



APL/SECT/DLH/SE: 2020-21

30<sup>th</sup> June 2020

Electronic Filing

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

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

NSE Symbol : APLAPOLLO

Scrip Code : 533758

**Re: Outcome of Board Meeting held on June 30, 2020**

1. In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors of the Company in its meeting held today i.e., Tuesday, June 30, 2020, which commenced at 4:00 pm and concluded at 7:00 pm, *inter alia*, considered and approved the audited Financial Results (Standalone & Consolidated) of the Company for the fourth quarter and year ended 31<sup>st</sup> March, 2020.
2. A copy of the said results including assets and liability statement and cash flow statements alongwith the Auditors Report(s) thereon by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon, Statutory Auditors of the Company, is submitted herewith in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Investors presentation on the financials is also attached alongwith the above.
4. Press release for the financials is also attached.
5. The Reports of Auditors are with unmodified opinion with respect to the Audited Financial Results (Standalone & Consolidated) of the Company for the fourth quarter and financial year ended 31<sup>st</sup> March 2020.

We request you to kindly take the above information on your record.

Thanking you

Yours faithfully

**For APL Apollo Tubes Limited**

  
**Deepak CS**  
Company Secretary



**APL Apollo Tubes Limited** (CIN-L74899 DL 1986PLC023443)

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi-NCR-201010, India Tel : +91-120-4041400 Fax : +91-120-4041444

Corp. Office : Tapasya Corp. Heights 4th Floor, Sector-126, Noida, Uttar Pradesh-201303 India

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi-110092, India Tel : +91-11-22373437 Fax : +91-11-22373537

Unit-I : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205, India Unit - II : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109, India

Unit-III : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India Unit-IV : Village Bendri, Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

E-mail : info@aplpollo.com Website : www.aplpollo.com

**APL APOLLO TUBES LIMITED**  
**Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi-110092**  
**Statement of Consolidated Financial Results for the quarter and year ended March 31, 2020**  
**CIN : L74899DL1986PLC023443**

Particulars	(Rupees in crore, except EPS)				
	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
	(Unaudited) (Refer Note 2)	(Unaudited)	(Unaudited) (Refer Note 2)	(Audited)	(Audited)
<b>I Revenue from operations</b>					
(a) Sale of products	1,808.65	2,040.45	2,024.11	7,426.52	6,894.64
(b) Other operating income	79.85	75.40	70.01	296.71	257.68
Total revenue from operations	1,888.50	2,115.85	2,094.12	7,723.23	7,152.32
<b>II Other Income</b>	8.33	4.68	2.84	22.18	11.71
<b>III Total income (I + II)</b>	<b>1,896.83</b>	<b>2,120.53</b>	<b>2,096.96</b>	<b>7,745.41</b>	<b>7,164.03</b>
<b>IV Expenses</b>					
(a) Cost of materials consumed	1,671.40	1,689.18	1,788.60	6,597.65	6,288.78
(b) Purchase of stock-in-trade (traded goods)	1.08	16.78	18.18	116.57	107.20
(c) Changes in inventories of finished goods, work-in-progress, rejection and scrap	(85.74)	57.34	11.46	(135.67)	(88.30)
(d) Employee benefits expense	38.56	38.15	28.64	142.19	107.94
(e) Finance costs	24.09	28.04	28.94	107.27	113.35
(f) Depreciation and amortisation expense	25.49	26.23	17.22	95.91	64.26
(g) Other expenses	143.34	153.89	108.50	525.15	343.86
<b>Total expenses</b>	<b>1,818.22</b>	<b>2,009.61</b>	<b>2,001.54</b>	<b>7,449.07</b>	<b>6,937.09</b>
<b>V Profit before tax (III-IV)</b>	78.61	110.92	95.42	296.34	226.94
<b>VI Tax expense (refer note 8):</b>					
(a) Current tax (net)	20.90	22.86	23.99	66.94	64.81
(b) Deferred tax charge / (credit) (net)	(1.79)	4.81	9.62	(25.31)	13.77
(c) Income tax (credit) / expense of earlier year	(1.29)	-	0.11	(1.29)	0.11
Total tax expense	17.82	27.67	33.72	40.34	78.69
<b>VII Profit for the period / year (V-VI)</b>	<b>60.79</b>	<b>83.25</b>	<b>61.70</b>	<b>256.00</b>	<b>148.25</b>
<b>VIII Other Comprehensive Income</b>					
<b>Add : (less) items that will not be reclassified to profit or loss</b>					
(a) Equity instruments through other comprehensive income	-	-	8.90	2.20	8.90
(b) Remeasurement of post employment benefit obligation	(1.94)	(0.07)	(0.99)	(2.13)	(0.23)
(c) Income tax relating to (b) above	0.48	0.02	0.34	0.53	0.07
Other Comprehensive Income for the period / year	(1.46)	(0.05)	8.25	0.60	8.74
<b>IX Total Comprehensive Income for the period / year (VII+VIII)</b>	<b>59.33</b>	<b>83.20</b>	<b>69.95</b>	<b>256.60</b>	<b>156.99</b>
<b>X Profit for the period / year attributable to :</b>					
- Owner of the Company	56.82	74.26	61.70	237.97	148.25
- Non-controlling interest	3.97	8.99	-	18.03	-
	<b>60.79</b>	<b>83.25</b>	<b>61.70</b>	<b>256.00</b>	<b>148.25</b>
<b>XI Other Comprehensive Income for the period / year attributable to :</b>					
- Owner of the Company	(1.45)	(0.05)	8.25	0.61	8.74
- Non-controlling interests	(0.01)	-	-	(0.01)	-
	<b>(1.46)</b>	<b>(0.05)</b>	<b>8.25</b>	<b>0.60</b>	<b>8.74</b>
<b>XII Total Comprehensive Income for the period / year attributable to :</b>					
- Owner of the Company	55.37	74.21	69.95	238.58	156.99
- Non-controlling interest	3.96	8.99	-	18.02	-
	<b>59.33</b>	<b>83.20</b>	<b>69.95</b>	<b>256.60</b>	<b>156.99</b>
<b>XIII Paid up Equity Share Capital (Face value of Rupees 10 each)</b>	24.87	24.87	23.85	24.87	23.85
<b>XIV Other equity</b>				1,331.28	940.21
<b>XV Earnings per equity share (EPS) of Rupees 10 each # :</b>					
(a) Basic (In Rupees)	22.85	30.14	26.00	97.17	62.47
(b) Diluted (In Rupees)	22.65	29.87	25.70	96.32	61.76

# EPS is not annualised for the quarter ended March 31, 2020, quarter ended December 31, 2019 and quarter ended March 31, 2019,



**APL APOLLO TUBES LIMITED**  
 Regd. Office: 37, Hargobind Enclave, Vikas Marg, Delhi-110092  
 Statement of Assets and Liabilities as at March 31, 2020  
 CIN : L74899DL1986PLC023443

Particulars	Consolidated		Standalone	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)	(Audited)	(Audited)
(Rupees in crore)				
<b>A. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property plant and equipment	1,471.08	1,007.77	936.25	799.19
(b) Capital work-in-progress	10.09	27.46	6.24	22.49
(c) Rights to use assets	97.06	-	18.46	-
(d) Goodwill *	137.50	23.00	-	-
(e) Other intangible assets	2.73	2.86	2.39	2.85
(f) Investment in subsidiaries	-	-	394.07	391.12
(g) Financial assets				
(i) Investments	1.52	49.38	1.52	1.17
(ii) Loans	-	0.50	75.00	0.50
(iii) Other financial assets	25.33	40.39	19.78	18.64
(h) Non-current tax assets (net)	11.50	0.66	10.19	-
(i) Other non-current assets	59.20	132.88	45.85	70.09
<b>Total non-current assets</b>	<b>1,816.01</b>	<b>1,284.90</b>	<b>1,509.75</b>	<b>1,306.05</b>
<b>(2) Current assets</b>				
(a) Inventories	784.18	783.50	590.27	680.25
(b) Financial assets:				
(i) Trade receivables	476.36	543.31	306.94	421.61
(ii) Cash and cash equivalents	44.39	47.30	38.85	24.28
(iii) Bank balances other than (ii) above	1.22	0.50	1.07	0.50
(iv) Loans	1.29	1.32	1.04	0.79
(v) Other financial assets	2.72	2.10	28.20	5.13
(c) Other current assets	138.21	100.52	96.63	128.41
<b>Total current assets</b>	<b>1,448.37</b>	<b>1,478.55</b>	<b>1,063.00</b>	<b>1,260.97</b>
<b>Assets classified as held for sale</b>	1.65	10.43	1.65	10.43
<b>Total current assets</b>	<b>1,450.02</b>	<b>1,488.98</b>	<b>1,064.65</b>	<b>1,271.40</b>
<b>Total Assets</b>	<b>3,266.03</b>	<b>2,773.88</b>	<b>2,574.40</b>	<b>2,577.45</b>
<b>B. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(i) Equity share capital	24.87	23.85	24.87	23.85
(ii) Other equity	1,331.28	940.21	1,250.37	983.93
<b>Equity Attributable to the owners of the Company</b>	<b>1,356.15</b>	<b>964.06</b>	<b>1,275.24</b>	<b>1,007.78</b>
Non-controlling interest *	95.42	-	-	-
<b>Total Equity</b>	<b>1,451.57</b>	<b>964.06</b>	<b>1,275.24</b>	<b>1,007.78</b>
<b>(2) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	404.32	174.52	245.29	139.93
(ii) Lease liabilities	0.12	-	0.08	-
(iii) Other financial liabilities	0.72	0.65	0.72	0.65
(b) Provisions	16.16	9.94	12.73	8.03
(c) Deferred tax liabilities (net)	101.16	119.97	72.16	94.98
(d) Other non-current liabilities	67.24	47.76	44.77	44.82
<b>Total non-current liabilities</b>	<b>589.72</b>	<b>352.84</b>	<b>375.75</b>	<b>288.41</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	322.85	535.59	244.61	451.89
(ii) Lease liabilities	0.58	-	0.52	-
(iii) Trade payables				
- total outstanding dues of micro and small enterprises	1.08	-	0.85	-
- total outstanding dues other than micro and small enterprises	763.33	698.92	586.65	624.17
(iv) Other financial liabilities	114.41	183.18	78.33	169.24
(b) Other current liabilities	17.25	30.65	11.94	27.65
(c) Provisions	1.13	0.84	0.51	0.61
(d) Current tax liabilities (net)	4.11	7.80	-	7.70
<b>Total current liabilities</b>	<b>1,224.74</b>	<b>1,456.98</b>	<b>923.41</b>	<b>1,281.26</b>
<b>Total Equity and Liabilities</b>	<b>3,266.03</b>	<b>2,773.88</b>	<b>2,574.40</b>	<b>2,577.45</b>

\* Refer note 4 of Notes to the Statement of Consolidated Financial Results.



