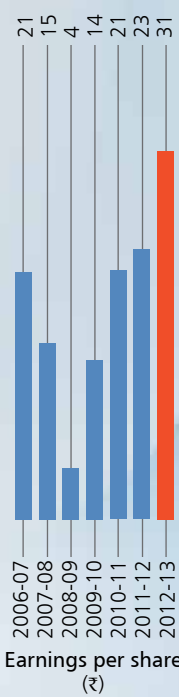
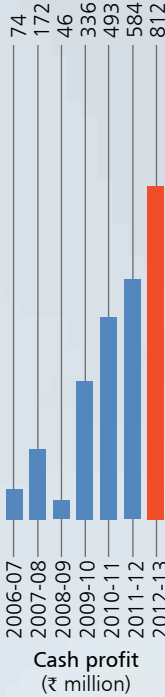
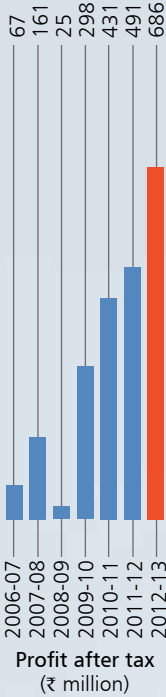
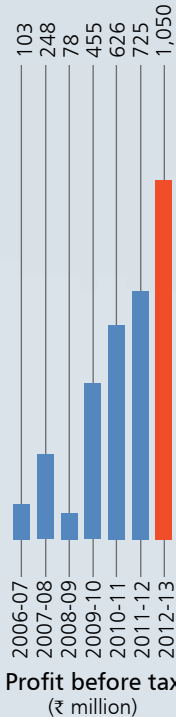
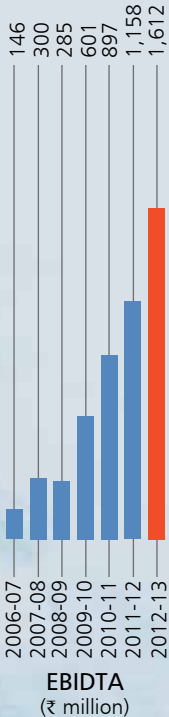
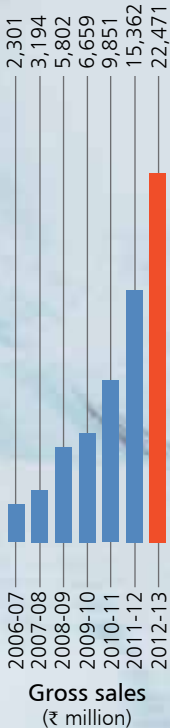
Cash profit growth

39% | 49%
over 2011-12 | six-year CAGR

Book value growth

19% | 22%
over 2011-12 | six-year CAGR

OUR
PERFORMANCE
IN NUMBERS



CHAIRMAN'S REVIEW



Dear Shareholders

We are pleased to achieve yet another year of superlative growth, which outperformed our sectoral growth in 2012-13 and also established our industry leadership. This performance was achieved through game-changing initiatives which pioneered modernisation in the sector and positioned our Company as a fast-moving trailblazer.

The tubes industry went through considerable under-investment in the decade following liberalisation. Even as global infrastructure growth standards evolved to the modern and cutting-edge, Indian standards lagged on account of the size of infrastructure spend required on the one hand and the sophistication of material needed on the other.

The change began to transpire about a decade ago when India began to invest considerably larger amounts in infrastructure; the global scale of a number of these investments

were corresponded by cutting-edge technologies. In turn, specialised consultants recommended new-age designs and materials. This opened out a new market where the pipes needed to be more sophisticated around newer applications. The result was that an entirely new market began to emerge.

First moving

At that point, two things could have happened. The conventional players could have retained their longstanding focus or widened their product focus. APL Apollo was one of the first players to recognise the vastness of the emerging opportunity and the potential of hitherto overlooked geographies – South India, tier-II and rural markets. The Company moved with speed to invest in new production lines, introduce new products, market products to consumers, position products around superior attributes, demonstrate enhanced consumer value, widen the

product range to address more sectors and extend its national footprint through warehouse cum branches.

Result

We are happy to state that these initiatives did not just prove to be share-enhancing; they proved to be market-widening and game-changing as well.

