

# THE HINDU Business Line

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## APL Apollo plans Rs 100-cr tube unit in Gujarat

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New Delhi Oct. 17:

Where auto companies go, can component makers be far behind? Following the herd-like progression of automotive companies to Gujarat, steel tube maker APL Apollo Tubes Ltd plans to invest about Rs 100 crore in a new plant in the State.

Ford Motors, General Motors, Asia Motor Works, Maruti Suzuki and Peugeot Citroen have all announced plans to set up manufacturing units in Gujarat. Tata Motors, a key customer of APL Apollo already runs a unit in Sanand.

The capacity of the proposed plant would be about 1.25 lakh tonnes a year, said Mr Pankaj K. Gupta, GM Finance and Accounts, Apollo Tubes.

“There is no established player serving the auto market in Gujarat. The idea is to tap into the demand for specialised steel pipes and structurals from automotive companies planning a base in the State,” Mr Gupta said.

APL Apollo is yet to zero in on the location of the proposed plant, but Mr Gupta said the company aims to operationalise it in 2013. Shares of APL Apollo gained 4.35 per cent to close at Rs 144 on the BSE on Monday.

APL Apollo, the largest organised steel tube maker has a current capacity of 5 lakh tonnes. The company's manufacturing units are located in Uttar Pradesh, Karnataka, Tamil Nadu and Maharashtra. APL manufactures hollow sections, pre-galvanised and galvanised tubes used in sectors such as construction, agriculture and oil and gas among others.

The company, which clocked a turnover of Rs 985 crore in fiscal 2011 is targeting a revenue of Rs 1,500 crore in the current fiscal. Mr Gupta said the company plans to scale up its exports in the current fiscal mainly from its units in Maharashtra, Karnataka and Tamil Nadu, where it has expanded its capacity.

“We are looking to more than double our exports in the current fiscal to about Rs 150 crore,” Mr Gupta said. In fiscal 2011, the APL's exports stood at Rs 60 crore. The company exports its products mainly to South Africa, Europe, Ireland and the Caribbean.

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