**Notes to the Statement of Consolidated Financial Results :**

1. The above Consolidated Financial Results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 30, 2020.
2. Figures for the quarter ended March 31, 2020 and March 31, 2019 represent the difference between the audited figures in respect of full financial year and the unaudited published figures of nine months ended December 31, 2019 and December 31, 2018 respectively. The Consolidated Financial Results for the year ended March 31, 2020 have been audited by the statutory auditors and Consolidated Financial Results for the quarter ended March 31, 2020 have been reviewed by the statutory auditors. The statutory auditors have not issued a separate limited review report on the results for the quarter ended March 31, 2019.
3. The above Consolidated Financial Results are extracted from the Audited Consolidated Financial Statements, which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
4. During the quarter ended December 31, 2018, the Board of Directors of APL Apollo Tubes Limited ('the Company') in their meeting held on October 18, 2018 considered and approved the acquisition / investment by Shri Lakshmi Metal Udyog Limited ('SLMUL'), a wholly owned subsidiary of the Company by way of entering into a Share Purchase Agreement ('Agreement') for the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited ('Target Entity').

Pursuant to the said Agreement, SLMUL made an open offer, which got completed on February 1, 2019. During the offer period, SLMUL acquired 1,325,000 Equity Shares from open market and 1,536,209 Equity Shares were tendered under open offer, aggregating to 2,861,209 Equity Shares, representing 10.33 % of the paid up share capital of Apollo Tricoat Tubes Limited as on March 31, 2019.

During the quarter ended June 30, 2019, SLMUL, under the above Share purchase agreement completed the acquisition of 8,030,030 Equity Shares and Options attached to 4,300,000 Warrants of Apollo Tricoat Tubes Limited. Further the warrants were converted into equity shares. On completion and transfer of shares on June 17, 2019, SLMUL, held 15,191,239 equity shares representing 50.56% of paid up share capital of the target entity. Accordingly, Target Entity became a subsidiary of SLMUL with effect from June 17, 2019 ('Acquisition Date').

Subsequently, SLMU further acquired 268,761 equity shares during the year and as at year end, SLMUL, holds 15,460,000 equity shares representing 50.86% of paid up share capital of Apollo Tricoat Tubes Limited as on March 31, 2020.

The acquisition of Target Entity was accounted for under 'Ind-AS 103 : Business Combination' whereby assets and liabilities of the target entity were fair valued for consolidation. Details of purchase consideration, fair value of net assets acquired and resultant goodwill as at the acquisition date are as under :

Particulars	(Rupees in crore)	
	Amount	
Amount paid towards acquisition of shares (including Rupees 11.10 crore resulting on fair valuation of investment on March 31, 2019 and June 16, 2019)	198.37	
Add : Fair value of non-controlling interest	82.00	
Add : Deferred tax liability on business combination	2.67	
Less : Fair value of net assets acquired	(168.54)	
Resultant Goodwill	114.50	

Further, this acquisition has resulted in recognition of Non-controlling interest of Rupees 95.42 crores as at March 31, 2020.

Accordingly, figures for quarter and year ended March 31, 2019 are not comparable to quarter and year ended March 31, 2020.

5. During the quarter ended June 30, 2019, the Company completed the acquisition of a production unit (located at Chegunta, Hyderabad), of M/s Taurus Value Steel & Pipes Private Limited, a subsidiary of M/s Shankara Building Products Limited, Bangalore. The acquisition was approved by the Board of Directors of the Company in their meeting held on April 12, 2019 and completed on May 27, 2019.

The acquisition of above unit (assets) has been finally accounted for under 'Ind-AS 103 : Business Combination' whereby assets acquired have been fair valued. Details of purchase consideration, fair value of net assets acquired and resultant capital reserve is as under :

Particulars	(Rupees in crore)	
	Amount	
Fair value of assets acquired	86.96	
Less : Consideration paid	(70.00)	
Gross Capital reserve arising on business combination	16.96	

Accordingly, figures for quarter and year ended March 31, 2019 are not comparable to quarter and year ended March 31, 2020.

6. Effective April 1, 2019, the Group adopted 'Ind-AS 116 : Leases', applied to all lease contracts existing on April 1, 2019 using the modified simplified approach along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarter and year ended March 31, 2019 have not been, retrospectively adjusted. The effect of this adoption is not material on the profit of the year and earnings per share.



7. The Group had closed all its manufacturing plants and offices with effect from March 24, 2020 following countrywide lockdown due to Covid-19. Subsequent to the year end, the Company had resumed its operations at its Raipur plant with effect from April 22, 2020. All the remaining plants and office of the Group have resumed operations gradually over a period of time adhering to the safety norms prescribed by the Government of India.

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

8. The Group has during the year elected to be assessed at lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 33.68 crores on account of remeasurement of deferred tax liability as at March 31, 2019.
9. The Group is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.

Ghaziabad  
June 30, 2020



For APL APOLLO TUBES LIMITED

  
SANJAY GUPTA  
CHAIRMAN AND MANAGING DIRECTOR



**APL APOLLO TUBES LIMITED**  
**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	(Rupees in crore)	
	Year ended March 31, 2020 (Refer note below)	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>	296.33	226.94
Profit before tax		
<u>Adjustments for:</u>		
Depreciation and amortisation expense	95.91	64.26
(Gain) on sale of property, plant and equipment (net)	(0.22)	(0.12)
Finance costs	107.27	113.35
Interest income on fixed deposits	(0.93)	(0.79)
Interest income on others	(1.56)	(2.06)
(Gain) on sale of assets classified as held for sale	(1.46)	(0.07)
Provision for slow moving inventory of spares & consumables	0.24	0.22
Government grant income	(8.47)	(6.24)
Derivatives measured at fair value through profit & loss account	(0.89)	(0.02)
Bad debts written off	0.02	0.20
Net unrealised foreign exchange (gain)	(2.82)	(3.66)
Allowance for doubtful trade receivables (expected credit loss allowance)	2.36	0.63
Share based expenses	3.68	3.55
<b>Operating profit before working capital changes</b>	<b>489.46</b>	<b>396.19</b>
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	28.40	(192.24)
Trade receivables	84.73	(112.34)
Current loans and other financial assets	6.11	18.23
Non-current loans and other financial assets	(1.59)	(20.89)
Other current assets	(23.09)	(12.57)
Other non-current assets	3.29	(14.35)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	25.68	323.64
Other current liabilities	(26.20)	18.14
Other current financial liabilities	(10.63)	(0.19)
Other non current financial liabilities	0.07	0.06
Other non current liabilities	10.60	18.76
Provisions (current & non-current)	4.29	2.46
<b>Cash generated from operations</b>	<b>591.12</b>	<b>424.90</b>
Net income tax (paid)	(81.57)	(67.26)
<b>Net cash flow from operating activities (A)</b>	<b>509.55</b>	<b>357.64</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment (including capital advances)	(309.24)	(236.93)
Proceeds from sale of property, plant and equipment	7.80	10.84
Proceeds from sale of assets classified as held for sale	5.42	0.33
Investment in margin money	(0.62)	(0.05)
Investment in equity shares	(142.34)	(39.37)
Proceeds from sale of equity shares	0.01	-
Interest received	4.05	1.25
<b>Net cash flow (used in) investing activities (B)</b>	<b>(434.92)</b>	<b>(263.93)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	383.05	150.01
Repayment of non-current borrowings	(250.68)	(105.16)
Proceeds from current borrowings	-	156.06
Repayment of current borrowings	(227.23)	(117.90)
Payment of dividends	(34.05)	(33.49)
Payment of dividend distribution tax	(7.05)	(6.76)
Proceeds from issue of equity share capital	177.46	5.64
Payment on account of lease liabilities	(0.60)	-
Finance costs	(118.73)	(101.43)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(77.83)</b>	<b>(53.03)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>(3.20)</b>	<b>40.68</b>
Add : Cash acquired on acquisition of Apollo Tricoat Tubes Limited (refer note below)	0.29	-
Cash and cash equivalents at the beginning of the year	47.30	6.62
<b>Cash and cash equivalents at the end of the year</b>	<b>44.39</b>	<b>47.30</b>

**Note :**

Cash flow for the year ended March 31, 2020 includes effect of acquisition of Apollo Tricoat Tubes Limited. Refer note 4 of the Notes to the Statement of Consolidated Financial Results.