- In a commodity business, we carved out a distinctive brand identity.
- In a business defined by fragmented capacities, we created industry-transforming scale.
- In a business marked by conventional knowhow, we invested in cutting-edge technologies.
- In a business represented by a limited portfolio, we introduced more products.
- In a business where a majority of the sales were B2B, we provided a retail alternative.

This is the result of our game-changing approach: APL Apollo Tubes emerged as India's largest ERW steel tubes manufacturer with capacity of 6,00,000 TPA, possessing the widest product mix and pan-India distribution network that ~ten-folded our sales and profits in just seven years.

in FY13, a year of decadal-low economic growth, APL Apollo Tubes established leadership and a superior

performance:

- Net sales grew 44% YoY
- EBITDA grew 40% YoY
- PAT grew 14% YoY
- Opened six warehouse cum branches in Indore, Raipur, Hisar, Kala Amb, Surat and Delhi taking the total to 20
- Added prestigious clients like Bangalore Metro, Goa Airport, Nashik Airport and Firepro
- Maintained relationship with India's leading companies across diversified industries like BHEL, L&T, Adani, Ashok Leyland and Jain Irrigation
- Expanded capacity by 100,000 TPA
- Operated plants at a high utilisation of 85%
- Introduced new product varieties

Optimism

There are a number of reasons why the outlook appears optimistic for our sector and company.

Even as infrastructure growth has been reasonable over the last few years, there has been a wider-than-usual offtake of tubes, indicating that the market for this is still nascent and emerging.

Even as the market has often been classified as commodity, there is a growing demand for value-added products.

The result is that India's steel tubes market is growing faster than the global average, indicating that the country has possibly touched an inflection point following which steel tubes consumption will only be quicker.

There is a growing body of evidence to support this conviction. There is increasing governmental emphasis to connect rural Indian fringes; India's mass rapid transport (metro) network is driving tubes offtake; the growth of India's telecom sector is expected to rebound; the country's wind energy sector is reporting its quickest growth in years; US, Brazil, Canada and some European countries imposed anti-dumping duties on Chinese tubes and pipes, widening the export opportunity for Indian manufactures.

Our response

At APL Apollo Tubes, we expect to capitalise on this industry reality through the manufacture of products addressing diverse sectors, de-risking our growth from a downturn in one or more of our consuming industries. We are focussed on widening our national reach, extending the distribution network, strengthening customer relationships through collaborative product development and working with a long-term business outlook.

The Company will support these initiatives through the creation of a 1 MTPA capacity by 2015, which will reinforce our position as India's largest steel tubes manufacturer.

We expect that a combination of these initiatives will translate into projected revenues of US\$ 1 billion and enhanced value for all those who own shares in our Company.

Regards,

Sanjay Gupta, *Chairman*

Yet another year of superlative growth which outperformed our sectoral growth in 2012-13 and also established our industry leadership.

GAME CHANGER. FROM THE REGIONAL TO THE NATIONAL

SEVEN YEARS AGO, WE INVESTED OUR PRECIOUS RESOURCES TO BACK THE INDIAN INFRASTRUCTURE STORY AND, IN DOING SO, EMBARKED ON A JOURNEY TO EVOLVE FROM THE REGIONAL TO THE NATIONAL.

As a first step, we emerged as the first large organised player to commission manufacturing facilities in South India, carving away the unorganised regional steel tube market, addressing the growing needs of organised users and emerging as the regional leader.

Since then, APL Apollo has entered regions with the express objective to commission manufacturing facilities, address demand upturns with speed, leverage customer proximity into enduring relationships and progressively carve out a larger share of the customer's wallet.

This strategy has grown APL Apollo into one of the largest players in India's steel tubes sector. Going

ahead, the Company intends to reinforce its national leadership with the commissioning of an additional ~2,00,000 TPA by end of FY14, increase the proportion of value-added pre-galvanized tubes by growing in-house coil galvanizing capacity, modernise existing plants to enhance productivity and invest with the objective to possess a consolidated 1 MTPA capacity by 2015.

Over the years, this strategy has helped create a pride-enhancing clientele comprising giants like BHEL, L&T, Ashok Leyland, Gujarat Gas, metro projects, Jain Irrigation, Adani, a number of Indian airports, Firepro and Jubilant Organosys among others.

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1 MN
MTPA

Our targeted
capacity by 2015.