



ATL/SEC-21

August 25, 2020

The Secretary,  
National Stock Exchange of India Ltd.,  
Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (E),  
**Mumbai - 400 051**

The Secretary,  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**Mumbai - 400001.**

**Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015- Notice of Postal Ballot**

Dear Sir,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of notice of Postal Ballot dated August 5, 2020 being dispatched to shareholders of the Company.

The above notice is also uploaded on the website of the Company viz. [www.apolloytyres.com](http://www.apolloytyres.com).

This is submitted for your information and records.

Thanking you,

Yours faithfully,  
For APOLLO TYRES LTD.

A handwritten signature in blue ink that reads "Seema Thapar".

(SEEMA THAPAR)  
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl : as above

## APOLLO TYRES LTD

Regd. Office: 3<sup>rd</sup> Floor, Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi- 682036 (Kerala)  
(CIN-L25111KL1972PLC002449) Tel: +91 484 4012046 Fax: +91 484 4012048, Email: investors@apolloytyres.com  
Web: apolloytyres.com

### Postal Ballot Notice

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (**“the Act”**), read together with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (**“the Rules”**), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**), General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 22/2020 dated June 15, 2020 (**“the MCA Circulars”**) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations that the resolutions appended below are proposed to the Members of the Company to be passed as Ordinary/Special Resolutions by way of Postal Ballot only through remote e-Voting.

In view of the current extraordinary circumstances due to COVID-19 pandemic and in compliance with the aforementioned MCA Circulars/ SEBI Circular, the Company will send Postal Ballot Notice by email to all its Members who have registered their email addresses with the Company or depository/depository participants and the communication of assent/dissent of the Members will only take place through the remote e-Voting system. Hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the Members for this Postal Ballot and Members are required to communicate their assent or dissent through the remote e-Voting system only.

The Company is desirous of seeking your consent for the proposal as contained in the Resolutions given hereinafter. The explanatory statement pertaining to the resolutions setting out the material facts and the reasons thereof is annexed hereto for your consideration.

You are requested to peruse the proposed Resolutions along with their respective Explanatory Statement and thereafter record your assent or dissent by means of remote e-Voting facility provided by the Company.

#### **1. Appointment of Mr. Vishal Mahadevia (DIN:01035771) as a Non-Executive Non-Independent Director**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Vishal Mahadevia (DIN: 01035771) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 21, 2020 as per Section 161 (1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature

for the office of the Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

## **2. Private Placement of Non-Convertible Debentures**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) Regulations, 2008, as amended from time to time and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, consent of the Company be and is hereby accorded to raise funds not exceeding ₹10,000 Million through Private Placement of Unsecured/Secured Non-Convertible Debentures during the period of one year from the date of passing of this resolution within overall borrowing limits of the Company, as approved by the Members from time to time, in one or more tranches, to such person or persons, who may or may not be the debenture holder(s) of the Company, as the Board (or any duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/ incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets), Non-Resident Indians, Foreign Institutional Investors (FIIs), Foreign Portfolio Investors (FPIs), Venture Capital Funds, Foreign Venture Capital Investors, Mutual Funds, State Industrial Development Corporations, Insurance Companies, Development Financial Institutions, Bodies Corporate, Companies, private or public or other entities, authorities and such other persons in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within overall borrowing limits of the Company, as approved by the Members from time to time), if any, on such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to Private Placement of Unsecured/ Secured Non-Convertible Debentures, the Board of Directors of the Company (the “Board”) or any duly constituted Committee of the Board or such other authority as approved by the Board, be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the Debentures are to be allotted, the number of Debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of Debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force.”

## **3. Amendment in Articles of Association of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (“**the Act**”) read with the Companies (Incorporation) Rules, 2014 (including any

