

Creative Transformation



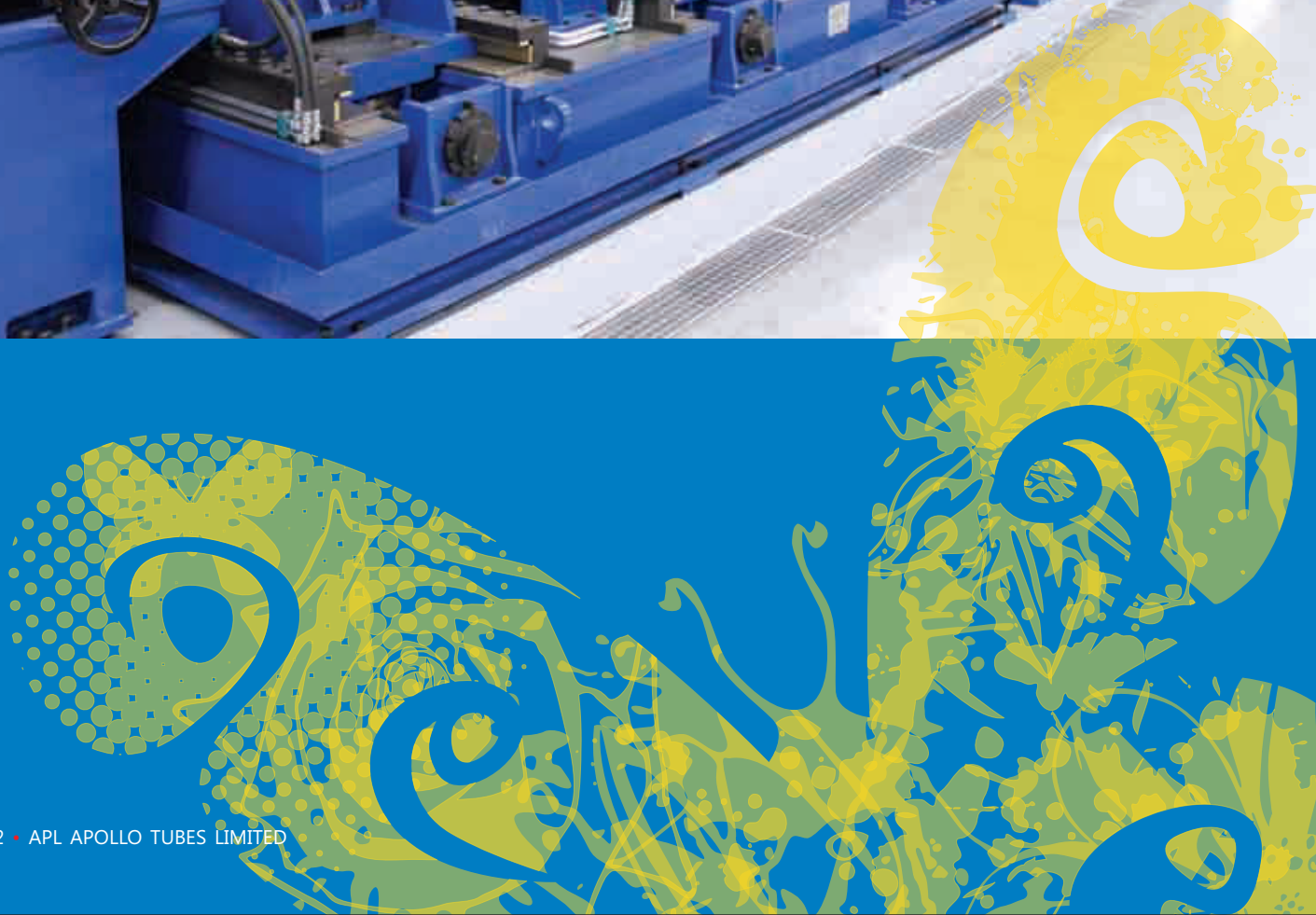
Annual Report 2015-16



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Bringing Global Best
Direct Forming Technology
into India

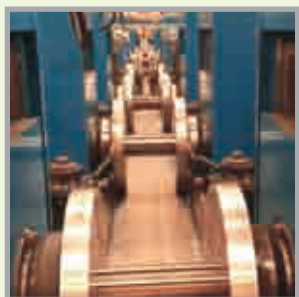


At APL Apollo, we believe that the fundamental impulse that keeps the reformation engine in motion comes from Technology & Innovation, and that is what we call “Creative Transformation”.