**APL APOLLO TUBES LIMITED**  
 Regd. Office : 37, Hargobind Enclave, Vikas Marg, Delhi - 110092  
 Statement of Standalone Financial Results for the quarter and year ended March 31, 2020  
 CIN : L74899DL1986PLC023443

Particulars	(Rupees in crore, except EPS)				
	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
	(Unaudited) (Refer Note 2)	(Unaudited)	(Unaudited) (Refer Note 2)	(Audited)	(Audited)
<b>I Revenue from operations</b>					
(a) Sale of products	1,323.63	1,545.70	1,692.43	5,704.40	5,661.82
(b) Other operating income	58.86	57.56	55.68	226.41	206.65
Total revenue from operations	1,382.49	1,603.26	1,748.11	5,930.81	5,868.47
<b>II Other Income</b>	8.08	6.81	3.63	27.23	42.49
<b>III Total income (I +II)</b>	<b>1,390.57</b>	<b>1,610.07</b>	<b>1,751.74</b>	<b>5,958.04</b>	<b>5,910.96</b>
<b>IV Expenses</b>					
(a) Cost of materials consumed	1,125.09	1,200.53	1,380.49	4,709.18	4,896.66
(b) Purchase of stock-in-trade (traded goods)	141.98	142.86	134.13	601.20	427.73
(c) Changes in inventories of finished goods, work-in-progress, relection and scrap	(57.16)	42.17	22.31	(73.60)	(78.91)
(d) Employee benefits expense	23.11	23.94	20.73	92.63	78.53
(e) Finance costs	16.81	20.27	25.23	82.14	101.35
(f) Depreciation and amortisation expense	16.49	19.20	13.57	68.91	53.13
(g) Other expenses	95.54	105.09	82.14	363.79	257.12
Total expenses	1,361.86	1,554.06	1,678.60	5,844.25	5,735.61
<b>V Profit / (loss) before tax (III-IV)</b>	28.71	56.01	73.14	113.79	175.35
<b>VI Tax expense (refer note 7):</b>					
(a) Current tax (net)	4.27	14.87	20.00	26.35	38.30
(b) Deferred tax charge / (credit) (net)	0.62	(1.11)	6.03	(26.01)	10.66
(c) Income tax (credit) / expense of earlier year	(1.56)	-	-	(1.56)	-
Total tax expense	3.33	13.76	26.03	(1.22)	48.96
<b>VII Profit for the period / year (V-VI)</b>	<b>25.38</b>	<b>42.25</b>	<b>47.11</b>	<b>115.01</b>	<b>126.39</b>
<b>VIII Other Comprehensive Income</b>					
<b>Add : (less) Items that will not be reclassified to profit or loss</b>					
(a) Remeasurement of post employment benefit obligation	(1.35)	(0.06)	(0.96)	(1.52)	(0.21)
(b) Income tax relating to above item	0.34	0.01	0.34	0.38	0.07
Other Comprehensive Income for the period / year	(1.01)	(0.05)	(0.62)	(1.14)	(0.14)
<b>IX Total Comprehensive Income for the period / year (VII+VIII)</b>	<b>24.37</b>	<b>42.20</b>	<b>46.49</b>	<b>113.87</b>	<b>126.25</b>
<b>X Paid up Equity Share Capital (Face value of Rupees 10 each)</b>	24.87	24.87	23.85	24.87	23.85
<b>XI Other equity</b>				1,250.37	983.93
<b>XII Earnings per equity share (EPS) of Rupees 10 each # :</b>					
(a) Basic (In Rupees)	10.20	17.15	19.85	46.96	53.25
(b) Diluted (In Rupees)	10.12	17.00	19.63	46.55	52.65
<b>XIII Debenture Redemption Reserve</b>					80.00
<b>XIV Net Worth</b>				1,275.24	1,007.78
<b>XV Net Debt Equity Ratio (refer note (a) below)</b>				0.46	0.74
<b>XVI Debt Service Coverage Ratio (refer note (b) below)</b>				0.43	1.54
<b>XVII Interest Service Coverage Ratio (refer note (c) below)</b>				2.39	2.73
(a) Net Debt to Equity : Net Debt / Average Equity (Net Debt : Non current borrowings + Current maturities of non current borrowings + Current borrowings - Cash and bank balances) (Equity : Equity Share Capital + Other Equity)					
(b) Debt Service Coverage Ratio : (Profit before tax + Depreciation + Interest on term loan) / (Interest on term loan + Repayments of term loan during the year)					
(c) Interest Service Coverage Ratio : EBIT / Finance costs (EBIT : Profit before tax + Finance costs)					

# EPS is not annualised for the quarter ended March 31, 2020, quarter ended December 31, 2019 and quarter ended March 31, 2019.



**Notes to the Statement of Standalone Financial Results :**

1. The above Standalone Financial Results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 30, 2020.
2. Figures for the quarter ended March 31, 2020 and March 31, 2019 represent the difference between the audited figures in respect of full financial year and the unaudited published figures of nine months ended December 31, 2019 and December 31, 2018 respectively. The Standalone Financial Results for the year ended March 31, 2020 have been audited by the statutory auditors and Standalone Financial Results for the quarter ended March 31, 2020 have been reviewed by the statutory auditors. The statutory auditors have not issued a separate limited review report on the results for the quarter ended March 31, 2019.
3. The above Standalone Financial Results are extracted from the Audited Standalone Financial Statements, which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
4. During the quarter ended June 30, 2019, the Company completed the acquisition of a production unit (located at Chegunta, Hyderabad), of M/s Taurus Value Steel & Pipes Private Limited, a subsidiary of M/s Shankara Building Products Limited, Bangalore. The acquisition was approved by the Board of Directors of the Company in their meeting held on April 12, 2019 and completed on May 27, 2019.

The acquisition of above unit (assets) has been finally accounted for under 'Ind-AS 103 : Business Combination' whereby assets acquired have been fair valued. Details of purchase consideration, fair value of net assets acquired and resultant capital reserve is as under :

Particulars	(Rupees in crore)	
	Amount	
Fair value of assets acquired		86.96
Less : Consideration paid		(70.00)
Gross Capital reserve arising on business combination		16.96

Accordingly, figures for quarter and year ended March 31, 2019 are not comparable to quarter and year ended March 31, 2020.

5. Effective April 1, 2019, the Company adopted 'Ind-AS 116 : Leases', applied to all lease contracts existing on April 1, 2019 using the modified simplified approach along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarter and year ended March 31, 2019 have not been, retrospectively adjusted. The effect of this adoption is not material on the profit of the year and earnings per share.
6. The Company had closed all its manufacturing plants and offices with effect from March 24, 2020 following countrywide lockdown due to Covid-19. Subsequent to the year end, the Company had resumed its operations at its Raipur plant with effect from April 22, 2020. All the remaining plants and office of the Company have resumed operations gradually over a period of time adhering to the safety norms prescribed by the Government of India.  
  
The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, inventories, and trade receivables. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. Further, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company will continue to closely monitor any material changes to future economic conditions.
7. The Company has during the year elected to be assessed at lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in deferred tax credit for year ended March 31, 2020. This change has resulted in reversal of deferred tax expense of Rupees 26.57 crores on account of remeasurement of deferred tax liability as at March 31, 2019.
8. The Company carried out an annual exercise of benchmarking the pricing margins for inter-group transactions. Accordingly, the standalone results for quarter ended March 31, 2020 contain certain adjustments resulting in an increase in profit of the quarter ended March 31, 2020 by Rupees 8.23 crores.
9. The Company is in business of Manufacturing of ERW steel tube and pipes and hence only one reportable operating segment as per 'Ind-AS 108 : Operating Segments'.

Ghaziabad  
June 30, 2020

APL APOLLO TUBES LIMITED  
DELHI  
NCR  
SANTAY GUPTA  
CHAIRMAN AND MANAGING DIRECTOR





**APL APOLLO TUBES LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	(Rupees in crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	113.79	175.35
Adjustments for:		
Depreciation and amortisation expense	68.91	53.13
Loss / (gain) on sale of property, plant and equipment (net)	0.19	(0.81)
(Gain) on sale of assets classified as held for sale	(1.46)	(0.07)
Finance costs	82.14	101.35
Interest income on fixed deposits	(0.83)	(0.02)
Interest income on others	(11.55)	(1.70)
Dividend income	-	(33.01)
Share based expenses	3.68	3.55
Provision for slow moving inventory of spares & consumables	0.22	0.20
Bad debts written off	0.02	0.20
Allowance for doubtful trade receivables (expected credit loss allowance)	2.30	0.50
Derivatives measured at fair value through profit & loss account	(2.22)	0.16
Net unrealized foreign exchange (gain)	(2.00)	(3.66)
Government grant income	(7.04)	(6.25)
<b>Operating profit before working capital changes</b>	<b>246.15</b>	<b>288.92</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	89.75	(176.76)
Trade receivables	114.35	(83.62)
Current loans and other financial assets	(19.79)	(1.90)
Non-current loans and other financial assets	(75.64)	(1.24)
Other current assets	31.42	(45.97)
Other non-current assets	3.18	1.30
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(36.65)	275.30
Other current liabilities	(11.02)	20.19
Other current financial liabilities	(0.86)	(0.25)
Other non current liabilities	-	16.49
Other non current financial liabilities	0.07	0.06
Provisions (current & non-current)	3.07	1.66
<b>Cash generated from operations</b>	<b>344.03</b>	<b>294.18</b>
Income tax (paid)	(39.10)	(26.63)
<b>Net cash flow from operating activities (A)</b>	<b>304.93</b>	<b>267.55</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment (including capital advances)	(182.38)	(162.25)
Proceeds from sale of property, plant and equipment	5.93	5.27
Proceeds from sale of assets classified as held for sale	5.42	0.33
Investment in other companies	(0.36)	(0.06)
Proceeds from sale of equity shares	0.01	-
Investment in subsidiaries	(2.94)	(0.40)
Investment in margin money	(0.46)	(0.05)
Dividend income	-	33.01
Interest received		
- fixed deposits	0.83	0.02
- others	10.25	1.01
<b>Net cash flow (used in) investing activities (B)</b>	<b>(163.70)</b>	<b>(123.12)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	279.05	107.51
Proceeds from current borrowings	-	102.23
Repayment of non-current borrowings	(239.78)	-
Repayment of current borrowings	(207.28)	(215.65)
Payment of dividends	(34.05)	(33.49)
Payment of dividend distribution tax	(6.98)	(0.04)
Proceeds from issue of equity share capital	177.47	5.65
Payment on account of lease liabilities	(0.56)	-
Finance costs	(94.53)	(87.35)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(126.66)</b>	<b>(121.14)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>14.57</b>	<b>23.29</b>
Cash and cash equivalents at the beginning of the year	24.28	0.99
<b>Cash and cash equivalents at the end of the year</b>	<b>38.85</b>	<b>24.28</b>