statutory modification(s) or reenactment thereof, for the time being in force) the new set of Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, the Company Secretary or such other person as authorized by the Board, be and are hereby severally authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**4. Issuance of Compulsorily Convertible Preference Shares by way of preferential issue on a private placement basis**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 42, 55, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendments thereto or re-enactments thereof for the time being in force), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), the Foreign Exchange Management Act, 1999 read with Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, each as amended, any other applicable laws, rules and regulations and enabling provisions in the Memorandum and Articles of Association of the Company and the equity listing agreements entered into by the Company with BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) and subject to necessary approvals / sanctions / permissions of appropriate statutory / regulatory authorities/ third parties, if applicable, and subject to such conditions as may be prescribed by any of them while granting such approvals / sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 5,40,00,000 (Five Crores Forty Lakhs only) 6.34% Compulsorily Convertible Preference Shares having face value of ₹100/- (Rupees One Hundred Only) (“**CCPS**”) each (**Tranche 2 CCPS**), at par, for cash, for an aggregate amount of up to ₹ 540,00,00,000 (Rupees Five Hundred and Forty Crores Only) by way of preferential allotment on a private placement basis to the person specified herein below (hereinafter as “**Proposed Allottee**”), which shall belong to the ‘Public Category’, convertible into 3,15,25,483 number of equity shares of the face value of ₹ 1/- each at a conversion price of ₹171.29 (Rupees One Hundred Seventy One and Paise Twenty Nine Only) each, as determined in accordance with the SEBI ICDR Regulations and as per the Investment Agreement and Amendment Agreement executed on February 27, 2020 and April 21, 2020 respectively:

Name of the Proposed Allottee	No. of CCPS proposed to be issued
Emerald Sage Investment Ltd	5,40,00,000 @ ₹100 each

RESOLVED FURTHER THAT in accordance with the SEBI ICDR Regulations, the Tranche 2 CCPS shall be allotted within a period of 15 (fifteen) days from the date of passing of this resolution by the Members, provided that where the said allotment is pending on account of pendency of any approval or permission for such allotment by any regulatory authority, the period of 15 (fifteen) days shall be counted from the date of such approval or permission.

RESOLVED FURTHER THAT the Relevant Date, as per the provisions of Chapter V of the SEBI ICDR Regulations, for determination of the minimum price at which the Tranche 2 CCPS could convert into equity shares of the Company is Tuesday, August 25, 2020, being the date 30 (thirty) days prior to the date on which the meeting of Members is held to consider the proposed issuance of the Tranche 2 CCPS.

RESOLVED FURTHER THAT the Tranche 2 CCPS shall be issued to the Proposed Allottee on the following terms and on such other terms and conditions as may be decided and deemed appropriate by the Board or any Committee thereof at the time of issue or allotment:

- a. The Tranche 2 CCPS shall be allotted in dematerialized form and the equity shares arising on conversion shall also be allotted in dematerialized form, in each case, free from any encumbrances.
- b. The Tranche 2 CCPS to be allotted shall be compulsorily converted into equity shares of the Company with face value of ₹1/- each, within a maximum period of 18 (eighteen) months commencing from the date of allotment of such Tranche 2 CCPS. Such conversion may take place earlier of either (i) at the option of the Proposed Allottee, or (ii) at the earliest date occurring at any time after 21 (twenty one) trading days from the date of issue of the Tranche 1 CCPS to the Proposed Allottee on which the 21 (twenty one) days' average of the daily volume weighted average price of the equity shares of the Company on the National Stock Exchange of India Limited reaches at least the conversion price of the Tranche 2 CCPS.
- c. In the event the existing CCPS ("Tranche 1 CCPS") as approved by the Members on March 23, 2020 and allotted on April 22, 2020, have been converted (or if notice has been issued for the conversion of Tranche 1 CCPS) into Equity Shares on or prior to the date of allotment of Tranche 2 CCPS, then the Tranche 2 CCPS shall automatically convert into Equity Shares without any requirement of any further act on the part of the Proposed Allottee on the Business Day immediately following the day on which Tranche 2 CCPS have been issued.
- d. The Proposed Allottee shall be required to bring in 100% of the consideration, for the Tranche 2 CCPS to be allotted, on or prior to the date of allotment thereof, from its bank account.
- e. The Tranche 2 CCPS shall carry the same right with respect to the payment of dividend or repayment of capital vis-a-vis equity shares of the Company.
- f. Additionally, the Tranche 2 CCPS shall bear a cumulative preferential dividend at the rate of 6.34% per annum, to be calculated on pro rata basis from the date of allotment of such Tranche 2 CCPS till the date of conversion of the Tranche 2 CCPS.
- g. The voting rights of the persons holding the Tranche 2 CCPS shall be in accordance with the provisions of Section 47 and other applicable provisions, if any, of the Companies Act, 2013 (including any re-enactment(s) and modification(s) made there under, if any, for the time being in force).
- h. The Tranche 2 CCPS and equity shares arising on conversion of Tranche 2 CCPS shall be subject to a mandatory lock-in for the time period prescribed under the SEBI ICDR Regulations.
- i. The Tranche 2 CCPS shall be entitled to participate in the surplus funds, surplus assets and profits of the Company on winding up, which may remain after the entire capital has been repaid.

