



**Mr. Sanjay Gupta**  
CMD, APL Apollo Tubes Ltd.

## APL Apollo: Staying Ahead of the Curve, Confidently

Mr Sanjay Gupta, CMD, APL Apollo, Kaushambi, Delhi NCR, is the visionary inspiration behind the pioneering work of the company that is far ahead in its league of structural steel tubes with 50 per cent of the market share. Today, it has the largest and most modern manufacturing units that is skilling people, generating employment, strengthening local economies and linking it to the development goals of the nation, and is perfectly tuned to the Atmanirbhar Bharat vision in letter and spirit.

### **Brand APL Apollo has risen meteorically in the last decade. How was this growth fuelled?**

If you look at APL Apollo's history, we are amongst the first ones to get into structural steel tube segment. Before 2000, the main applications for round shaped steel tube were transportation of water, oil and gas, which many large players were manufacturing. But APL Apollo anticipated new trends and started working on square and rectangular pipes that have a better load bearing capacity even for huge structures, replacing the conventional steel products, which were mainly open sections. APL Apollo increased its utility and options

in steel tube category to create a unique business model very different from that of our competitors. In the decade of 2000, PVC pipes were introduced which disrupted water transportation in a big way as plumbers preferred to go for them because they were cheaper, easier to handle and transport. But APL Apollo was not impacted because it was not catering to that market. So, our competition kept going down and we kept growing leaving the single largest competitor with only 10 percent market share, while APL Apollo's is a whopping 50 percent. The futuristic looking APL Apollo for the last ten years grew at 27 per cent CAGR, resultant of constant

innovation that enabled managing an incredible 1,500 varieties of structural steel tubes. Innovation is deeply entrenched in the APL Apollo DNA and system where we are replacing the five conventional structural products such as steel angle channels, wood, aluminium, concrete RCC, long steel products including metal plates and PVC. That gave us an edge, as we were the first ones to think it through and first ones to launch the products. APL Apollo kept on growing and doubled its capacity every third year to peg CAGR at 27 per cent. Year on year, for the past one decade, APL Apollo was increasing capacity, introducing new product innovation for building its

portfolio, spreading distribution network, getting new technologies which includes the fastest ultra-modern rolling mills procured from Japan, US, Italy, China and Germany for making our steel superior. APL Apollo has adopted a typical B2C franchise model that is working well for us.

## **What has been the contribution of APL Apollo to the infrastructure boom?**

I feel proud to say that today 20 percent of our products are compatible for large structural infrastructural buildings such as airports, metros, convention centres etc., because the demand has risen sharply for the usage of steel tubes, reciprocally, we have grown as a company. Unlike earlier days, when cement and conventional long steel products were used for construction, in the last few years, usage of steel tubes has come into fashion. This marked shift in preference is because steel tube is a welded, closed section that reduces cost, has better load bearing capacity, is stronger and durable, besides it reduces the tonnage by 25 percent while looking aesthetically appealing.

## **What measures did you take to safeguard APL Apollo's growth plans and its employees during the Covid pandemic?**

When the lockdown was announced on the 23rd of March, it was a period of shaken confidence because of very high uncertainty of how the future would pan out and the big question on when would the markets open? At APL Apollo, we were quick to gather our wits to identify our strengths and work on how to make the company shock proof in the event of such unprecedented situations to emerge stronger after the lockdown would be lifted. Our strategy was to focus on four aspects beginning with reducing our financial burden. This made our balance sheet lighter allowing us to focus on reducing the fixed costs as well. Our third strategy was to regain the market dominance once the lockdown is lifted. Also, we were the first ones to restart our plants in the 3rd week of April. On 23rd April, APL Apollo's first plant in Raipur started production once the government started lifting the restrictions. For two months, the employees worked from home, the plants were functional though and now more or less we are fully operational, but with the mandatory precautions in place. This helped us reclaim our market dominance and emerge stronger.

## **How much emphasis does APL Apollo give to research and innovation?**

APL Apollo's core strength lies in its research and innovation. It begins with a dedicated team of market research professionals, who identify new applications that can be introduced in the market for replacing the existing conventional products. The feedback is discussed in the boardrooms with experts, including its feasibility, and then we reach out to our tube mill manufacturer partners overseas requesting them to manufacture a

completely new machine for production of the particular kind of product we need. We are the first ones to make such machines globally for India.