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
APL APOLLO TUBES LIMITED**

**Opinion and Conclusion**

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" of **APL APOLLO TUBES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Consolidated Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of the subsidiaries referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2020:

- (i) includes the results of the following entities:
  - a. The Parent Company
    - APL Apollo Tubes Limited
  - b. Subsidiaries
    - Apollo Metalex Private Limited
    - Shri Lakshmi Metal Udyog Limited
    - Blue Ocean Projects Private Limited
    - APL Apollo Tubes FZE
    - Apollo Tricoat Tubes Limited (with effect from June 17, 2019)
    - APL Apollo Building Products Private Limited
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31,



2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

**Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



**Auditor's Responsibilities**

**(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other



auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

**Other Matters**

- On account of the COVID-19 related lock-down restrictions, management performed the year end physical verification of inventories, subsequent to end of the year at all plants. We were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these financial statements. Our report on the financial statements is not modified in respect of this matter.
- As stated in Note 2 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued



a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.

- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of three subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 467.42 crore as at March 31, 2020 and total revenues of Rs. 228.89 crore and Rs. 663.25 crore for the quarter and year ended March 31, 2020 respectively, total net profit after tax of Rs. 11.08 crore and Rs. 41.99 crore for the quarter and year ended March 31, 2020 respectively and total comprehensive income of Rs. 11.06 crore and Rs. 41.97 crore for the quarter and year ended March 31, 2020 respectively and net cash flows (net) of Rs. 4.68 crore for the year ended March 31, 2020, as considered in the Statement. These financial statements have been audited /reviewed, as applicable, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

- The consolidated financial results includes the unaudited financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 2.06 crore as at March 31, 2020 and total revenues of Rs Nil and Rs. Nil for the quarter and year ended March 31, 2020 respectively, total net (loss) after tax of Rs 0.05 crore and Rs. 0.19 crore for the quarter and year ended March 31, 2020 respectively and total comprehensive loss of Rs. 0.05 crore and Rs 0.19 crore for the quarter and year ended March 31, 2020 respectively and net cash flows (net) of Rs. 0.15 crore for the year ended March 31, 2020, as considered in the Statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Board of the Directors.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Place: New Delhi  
Date: June 30, 2020

  
(RASHIM TANDON)

(Partner)  
(Membership No. 95540)  
UDIN : 20095540AAAAAP8092

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
APL APOLLO TUBES LIMITED**

**Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020 of **APL APOLLO TUBES LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Standalone Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020**

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in



accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Management's Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

**Auditor's Responsibilities**

**(a) Audit of the Standalone Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Other Matters**

- On account of the COVID-19 related lock-down restrictions, management performed the year end physical verification of inventories, subsequent to end of the year at all plants. We were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these financial statements. Our report on the financial statements is not modified in respect of this matter.
- As stated in Note 2 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Place: New Delhi  
Date: June 30, 2020

  
**(RASHIM TANDON)**  
(Partner)  
(Membership No. 95540)  
UDIN : 20095540AAAAA09845

# APL APOLLO

Q4 FY20 Results

# Safe Harbour

*Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

# Contents

FY'20 at a glance

Q4 FY'20 at a glance

APL Apollo Overview

Financial Performance

Core Competence

Key Takeaways

# FY'20 at a Glance



1.6 Mn ton

Sales volume  
22% yoy increase  
*Highest ever*



40%

Market share in structural  
steel tube sector  
FY19 was 36%



₹ 5.0 Bn

EBITDA  
23% yoy increase  
*Highest ever*



₹ 3,058

EBITDA/ ton  
1% yoy increase



₹ 2.4 Bn

Net profit  
61% yoy increase  
*Highest ever*



₹ 5.1 Bn

Operating cash flow  
FY19 was ₹3.6 Bn



20.6%

ROCE  
FY19 ROCE was 20.1%



20 Days

Net Working Capital  
FY19 was 28 days



2.5 Mn ton

Capacity as on 31st  
March 2020



1,500

Product SKUs  
Continuous focus on new  
product addition



800+ Distributors

Distribution expansion  
remains key focus area



Branding

Mass branding kick  
started

# The Year Gone By: FY'20

## Market share expansion

- 22% increase in sales volume in FY20
- FY20 was impacted by challenging macros, slowdown in construction activities, weak market liquidity and final knock with Covid-19
- Company consolidated its leadership position in structural steel tubes with market share improvement to 40% vs 36% in FY19

## Solid operating cash flows and debt reduction

- Company further improved working capital cycle which generated strong operating cash flows of Rs5.1bn
- It helped fund capex and two acquisitions worth Rs4.3bn
- Net debt reduction by Rs266m to Rs7.8bn

## Aggressive spending on brand promotion

- Company kick started mass branding exercise with TV Commercials, Outdoor Media and other below-the-line activities
- Benefits visible in form of market share gains in FY20
  - Expect momentum to continue once sales volume reach normalized levels after COVID-19 disruption

# Q4 FY'20 at a Glance



401k ton

Sales Volume  
4% yoy decline



₹ 18.9 Bn

Revenue  
10% yoy decline



₹ 1.3 Bn

EBITDA  
9% yoy decline



₹ 3,200

EBITDA/ ton  
5% yoy decline



₹ 241 Mn

Interest Cost  
17% yoy decline



₹ 568 Mn

Net profit  
8% yoy decline



20.5%

ROE  
FY19 was 16.5%



20.6%

ROCE  
FY19 ROCE was 20.1%



0.6x

Net Debt/Equity  
FY19 was 0.8x



1.6x

Net Debt/EBITDA  
FY19 was 2x



₹ 7.8 Bn

Net Debt  
FY19 was ₹8.1 Bn



3.8x

Interest Coverage  
FY19 was 3x



# Q4 FY'20 Highlights

## COVID-19 Disruption

- Q4 commenced on a healthy note with Jan-Feb witnessing revival in construction activity
- The company was forecasting double digit sales growth for the quarter before the lockdown
- Covid-19 disrupted supply chain and impacted the demand after 15<sup>th</sup> March; then there was a complete lockdown post 23<sup>rd</sup> March

## Profitability

- EBITDA/Ton declined 5% yoy to Rs3,200 due to volume loss in March owing to COVID-19 impact
- Interest cost declined 17% yoy backed by debt reduction
  - Depreciation costs increased 48% yoy due to capacity expansion
- Net profit declined 8% yoy to Rs568m

## Strong balance sheet

- D/E ratio improved to 0.6x from 0.8x in FY19
- Debt to EBITDA improved to 1.6x from 2x in FY19
- Interest coverage ratio improved to 3.8x from 3x in FY19

# APL Apollo at a Glance

1

Leading building material structural steel brand

Core Business

14

Brands

Five Product Categories

40%

Market Share

2.5

Million Ton

Structural Steel Capacity

8 Patents

10 Plants

2,124 Employees

800+ Distributors

1,500+ Products

# Our Brands

Product Category\*

## Apollo Structural

Structural steel construction material:  
Residential, Commercial, Infrastructure

Fabritech, Build, DFT

## Apollo Z

Galvanized structural steel construction material:  
Residential, Commercial, Infrastructure

CoastGuard

## Apollo Galv

Galvanized steel tubes:  
Residential, Commercial, Agri, Industrial

Green, Bheem, StrenX

## Apollo Standard

Construction material, Industrial

FireReady, Agri

## Apollo Tricoat

Home improvement products

Tricoat, Plank, Signature, Elegant, Chaukhat

70% Building Material

23% Infrastructure

7% Others

\*Apollo Structural -Hollow Section, Apollo Z- Pre Galvanized (GP), Apollo Galv – Galvanized (GI), Apollo Standard – Black Pipes

# Product Category – Application & Sales Mix

Product Category	Sales Volume Mix (%)	Applications
<b>Apollo Structural</b>	<b>53%</b>	
Residential Buildings & Independent Homes	18%	Structural, Piling, Sheds, Handrails, Gates, Fencing, Balcony Grills, Staircase, Light Structures
Commercial Buildings, Warehouses & Factories	9%	
Infrastructure	23%	Structural for Metros, Airports, Stadiums, Stations etc
Industrial	3%	Heavy Equipment
<b>Apollo Z</b>	<b>21%</b>	
Residential Buildings & Independent Homes	17%	Galvanized structural steel tubes for coastal markets
Commercial Buildings, Warehouses & Factories	4%	
<b>Apollo Standard</b>	<b>13%</b>	
Residential Buildings & Independent Homes	5%	Structural, Fencing, Grills, HVAC, Ducting, Firefighting, Plumbing
Commercial Buildings, Warehouses & Factories	5%	
Industrial & Agri	3%	Heavy Equipment
<b>Apollo Tricoat</b>	<b>7%</b>	
Residential Buildings and Independent Homes	5%	Door Frame, Staircase Steps, Furniture, Plank, Designer Tubes, Fencing, Electrical Conduits
Commercial Buildings	2%	
<b>Apollo Galv</b>	<b>6%</b>	
Commercial Buildings	5%	Galvanized Structural, Greenhouse Structures, Plumbing, Firefighting
Industrial & Agri	1%	
<b>Total</b>	<b>100%</b>	

