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It's basic nature to resist change -
particularly when it comes in the form of
an adversity or a challenge.

But change is inevitable, and developing
the trait of resilience helps us, not only
survive the change, but also learn, grow,
and thrive in it.

at APL Apollo we have done just that.

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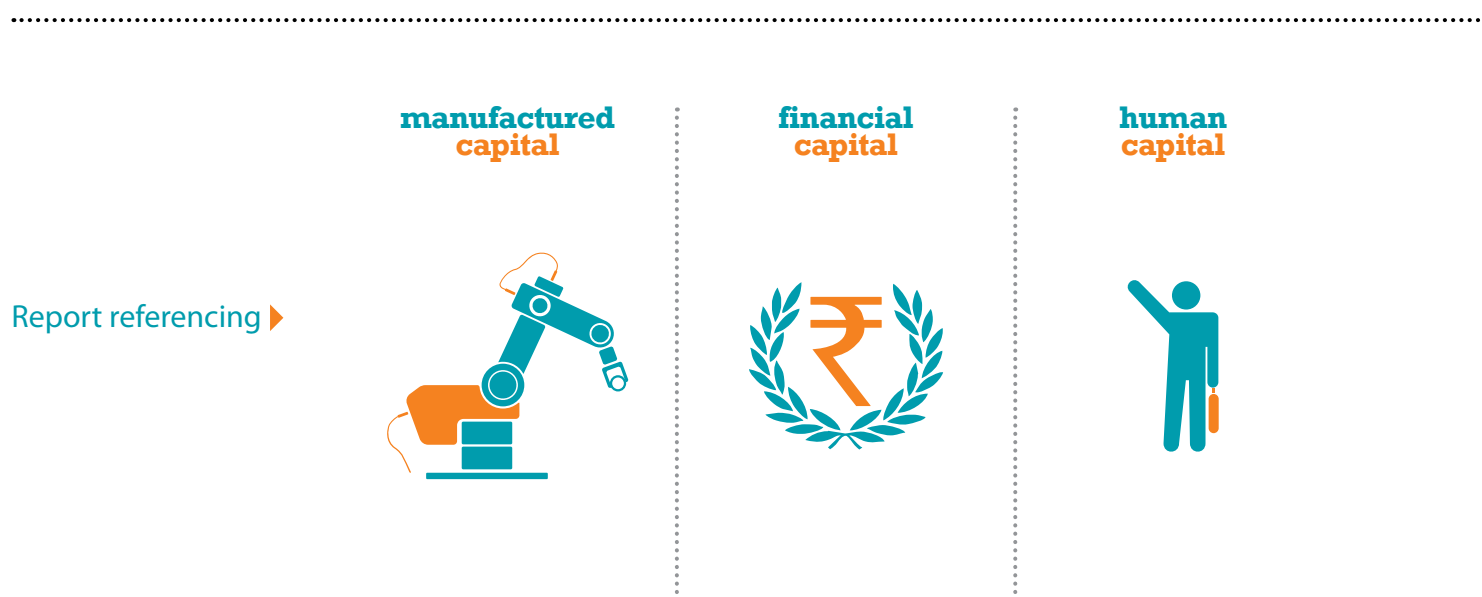
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reporting approach

T **HIS** is APL Apollo Tubes Limited's (APL Apollo) first Integrated Annual Report, prepared with the objective of providing stakeholders a **concise, complete** and **transparent** assessment of our ability to create long-standing value.

We are presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.



Basis of Preparation

Our Integrated Report is based on the principles contained in the International Integrated Reporting IR Framework

published by the International Integrated Reporting Council (IIRC). The Report seeks to provide a balanced and transparent assessment

of how we create value, considering both qualitative and quantitative matters that are material to our operations and strategic

objectives, which may influence our stakeholders' decision-making.

Reporting Period

The APL Apollo Integrated Report provides material

information relating to our strategy and business model, operating context,

material risks, financial and non-financial performance, prospects and governance,

covering the financial year from April 1, 2019 to March 31, 2020.