## **What future do you envisage for your company in the next decade and would that include creating new business verticals?**

The structural steel tube segment is yet to be exploited to the optimal in India. There are yet so many segments within steel tubes that needs to be worked on and so it's a niche area that we are going to explore and expand. Currently, APL Apollo is working on high diameter, high thickness steel tubes, which will straight away replace concrete RCC, metal plates and long steel products etc. We will make the products cost effective, stronger as well as very environment friendly.

As a market leader in structural steel, APL Apollo has high stakes in India's \$ 200 million construction industry. Our exuberance keeps us open to any new product that is being launched in the market. In the future, APL Apollo may explore slightly diversified segments in the building material category, but as of now, we are not sure which will be those areas, the investment involved and how big it would be. However, we are quite sure our focus is on structural steel from where we can see an abundant 10 years of growth for APL Apollo Group.

## **How has APL Apollo leveraged the vast human asset linking it to the economic goals of the country?**

To channelize India's huge manpower, we have an ongoing programme to train fabricators, who form a very important part of our value chain. In modern times, the fabricators not only work with our tubes, but also install them at the sites. Therefore, APL Apollo has launched the initiative to educate these iron smiths into highly skilled fabricators. In the next few months, you would hopefully get to hear some groundbreaking news on this. In addition to this, many unskilled labourers at our plants, mostly migrants, are given proper training on how to work on modern rolling mills, and over a period of time they upgrade themselves to become skilled labourers through continued training programmes taking place at APL Apollo plants.

## **Could you share about the global footprints of your company?**

We have partnered with Saudi based construction company, Zamil Steel Building for working jointly on knowledge sharing to increase the usage of steel tubes. Similarly, we are also collaborating with IIT Roorkee, one of the most reputed structural institute in the world, for sharing of scientific expertise. In terms of business, we don't actually see any requirement to go in for any global partnership at the moment, because we have grown so fast domestically at 27 per cent CAGR annually. But yes, we are exploring partnerships with large global structural steel companies for products that we are not

making here, besides develop an export market for our products. Currently, APL Apollo exports to 30-40 nations, which constitutes only 5 percent of our business.

## **How do you see yourself as a company interacting with the masses at the grassroots in strengthening the Atmanirbhar Bharat vision?**

APL Apollo is very cognisant of the Atmanirbhar Bharat vision of our Hon'ble PM Shri Narendra Modi. We have been working with this spirit long ago. 'Domestic Manufacturing Matters' is a flagship campaign of APL Apollo to promote production in India that carry the same objective and vision. Among the largest buyers of steel in India i.e., around 2 percent, APL Apollo sources almost 100 percent of steel from within the country, underlining the campaign 'Vocal for Local'. To overcome dependency of Indian companies for outside technology for its new rolling mills, APL Apollo is encouraging domestic manufacturers to make the machines indigenously and in the last five years the proportion has grown significantly.

## **What are APL Apollo's eco green drives?**

APL Apollo is very conscious about addressing environmental concerns. As its area of operations is around infrastructure building, APL Apollo is aggressively promoting steel tubes to do away with concrete and RCC used in construction that aggravate pollution levels and deplete the fragile water reserve. Apollo Chaukhat, a popular product of our portfolio, would prove to be a game changer by replacing wooden doorframes with steel doorframes. Conventionally, on an average, 10 Chaukhats are made after cutting of one tree. Today, we are selling around two lac Chaukhats every month that would save lacs of trees from being cut down every year.

## **How has the customer mindset evolved from conventional to contemporary choices such as going for steel tube products?**

We have four prominent elements in our value chain. At the top of the pyramid is APL Apollo, as a manufacturer, followed by 800 distributors, 50,000 retailers, 200000 fabricators, and the base being the end consumer ranging from households, to huge structural engineering companies and mega infrastructure projects. Until now, APL Apollo concertedly focused on the top three channels i.e., distributors, retailers and the fabricators, but from last year we felt the need to communicate with our consumers directly. It saw APL Apollo launch a brand exercise campaign with IPL 2019-20 and Amitabh Bachchan as our brand ambassador, commercial advertisements on TV channels and out-door publicity such as hoardings etc. Buying a branded cable or wire, tile or plywood was unthinkable 20 years ago, but some brands did create great identity through strong communication and we as pioneers in structural steel tubes have only adopted the same big splash strategy through publicity.