We believe that accelerated innovation, driven by the force of creative transformation, is the only way to meet the challenges of a changing world. Where existing technological, human, political, social and environmental frontiers are being challenged. By bringing in cutting edge technology that allows us to introduce new products, improve quality, increase productivity, reach new customers and redefine competitive advantage.

Our customer centric approach and best in class technology is a powerful combination to transform the core business with creativity and purpose.

Traversing on this path of creative transformation, APL Apollo is now bringing in the world’s best Direct Forming Technology and In-line Galvanizing Technology in India.



1st TIME IN INDIA

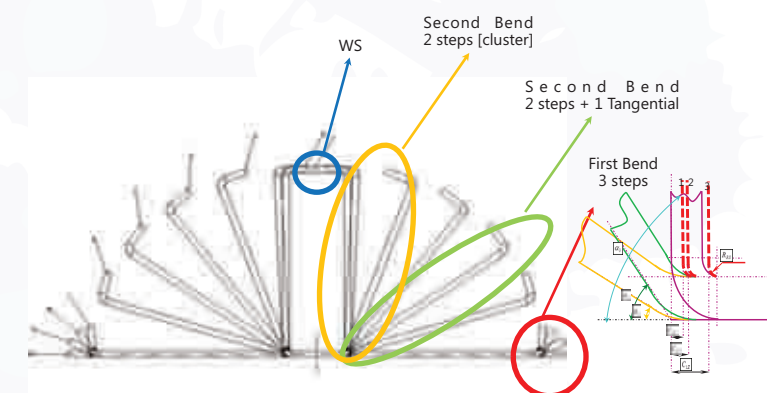
Direct Forming Technology

APL Apollo is bringing Direct Forming Technology for making hollow sections (both square and rectangular) for the first time in India. It is the latest global Technology for making hollow sections.

So far in the conventional technology, round pipe is formed first and then the round pipe is converted to square and rectangular shape. However, in Direct Forming technology, square and rectangular sections are formed directly through welding with high production speed.



APL APOLLO NEXT HOLLOW SECTIONS



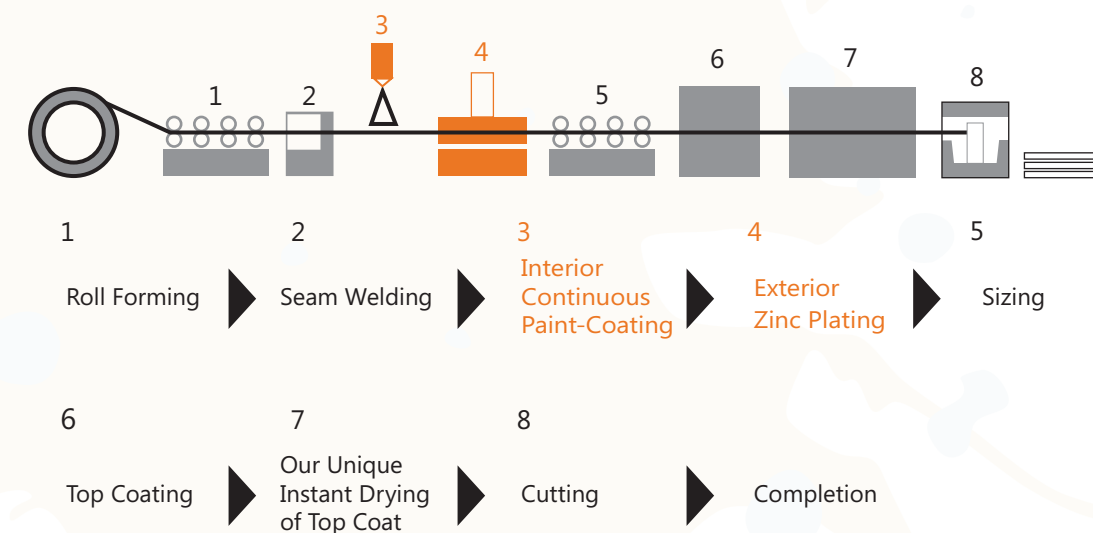
This technology, based on high quality standards, guarantees the possibility to produce hollow sections within a certain range of dimensions and thickness without changing rolls, saving setup time, saving rolls management time and reducing to zero the space required to store rolls series