Reporting Boundary

This Report covers information on APL Apollo, including all

subsidiaries. During 2019-20, the Company acquired 50.86% stake in Apollo TriCoat Tubes Ltd

through a wholly owned subsidiary making it a subsidiary of APL Apollo with

complete operational control.

Board and Management Assurance

The Board of Directors and the Management Team acknowledge their

responsibility to ensure the sanctity of this Integrated Report. The Board has accordingly applied its collective

mind and believes the Report addresses all material issues and presents the integrated performance of the

Company and its impact in a fair and accurate manner.

intellectual capital



social & relationship capital



natural capital



APL APOLLO:

resilient, no matter what!





You must not count our triumphs to judge our strength. You must count how many times we fell down and stood back. It is this ability to revive and regain that makes all the difference.

Countless storms have swept through us over the years and we're left bruised. Yet, we fought back.

Every time, we learned from our experience and emerged stronger with a hardened resolve and a more robust resilience to be a winner, yet again.

This storm, too, shall pass. Like all others in India Inc, we were not unscathed. But we know we will be the first to rise on the upturn, for we have what it takes to be a business leader.

resilience



Owing to our volumes

We are the largest steel tube and sections producer in India and one of the largest players in the world. It generates significant economies of scale positioning us as the lowest-cost producer in the country. We continue to expand our capacity over the coming years.

resilience



Owing to our range

Over the years, we have patiently and passionately created a product basket (comprising more than 1,500+ SKUs) that caters to multiple high-growth sectors that are also high on national priority. Moreover, we invested in technology (DFT technology) which allows us to cost-effectively customise products to meet client requirements. In doing so, we have emerged as a one-stop solution for all structural steel products.

resilience



Owing to our reach

Intelligent capacity creation has facilitated in balanced manufacturing infrastructure across regions. This strategy has made APL Apollo the only branded domestic steel tubes manufacturer with a close-to-demand pan-India footprint. Complementing this edge is the Company's wide and entrenched multi-layer network – the largest in the structural steel sector – supported by robust supply chain solutions and infrastructure. These factors enable it to capitalise on opportunities mushrooming across India.





Owing to our recognition

At APL Apollo, we have graduated from the transactional approach to nurturing relations, which is reflected in our expanding dealership network. Our ability to introduce innovative incentive schemes for our dealers, provide channel financing for them, and sustain our connect with various opinion influencers has only enhanced their loyalty with the APL brand. Further, our national brand awareness campaign at high viewership and mass-appeal sports event have made APL a household name – driving footfall at our dealer stores. Our sustained branding and awareness efforts have positioned APL Apollo as India's leading branded steel tubes manufacturer.



Owing to our resources

At APL Apollo, efficient resource management is not a practice but an organisational culture. We have taken various strategic steps to strengthen our cost efficiencies.

Our pan-India manufacturing presence has optimised our logistics costs and enhanced our speed to market.

Our increasing use of renewable energy has helped reduce electricity and maintenance costs.

Our emphasis on channel financing has enhanced our working capital cycle and improved the purchasing power of our dealers.

Our investment in cold-rolling mill facilities has ensured that we can produce enough low-thickness material at low costs.

Our prudent cash management has enabled us to deleverage the organisation, saving interest costs. This frugal cost structure enables us to compete effectively in the marketplace.



CAPITAL-WISE HIGHLIGHTS

our position in 2019-20



Financial Capital

The Company's growth strategy, along with disciplined allocation of capital, has resulted in superior financial returns.

6.5

EBITDA margin (%)

3.1

Net Margin (%)

20.6

Return on Capital Employed (%)



Manufactured Capital

In line with its growth strategy, the Company continued to invest in infrastructure that helped strengthen its manufacturing capability and firm up its delivery commitments.

301

Capex (₹ crore)

1.63

Sales Volume (MnT)



Intellectual Capital

In keeping with the fast-changing customer preferences and product requirements, the Company continued to invest in cutting-edge technology. This enabled it to deliver relevant products.

4

New products developed

**Automation
IT Solution**

Process Improvement