45% Building Material Housing

25% Building Material Commercial

23% Infrastructure

7% Others (Industrial & Agri)

# COVID-19 ACTION PLAN

# Covid-19 Action Plan

## Business

### Revenue loss during lockdown

- Complete shutdown from 24 March
- Raipur Plant started on 22 April

### Sales ramp-up post relaxation

- All 10 plants operational with necessary precautions
- Good Pent-up demand as contractors rushing to resume construction
- Company improving market share at cost of weak competition
- Replenishment has started at distributor level in rural areas
- Demand in Urban areas catching up
- Good sales ramp up in last 7 weeks
- Supply chain improving day-by-day

### Global Cues

- Construction activity in China has picked up significantly
- Construction steel demand has recovered 85% in China in last 2 months

### Employee Safety

- Social distancing norms being followed as per gov't rules
- Proper hygiene being maintained at plants and offices
- No plant in Red Zone

### Steel Prices

- Do not expect steep decline in prices
- Company working on minimum raw material inventory levels
- Global steel prices remain firm on improving demand scenario

## Financials

### Cash

- Focus on receivable collections and debt reduction

### Preservation

- Debtors spread across 800+ distributors
- Evaluating channel financing options to further minimize debtors
- Delayed capex spends

### Fixed costs

- Minimal branding and marketing expenses
- Lowering interest costs thru refinancing and debt reduction
- Issued commercial paper at 6.6% recently)
- Renegotiation of miscellaneous contracts at lower price

### Cash breakeven

- Lean cost structure
- Cash breakeven below 1/3<sup>rd</sup> capacity utilization

## Outlook

### Demand recovery

- Target higher market share in FY21
- Aggressive sales strategy to hurt weak competitors
- Building Material companies guiding for 25-30% volume decline
- Structural steel Tubes to outperform other Building materials

### Business Plan

- Long-term business plan remains unchanged
- Short-term focus is lighter balance sheet and lower fixed costs

# PORTER'S 5 FORCES

# Porter's Five Forces

## Threat of Entry

- Scale of 2.5m ton capacity; wide gap between No. 2 Player
- Vast distribution network (access to 800+ distributors, 50,000 retailers, 2lacs fabricators)
- Technology advantage (DFT, ILG)
- Lowest cost producer (highest profitability in the sector)
- Product range (1,500+ SKUs)
- Lead time to distributors (48hrs delivery)
- Financial strength (doubling capacity every 3rd year without debt)
- Unmatched brand strength

## Bargaining power of suppliers

- Company buys 2% of Indian steel consumption and 10% of Indian HR coil consumption
- Amongst Top 3 customers for large steel producers
- Company's steel buying price is minimum in structural steel tubing industry

## Industry Rivalry

- APL Apollo 40% market share
- Player 2 - 12% market share (under insolvency)
- Player 3 - 9% market share (focus on water transportation products)
- Player 4 - 7% market share (strong player but small in Parent's overall scheme of things)
- Player 5 - 7% market share (focused in East market; regional player)
- Player 6 - 6% market share (high debt)
- Player 7 - 3% market share (high debt)
- Player 8 - 2% market share (poor profitability)

## Bargaining power of distributors

- 40% market share in structural steel tubing industry
- Monopoly products (new innovative products)
- APL Apollo distributors can churn capital upto 8x in a year which helps them generate high ROCE

## Threat of substitute

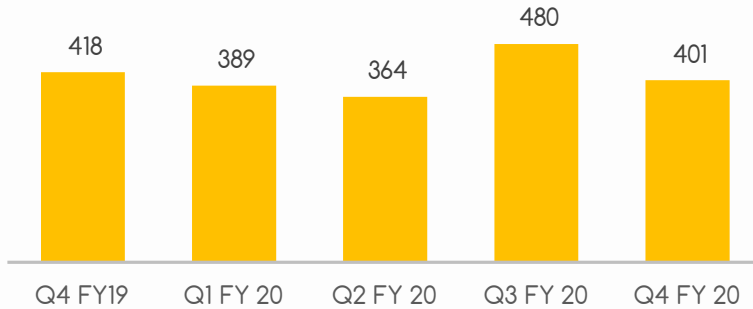
- No product can replace structural strength of steel



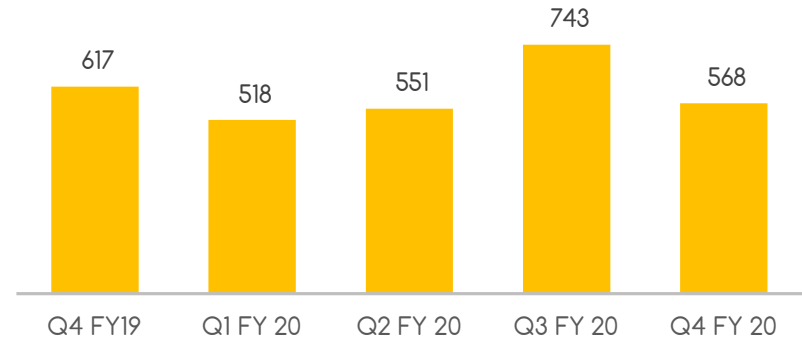
# FINANCIAL PERFORMANCE

# Growing Strength to Strength

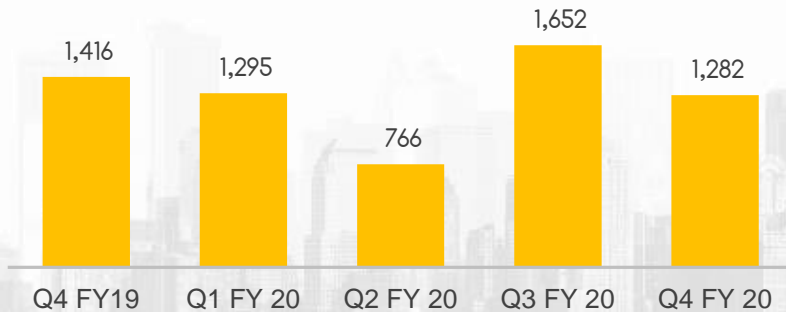
Volume (k ton)



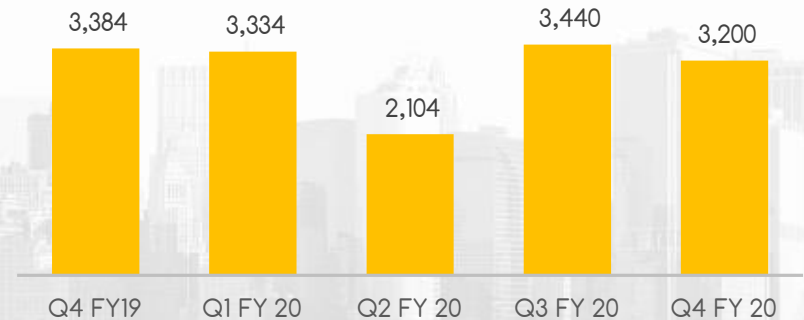
Net Profit (Rsm)



EBIDTA (Rsm)

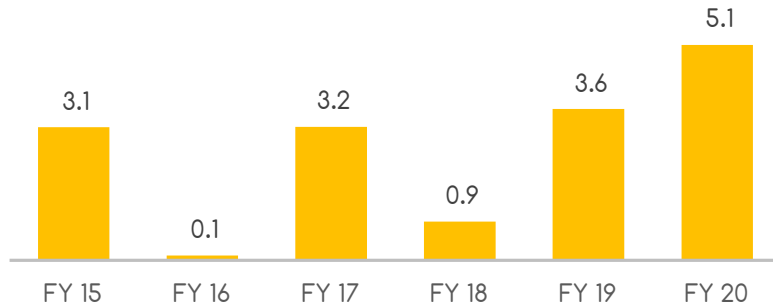


EBIDTA/Ton (Rs)

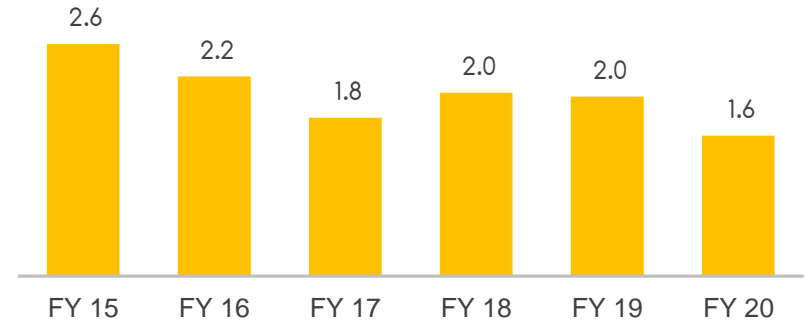


# Growing Strength to Strength

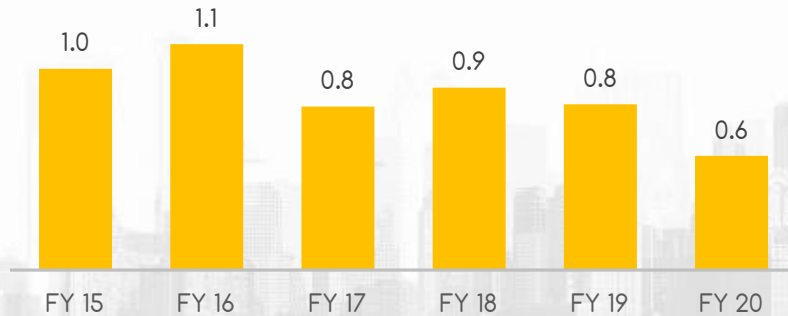
Operating Cash flow (Rs Bn)