Order Whatever, Whenever and Wherever

The customer will have the greatest benefit of ordering customized sizes, even in small quantities through Just-In-Time delivery program across India.

In-line Galvanizing Technology

APL Apollo is also bringing In-line galvanizing technology in India for the first time. In this process, tube making and zinc plating are done at same the time. The tube exterior is uniformly galvanized and an anti-corrosion coating is applied over it. The tube interior is uniformly finished with baked coating simultaneously done in manufacturing, giving the tube interior its strong anti-corrosion property.



MILESTONES

1986

- APL Apollo was established
- First plant in Sikanderabad, Ghaziabad

2007-08

- Backward integration into Pre-Galvanized Coils Through Apollo Metalex Private Limited
- Acquired Shri Lakshmi Metal Udyog Limited in South - first step in building a Pan India presence

2003-04

- Developed Hollow Sections with wide range
- Pioneered Pre-Galvanized pipes in India

2009

- Hosur Plant started as a greenfield venture with state-of-the-art mills

2011-12

- Acquired Lloyds Line Pipes Limited plant near Mumbai to build presence in Western India
- Became the largest ERW pipes manufacturer in India

2015

- Achieved a capacity of 1 Million tons of Steel Pipe, a first in India.

2016

- Introducing Direct Forming Technology in India for the first time

2014

- Ventured into new product range by experimenting with new shapes and launched Door & Window frames and railing tubes
- Implemented SAP

VALUES



Speed



Result
Oriented



Learning



Colleagueship



Customer
Focus



Integrity

MISSION

To lead the process of transformation from commodity to value added consumer products.

•

To meet consumer requirements with high quality products, at a competitive price.

•

To lead the pipe usage and emerge as a 'one-stop-shop' for the largest spectrum of steel tubes.

•

To create sustainable value for all stakeholders.