RESOLVED FURTHER THAT the equity shares to be issued to the Proposed Allottee on conversion of the Tranche 2 CCPS shall be listed on NSE and BSE and shall rank pari-passu in all respects with the existing equity shares of the Company and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and the Board or any Committee thereof be and is hereby authorized to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of the equity shares proposed to be issued to the Proposed Allottee

upon conversion of the Tranche 2 CCPS and for admission of such Tranche 2 CCPS and the equity shares with the depositories, and for the credit of such Tranche 2 CCPS and the equity shares to be issued upon conversion of the Tranche 2 CCPS to the demat account of the Proposed Allottee.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board or any Committee thereof, be and is hereby authorized to take all actions and do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient, including appointment of any institution/ bank, consultants, valuers, legal advisors or any other body or person, to issue and/ or allot aforesaid Tranche 2 CCPS and conversion to equity shares thereof, to execute any documents and/ or agreements as may be required in this regard, to do acts and deeds which may be deemed necessary to implement the object of the above issuance of Tranche 2 CCPS, filing of listing applications with the stock exchange(s), other requisite documents with the Registrar of Companies, Reserve Bank of India (RBI), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose and to resolve and settle all questions and difficulties that may arise in the proposed Preferential Issue offer and allotment of the said Tranche 2 CCPS and conversion thereof into equity shares, utilization of the issue proceeds, signing of all deeds and documents as may be required without being required to seek any further clarification, consent or approval of the shareholders and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may be exercised by the Board or Committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any Committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any employee or officer of the Company, as it may consider appropriate, to give effect to the aforesaid resolution.”

**5. Revision in remuneration of Mr. Satish Sharma (DIN:07527148), Whole-time Director**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in continuation of resolution passed by Members of the Company on July 31, 2019 relating to appointment of Mr. Satish Sharma (DIN: 07527148) as Whole-time Director and pursuant to the provision of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“**the Act**”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and subject to such other approval(s), sanction(s) and permission(s) as may be applicable/ required and subject to such other conditions and modifications as may be prescribed or imposed by any of the authorities, if required/ applicable, in granting such approvals, permissions, sanctions and pursuant to the recommendation made by Nomination & Remuneration Committee, approval of the Members be and is hereby accorded for payment of overall remuneration to Mr. Satish Sharma, Whole-time Director of the Company, upto a maximum amount of ₹6 Crores (Rupees Six Crores) for the financial year from April 1, 2020 to March 31, 2021 (both days inclusive) with liberty and power to the Board to fix remuneration within the limits approved by the Members of the Company.

RESOLVED FURTHER THAT all other terms and conditions of his remuneration as the Whole-time Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company, held on July 31, 2019, shall remain unchanged.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in aforementioned period, Mr. Satish Sharma will be paid the aforesaid remuneration as an appropriate remuneration under Section II of Part II of Schedule V of the Companies Act, 2013, by making such compliances as provided in the said schedule.

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof, be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings, in its absolute discretion, as may be considered necessary, expedient or desirable, including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company as it may deem fit.”

**6. Re-appointment of Mr. Vinod Rai (DIN:00041867) as an Independent Director**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and Companies (Appointment and Qualification of Directors) Rules, 2014 (“**the Rules**”) and Regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and all other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Vinod Rai (DIN: 00041867), who was appointed as an Independent Director and who holds office of Independent Director upto February 8, 2021, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from February 9, 2021 to February 8, 2026, on the Board of the Company.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