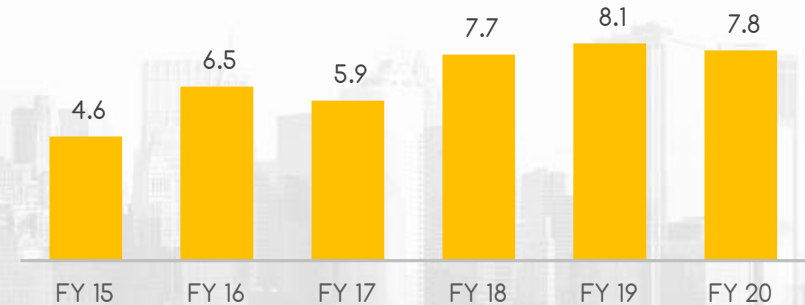
Debt/ EBITDA (x)



Debt/Equity (x)



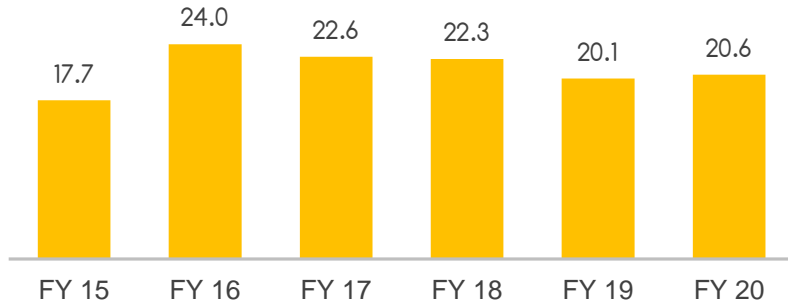
Net Debt (Rs Bn)



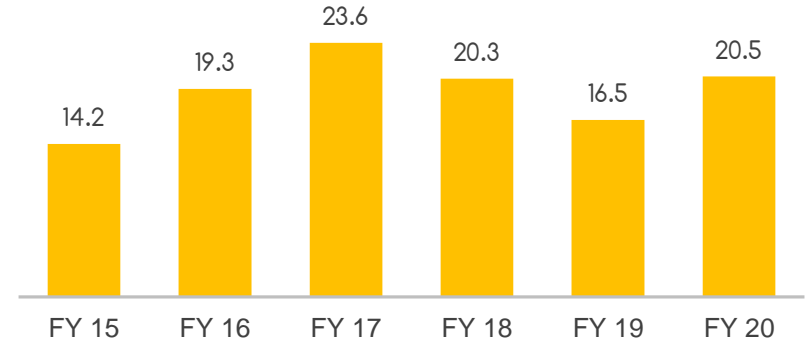
Note: Debt/EBITDA and Debt/Equity ratios are calculated on net debt basis

# Growing Strength to Strength4

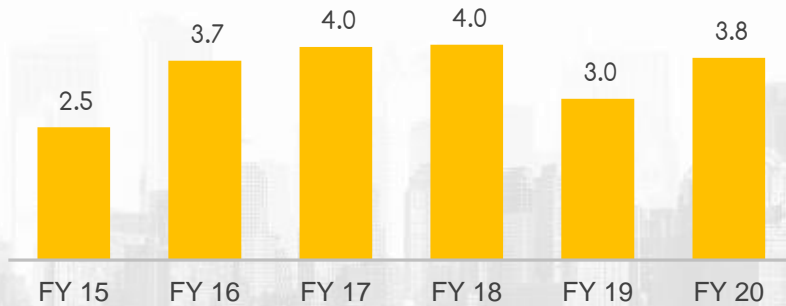
ROCE (%)



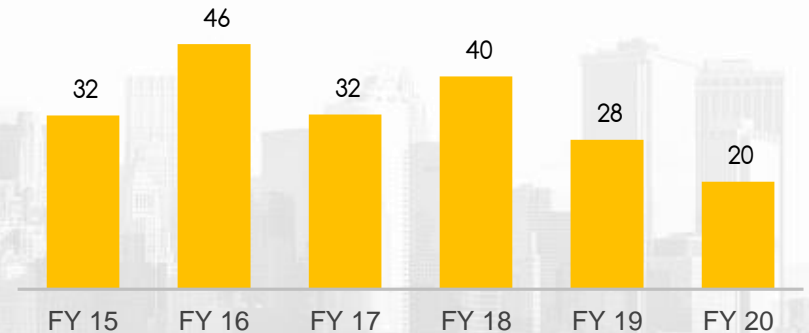
ROE (%)



Interst Coverage (x)



Net Working Capital (Days)



# Growing Strength to Strength

Particulars	FY15	FY16	FY17	FY18	FY19	FY20
<b>Apollo Structural</b>						
Volume (k tons)	248	426	475	614	766	870
Revenue (Rsm)	10,541	14,744	17,971	26,380	37,469	36,259
EBITDA (Rsm)	545	1,153	1,368	1,615	1,802	1,884
<b>Apollo Standard</b>						
Volume (k tons)	170	194	151	164	198	216
Revenue (Rsm)	7,115	6,554	5,590	6,925	9,473	8,861
EBITDA (Rsm)	254	349	287	261	271	272
<b>Apollo Z</b>						
Volume (k tons)	148	159	189	241	283	335
Revenue (Rsm)	7,555	6,701	8,727	12,431	16,213	16,744
EBITDA (Rsm)	696	878	1,130	1,371	1,572	1,760
<b>Apollo Build</b>						
Volume (k tons)	91	115	117	111	92	99
Revenue (Rsm)	4,674	4,838	5,393	5,766	5,273	5,032
EBITDA (Rsm)	366	539	605	543	402	411
<b>Apollo Tricoat</b>						
Volume (k tons)						113
Revenue (Rsm)						6,204
EBITDA (Rsm)						668
Trading Revenue (Rsm)	252	9,298	1,557	1,846	3,095	4,134
Total Sales Volume (k tons)	657	894	932	1,130	1,339	1,633
<b>Total Revenue (Rsm)</b>	<b>30,138</b>	<b>42,136</b>	<b>39,239</b>	<b>53,348</b>	<b>71,523</b>	<b>77,232</b>
<b>Total EBITDA (Rsm)</b>	<b>1,862</b>	<b>2,919</b>	<b>3,389</b>	<b>3,791</b>	<b>4,046</b>	<b>4,995</b>
<b>Net Profit (Rsm)</b>	<b>638</b>	<b>1,006</b>	<b>1,521</b>	<b>1,581</b>	<b>1,483</b>	<b>2,380</b>

Particulars	FY18	FY19	FY20
<b>Apollo Structural DFT – Part of Apollo Structural</b>			
Volume (k tons)	153	321	357
Revenue (Rsm)	6,644	15,772	15,041
EBITDA (Rsm)	465	958	952

Note: APL Apollo Tubes acquired Apollo Tricoat during 1QFY20. Therefore 100% financials are not consolidated. Apollo Tricoat reported sales volume of 123k Ton, Revenue Rs 6,633m and EBITDA of Rs 754m in FY20