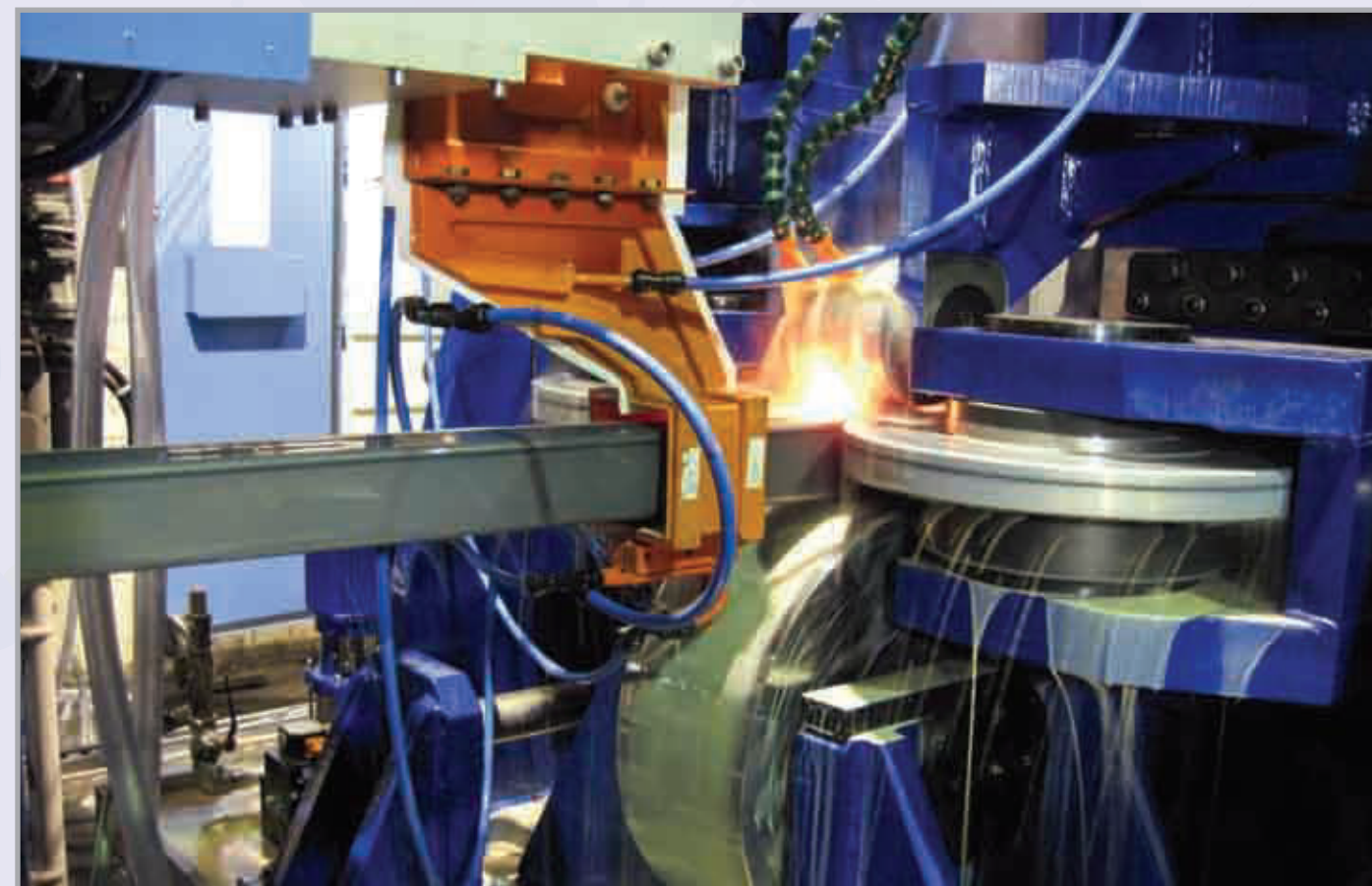
VISION 2020

**Achieve 2.5 Million Tons production by FY 2020
driven by a volume growth of over 25% p.a.**

- Well-planned Roadmap for capacity addition across plants
- Profitable operations to fund capex through internal accruals
- Highly solvent Balance-Sheet to support scaling up operations
- Focus on improving ROE
- Proven ability to tap industry demand and grow sales volumes above 25% sustainably
- Value added products to replace low margin products
- Greater focus on product and corporate branding

NEW INITIATIVES

- Focus on building the Company Board by roping in independent directors with strong credentials
- Aim to double the marketing & sales team in the next 2 years to support our push for new products and geographies
- Bringing In-line galvanizing technology for the first time in India
- Build a pan Indian presence by opening a new plant in Raipur
- Set up an innovation center to launch new product lines
- Aim to become a consumer centric company, by spending on R&D and reaching out to end customer