Trading Revenue includes sale of scrap steel also

# Profit & Loss Statement (Consolidated)

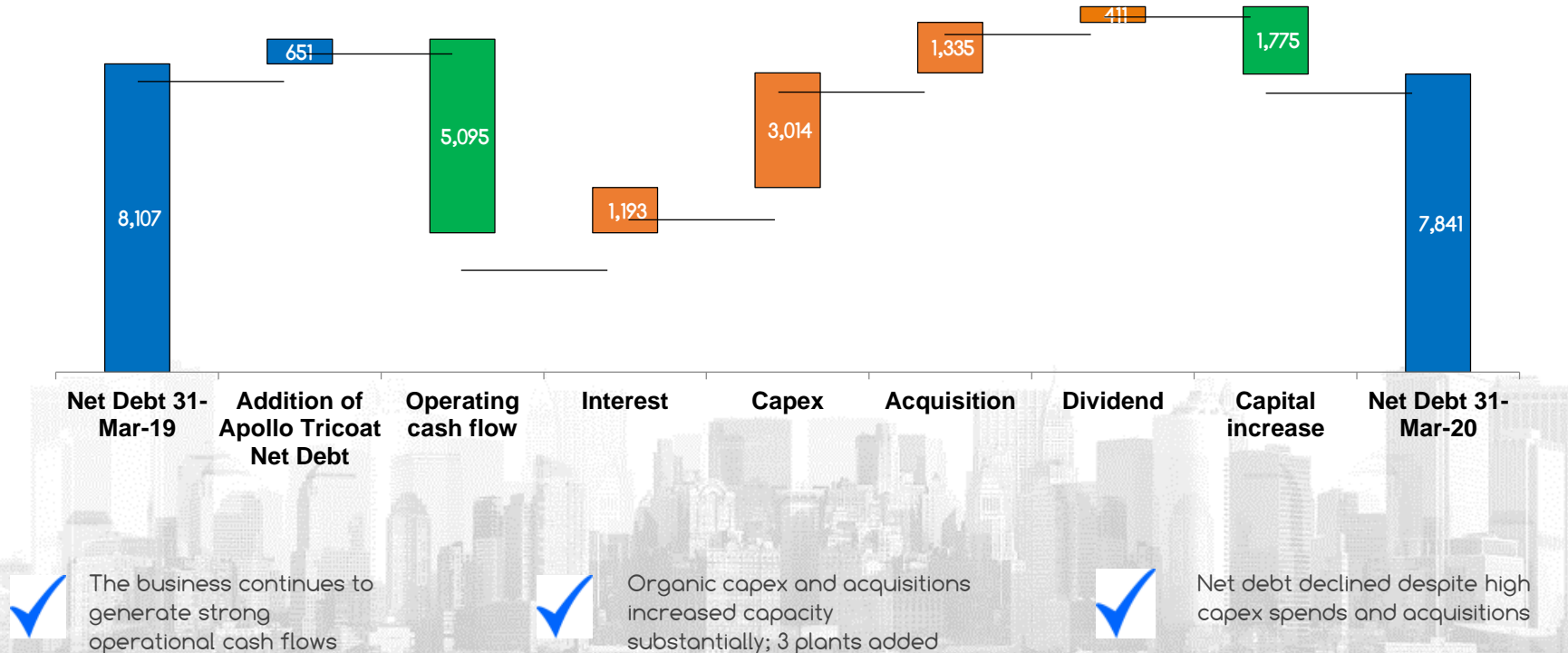
Particulars (Rsm)	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Change yoy (%)	FY 20	FY 19	Change yoy (%)
Sales Volume (k Ton)	418	389	364	480	401	-4	1,633	1,339	22
Net Revenue	20,941	20,716	16,473	21,159	18,885	-10	77,232	71,523	8
Other Income	28	46	46	47	83	193	222	117	89
<b>Total Revenue</b>	<b>20,970</b>	<b>20,762</b>	<b>16,519</b>	<b>21,205</b>	<b>18,968</b>	<b>-10</b>	<b>77,454</b>	<b>71,640</b>	<b>8</b>
Raw Material Costs	18,182	17,951	14,334	17,633	15,867	-13	65,786	63,077	4
Employee Costs	286	301	354	381	386	35	1,422	1,079	32
Other expenses	1,085	1,214	1,065	1,539	1,433	32	5,251	3,439	53
<b>EBITDA</b>	<b>1,416</b>	<b>1,295</b>	<b>766</b>	<b>1,652</b>	<b>1,282</b>	<b>-9</b>	<b>4,995</b>	<b>4,046</b>	<b>23</b>
EBITDA/ton (Rs)	3,384	3,334	2,104	3,440	3,200	-5	3,058	3,021	1
Interest Cost	289	283	269	280	241	-17	1,073	1,133	-5
Depreciation	172	202	240	262	255	48	959	643	49
Tax	337	289	-341	277	178	-47	403	787	-49
<b>Net Profit</b>	<b>617</b>	<b>521</b>	<b>598</b>	<b>832</b>	<b>608</b>	<b>-1</b>	<b>2,560</b>	<b>1,483</b>	<b>73</b>
Minority Interest (MI)	-	4	47	90	40		180	-	
<b>Net Profit (after MI)</b>	<b>617</b>	<b>518</b>	<b>551</b>	<b>743</b>	<b>568</b>	<b>-8</b>	<b>2,380</b>	<b>1,483</b>	<b>61</b>
ROCE (%)							20.6	20.1	0.5
ROE (%)							20.5	16.5	4.1

# Balance Sheet & Cash Flow Statement (Consolidated)

Balance Sheet - Assets (Rsm)	FY20	FY19
Cash & Bank Balance	456	478
Receivables	4,764	5,433
Inventories	7,842	7,835
Other current assets	1,422	1,039
Fixed assets (net)	15,709	10,106
Investments	15	494
Capital work in progress	101	275
Other assets/goodwill	2,352	2,079
<b>Total Assets</b>	<b>32,660</b>	<b>27,739</b>
Balance Sheet - Liabilities (Rsm)	FY20	FY19
Trade payables	7,644	6,989
Other current liabilities	349	745
Debt	8,297	8,581
Others	1,854	1,783
Minority Interest/Provision	954	-
Shareholders' funds	13,561	9,641
<b>Total Equity &amp; Liabilities</b>	<b>32,660</b>	<b>27,739</b>

Cash Flow Statement (Rsm)	FY20	FY19
<b>EBITDA</b>	<b>4,995</b>	<b>4,046</b>
Receivables	847	-1,123
Inventory	284	-1,922
Other WC changes	-215	3,249
Tax	-816	-673
<b>Operating cash flow</b>	<b>5,095</b>	<b>3,576</b>
Fixed assets	-3,014	-2,261
Investments	-1,335	-378
Interest	-1,193	-1,014
<b>Free cash flow</b>	<b>-447</b>	<b>-77</b>
Dividend payments	-411	-403
Capital increase	1,775	56
<b>Net change in cash flow</b>	<b>916</b>	<b>-424</b>
Net debt beginning	-8,107	-7,683
<b>Addition of Apollo Tricoat Net Debt</b>	<b>-651</b>	<b>0</b>
<b>Net debt end</b>	<b>-7,841</b>	<b>-8,107</b>

# Consolidated Debt Profile & Cash Flows (Rsm)





# Profit & Loss Statement (Without Tricoat)

Particulars (Rsm)	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Change yoy (%)	FY 20	FY 19	Change yoy (%)
Sales Volume (k Ton)	418	389	336	433	363	-13	1,521	1,339	14
Net Revenue	20,941	20,599	14,936	18,869	16,625	-21	71,028	71,523	-1
Other Income	28	45	43	46	78	174	212	117	82
Total Revenue	20,970	20,644	14,980	18,915	16,703	-20	71,241	71,640	-1
Raw Material Costs	18,182	17,853	13,037	15,829	14,010	-23	60,729	63,077	-4
Employee Costs	286	299	334	336	341	19	1,310	1,079	21
Other expenses	1,085	1,209	1,000	1,382	1,284	18	4,875	3,439	42
EBITDA	1,416	1,283	609	1,368	1,068	-25	4,327	4,046	7
EBITDA/Ton (Rs)	3,384	3,302	1,809	3,158	2,945	-13	2,846	3,021	-6
Interest	289	282	263	258	209	-28	1,013	1,133	-11
Depreciation	172	200	218	235	214	24	867	643	35
Tax	337	287	-376	222	122	-64	254	787	-68
Net Profit	617	514	504	652	522	-15	2,193	1,483	48

# CORE COMPETENCE

# Our Business Moat...

Most products  
with 1,500 SKUs

Highest scale with 10 plants  
(2.5Mn ton capacity)

Largest sales network  
(800 distributors)



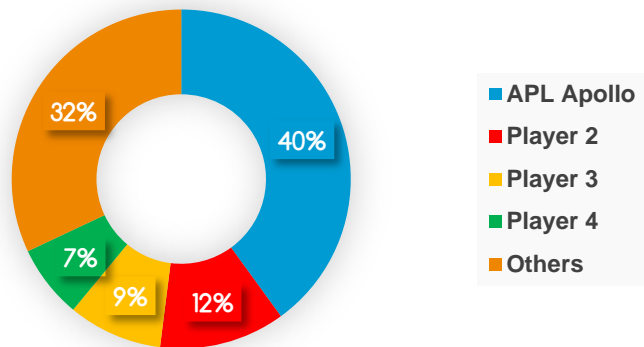
Lowest cost producer  
(largest buyer of HR coil)

Premium pricing to peers  
(brand strength)

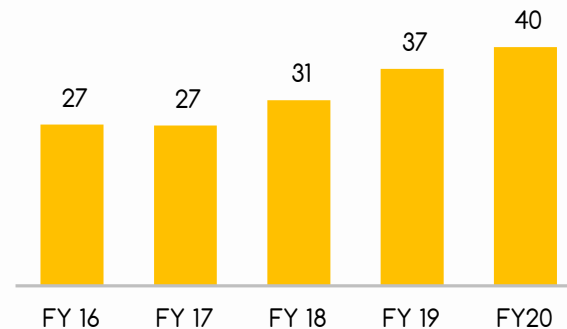
Technology edge &  
Innovation

# Dominant Leadership

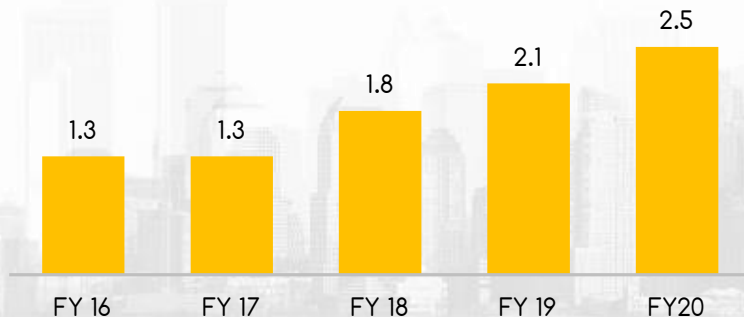
## Peer Market Share FY20



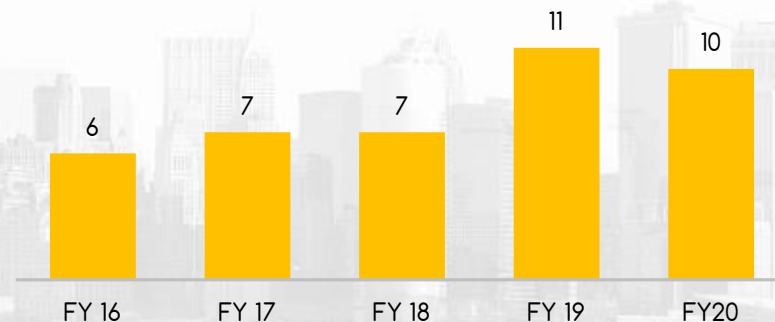
## APL's Market Share (%)



## Capacity (Mn Tons)



## Number of Plants



# KEY TAKEAWAYS

# Financial Priorities under Strong Governance

## Growth

- Profitable Organic Growth
- Commitment to R&D and Talent
- Innovate products to replace conventional construction methods



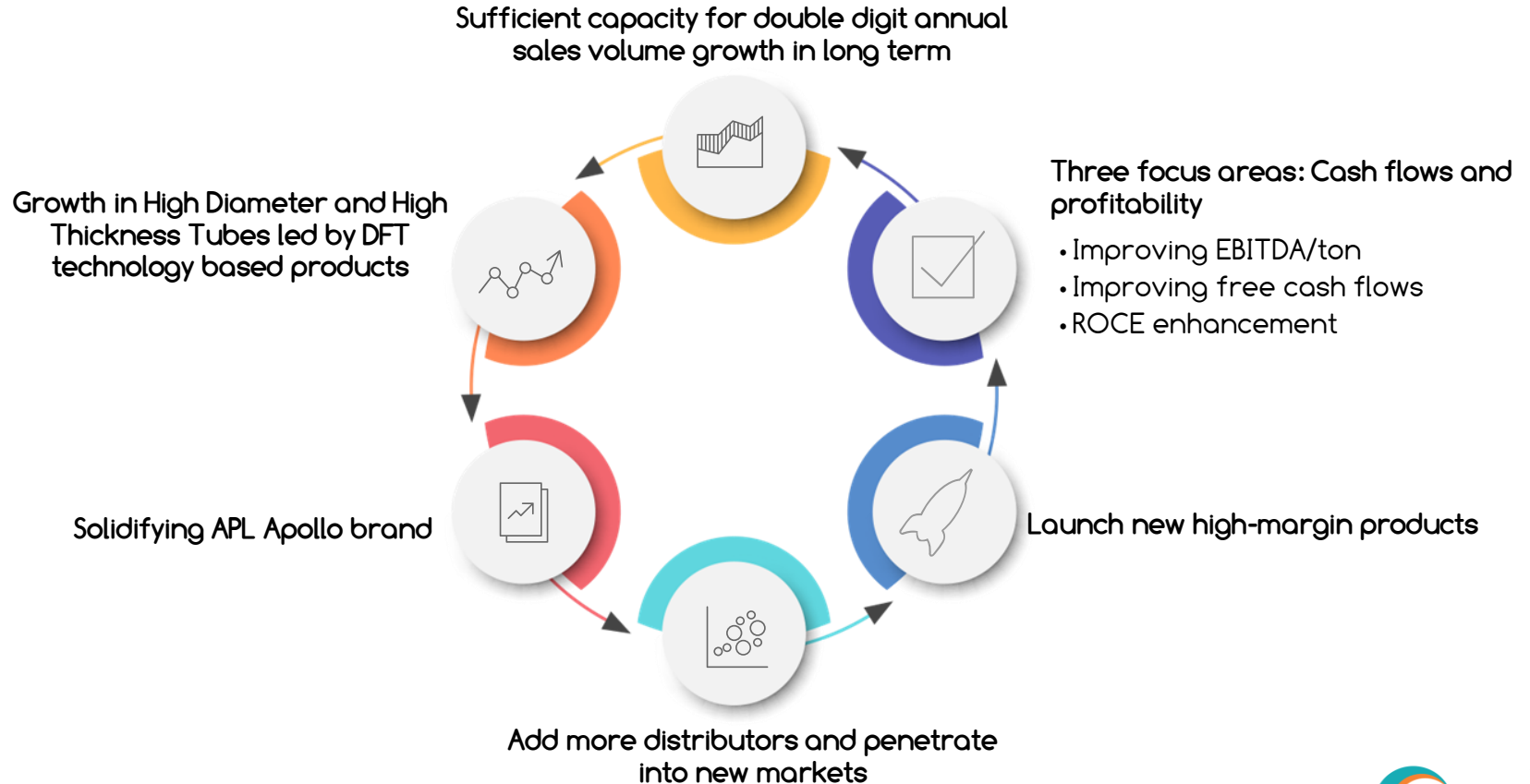
## Earnings

- Drive sustainable EPS growth
- Attain earnings objectives across economic cycles
- ROCE  $\geq$  25%

## Capital Allocation

- Focus on Free Cash Flow Generation
- Sound Leverage and Working Capital Ratio
- Consistent dividend payouts to shareholders

# Solid Future Outlook



# ESG Initiatives

## Environment

- ✓ Mapping energy consumption trends to achieve energy optimisation benchmark
- ✓ Target to equip all the units and buildings with rooftop solar panels
- ✓ Achieved 20% reduction in wastages through operational efficiency
- ✓ Water recycling already in practice
- ✓ Increasing the greenery cover around all plants
- ✓ Coil stacking system to enhance safety guidelines and flexibility of operations
- ✓ Installed effluent treatment plants for the prevention of water pollution

## Social

- ✓ Committed to impart skill development and employment
- ✓ Recruitment of rural youth for local sales operations
- ✓ Funds for education, healthcare and community infrastructure development projects for marginalized communities
- ✓ Association in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility

## Governance

- ✓ No pledge of promoter shares
- ✓ Deloitte for statutory audit and Ernst & Young for internal audit
- ✓ 5 independent board members out of 9



# Strong Management

## Directors (Non Executive)

### Neeru Abrol

Director at TCNS Clothing Co Limited & others | Awarded best achiever by ICAI | 26 Yr experience in SAIL

### Abhilash Lal

3 decades of professional experience in senior roles across financial services including banking, PE & others

### Anil Kumar Bansal

Director of NABARD, Rockland Finesto Ltd & others  
4 decades of experience in banking industry

### Virendra Singh Jain

Board member of Dalmia Bharat Ltd |  
Ex-Chairman of SAIL | Ex-Executive Director at IOC

### Ashok Kumar Gupta

Steel industry veteran with 4 decades of experience  
Worked as MD in APL Apollo in the past

## Executive Team

### Sanjay Gupta

Chairman & Managing Director

### Vinay Gupta

Director

### Romi Sehgal

Director

### Ashok Khushu

Head – New Projects

### Arun Agrawal

Chief Operating Officer

### Deepak Goyal

Chief Finance Officer

### Anubhav Gupta

Chief Strategy Officer

### Ravindra Tiwari

Head-Sales & Marketing

# Thank You

For further information, please contact:

---

Deepak Goyal

Tel: +91 120 404 1400

Email: [deepakgoyal@aplapollo.com](mailto:deepakgoyal@aplapollo.com)

Anubhav Gupta

Tel: +91 120 404 1452

Email: [anubhav@aplapollo.com](mailto:anubhav@aplapollo.com)



# APL Apollo Tubes Limited

37, Hargobind Enclave, Vikas Marg, New Delhi – 110 092

## FY2020

*Sales volume of 1.6mn ton, higher by 22% YoY*

*EBITDA of Rs5bn, higher by 23% YoY*

*Net Profit of Rs2.4bn, higher by 61% YoY*

**New Delhi, June 30, 2020:** APL Apollo Tubes Limited (APL Apollo), India's leading branded structural steel tube manufacturer, announced its financial results for the quarter and full year ended March 31, 2020.

## Financial Performance Highlights

### Performance Review for FY20 vs. FY19

- Sales Volume improved by 22% to 1.6mn tons
- EBITDA increased by 23% to Rs5bn
  - EBITDA per ton was Rs3,058 (increase of 1% YoY)
- Interest Cost declined by 5% to Rs1,073mn
- Net Profit increased by 61% to Rs2.4bn
- Net debt declined by Rs266mn to Rs7.8bn
- ROCE improved to 20.6% from 20.1% and ROE jumped to 20.5% from 16.5%

### Performance Review for Q4 FY20 vs. Q4 FY19

- Sales Volume declined by 4% to 401k ton
- EBITDA declined by 9% to Rs1.3bn
  - EBITDA per ton was Rs3,200 (decline of 5% YoY)
- Net Profit declined by 8% to Rs568mn
- Quarterly performance was impacted by disruptions owing to COVID-19

*Note: Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest*

---

**Commenting on the Company's performance for Q4 & FY2020, Mr. Sanjay Gupta, Chairman, APL Apollo, said,**

---

APL Apollo Tubes Ltd has created its dominant leadership in structural steel tube industry. The Q4FY20 performance was impacted due to disruption from COVID-19. We lost full 10 days of production in March 2020 apart from weak economic sentiments since our country got its first COVID-19 case.

The company maintained its EBITDA spreads for the full-year despite soft steel prices. Our continuous focus on working capital efficiency resulted in strong operating cash flows and comfortable leverage ratios. Now that the plants are operational post lockdown, we look forward to the normalized business at the earliest. Our dominant position in business space, our core strengths, our robust business model and our strong financial position give us the confidence to rebound and emerge stronger from the ongoing crisis.

## About APL Apollo Tubes Limited

APL Apollo Tubes Limited (APL Apollo) \*BSE: 533758, NSE: APLAPOLLO is one of India's leading branded structural steel tube manufacturer. Headquartered at Delhi NCR, the Company operates 10 manufacturing facilities with a total capacity of 2.5 Million MTPA. APL Apollo's multi-product offerings include over 1,500 varieties of Structural Tubes to be used for Residential and Commercial Construction and Infrastructure development.

The Company's vast distribution network of over 800 distributors is spread all across India, with warehouses cum- branch offices in over 28 cities.

*For more information about us, please visit [www.aplpollo.com](http://www.aplpollo.com) or contact:*

---

**Deepak Goyal / Anubhav Gupta**

APL Apollo Tube Ltd

Tel: +91 120 404 1400

Email: [deepakgoyal@aplpollo.com](mailto:deepakgoyal@aplpollo.com),  
[anubhav@aplpollo.com](mailto:anubhav@aplpollo.com)

---

**DISCLAIMER:**

*Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. APL Apollo Tubes Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*