Transformation into a Global Branded Steel Products Company





Creative
Transformation

Upcoming Facilities

Raipur,
Chhattisgarh

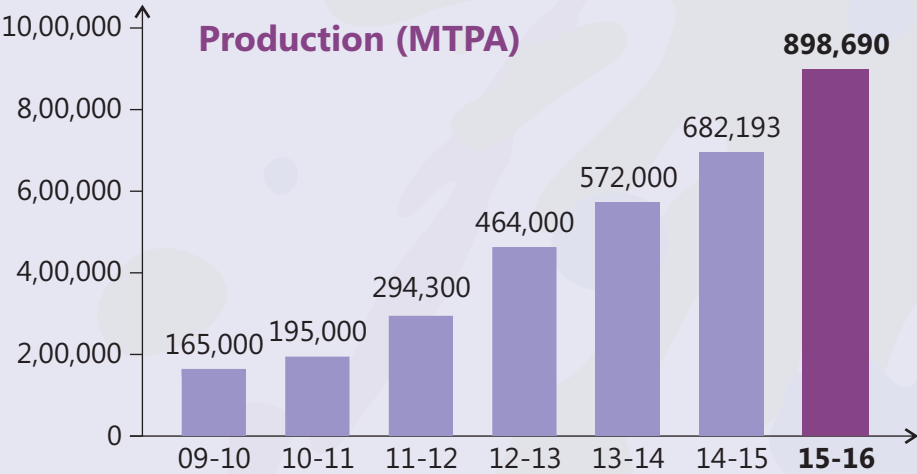
Dubai
(Our First overseas facility)

SCALE - UP
CAPACITY

One of the strategic choices that APL Apollo has continued to focus upon is 'Scaling up Production capacity'. The company today has a production capacity of 1.3 million tonnes per annum. The nearest competitor in Indian market is nearly half the size!

The Company has set up greenfield plants, acquired plants and turned them around and added new production mills in existing plants.

Scaling up at this pace requires a vision, risk taking ability and execution skills which has been successfully proven by the company's leadership.



27%
Production
CAGR
7 YEARS



LLPL	UNIT 1	UNIT 2	AMPL	SLMUL
Murbad	Sikandrabad	Hosur	Sikandrabad	Bengaluru
Maharashtra	Uttar Pradesh	Tamil Nadu	Uttar Pradesh	Karnataka
350,000 MTPA	250,000 MTPA	350,000 MTPA	225,000 MTPA	125,000 MTPA

Only player with manufacturing facilities across North, South and West India. Current capacity utilization is 85%.



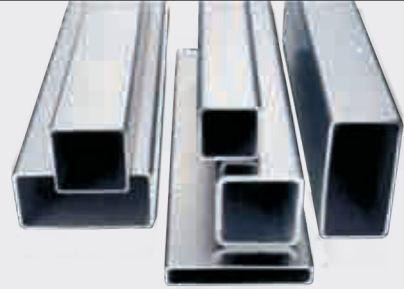


HIGHER PRODUCTIVITY

APL Apollo is today recognized globally as one of the lowest cost producers. This has been achieved by bringing in the latest technology, scaling up capacities and optimum utilization of resources.

The company has been a pioneer in adopting the latest technology, whether it is Strip Galvanizing lines, Cold Saws, High speed mills from Europe or the unique Rotary Sizing Mills which help in producing the best quality rolled tubes. APL Apollo is set to start a new era of tube production first time in India, by introducing the latest and the world's best 'Direct Forming Mill Technology' and 'In-Line Galvanizing of Tubes'.





APL APOLLO NEXT HOLLOW SECTIONS

ROBUST PRODUCT PORTFOLIO

APL Apollo's product portfolio is the widest in the industry. It consists of numerous shapes that vary from round tubes to hollow section to special frames. The range spans from ½" to 14" in the outer diameter for round tubes, 12x12mm to 255x255mm in square section and 26.5x13.5mm to 300x200mm in rectangular section, 0.6 mm to 10.0 mm in wall thickness, 3 meters to 12 meters in length and surface protection options of oil/varnished, hot dip galvanized, pre-galvanized and color coating. Our new products like door frame, window frame, handrail, D section, narrow and small sections provide cost savings and are a boon for low cost housing requirement.

We are constantly looking at innovating to meet new requirements of our customers. We are creating new value propositions with the help of latest technologies and our consumer centric approach.