By Order of the Board  
For Apollo Tyres Ltd

**SEEMA THAPAR**  
Company Secretary  
FCS No.: 6690

Place: New Delhi  
Date: August 5, 2020

## NOTES:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed ordinary/special resolutions, are appended herein below along with Form for your consideration.
2. The Postal Ballot Notice is being sent by email to all the Members, whose names appear in the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited (“**NSDL**”)/ Central Depository Services (India) Limited (“**CDSL**”) as on August 14, 2020, (“**Cut-off Date**”) and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company.
3. The Board of Directors of the Company (the “**Board**”) has appointed Mr. P.P. Zibi Jose, Practicing Company Secretary (holding Certificate of Practice No.1222) as the Scrutinizer for conducting the Postal Ballot and remote e-Voting process in a fair and transparent manner.
4. Pursuant to the applicable provisions of the Act and Rules framed thereunder and the SEBI Listing Regulations, the Company can serve notices, annual reports and other communication through electronic mode to those Members who have registered their email addresses either with the Depository Participant(s) or the Company. Members who have not registered their email addresses with the Company can now register the same by sending an e-mail to the RTA on [investors@apolloytyres.com](mailto:investors@apolloytyres.com). Members holding shares in demat form are requested to register their email addresses with their Depository Participant(s) only.
5. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-Voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-Voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form.
6. The e-Voting period commences on August 26, 2020 (10:00AM) and ends on September 24, 2020 (5:00 PM). During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off Date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter and the voting shall not be allowed beyond the said date and time. Once the vote on a resolution is cast by the Members, they shall not be allowed to change it subsequently.
7. The voting rights of Members shall be as per the number of equity shares held by Members as on the Cut-off Date. Please note that a person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only.
8. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/ any other person authorised by him. Based on the Scrutinizer’s report, the result of the voting conducted through Postal Ballot (remote e-Voting process) would be announced by the Chairman or any other person authorised by him, on or before 5:00 PM on Friday, September 25, 2020, at the Registered Office of the Company. The aforesaid result along with the Scrutinizer’s report would be displayed on the Notice Board of the Company at its Registered Office and its Head Office/Corporate Office and shall be intimated to the Stock Exchanges where the shares of the Company are listed, and will be displayed on the Company’s website viz.[www.apolloytyres.com](http://www.apolloytyres.com). Further, the same will also be made available on the website of e-Voting agency i.e. <https://www.evoting.nsdl.com>.



9. The resolutions, if passed by requisite majority, shall be deemed to have been passed on Thursday, September 24, 2020, the last date specified for e-Voting.
10. All the material documents referred to in the Notice and Explanatory Statement will be available for inspection in the electronic mode up to the date of declaration of results of the Postal Ballot.
11. Procedure for Members Voting through electronic means

The Instructions for e-Voting are as under:

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.	<p>EVEN Number followed by Folio Number registered with the Company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>
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5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. "ATLe-voting.pdf" file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system ?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [tenrosekochi@gmail.com](mailto:tenrosekochi@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
12. In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms.Pallavi Mhatre, NSDL, 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Toll free no.: 1800-222-990. Members may also write to the Company Secretary at the email ID: [investors@apolloyres.com](mailto:investors@apolloyres.com).
13. In case of members who have not registered their email address:

On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the Members would take place through the remote e-Voting system only. Therefore, those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- a) Members, who are holding shares in physical/electronic form and their email addresses are not registered with the Company/their respective Depository Participants, are requested to register their email addresses at the earliest by sending scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Notice of Postal Ballot by email to [investors@apolloyres.com](mailto:investors@apolloyres.com). Members holding shares in demat form can update their email address with their Depository Participants.
- b) Please note that the updation/registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of Postal Ballot and thereafter shall

be disabled from the records of the RTA immediately after the Postal Ballot. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 1**

In pursuant to clause 8.1.1 of the Investment Agreement dated February 27, 2020 (“**Investment Agreement**”) executed with Emerald Sage Investment Ltd (“**Investor**”), the Investor was entitled to appoint a Director on the Board of the Company and has nominated Mr. Vishal Mahadevia as a Director on the Board of the Company.

The Board at its meeting held on August 5, 2020 had appointed Mr. Vishal Mahadevia as an Additional Director with effect from August 21, 2020 and also approved to regularize the appointment of Mr. Vishal Mahadevia as a Non- Executive Non- Independent Director and recommended to the Members, the appointment of Mr. Vishal Mahadevia as a Non-Executive Non-Independent Director, liable to retire by rotation. A notice under Section 160 of the Companies Act, 2013, has been received from a Member proposing the candidature of Mr. Vishal Mahadevia as a Non-Executive Non-Independent Director of the Company.

Mr. Vishal Mahadevia aged 47 years is currently the Managing Director, Head of India, and member of the Executive Management Group at Warburg Pincus. Prior to joining Warburg Pincus in 2006, he was a Principal at Greenbriar Equity Group, a fund focused on private equity investments in the Transportation sector. Prior to that, he worked at Three Cities Research, a New York-based private equity fund and as a consultant with McKinsey & Company. He received a B.S. in Economics with a concentration in Finance and a B.S. in Electrical Engineering from the University of Pennsylvania.

He is on the Board of the following other Companies:

<b>Sl.No</b>	<b>Name of the Company</b>	<b>Designation</b>
1	Gangavaram Port Limited	Director (Non- Independent)
2	IDFC First Bank Limited	Director (Non- Independent)
3	Warburg Pincus India Private Limited	Managing Director

He is also the Member/ Chairman of the Committees in the following other Companies:

<b>Sl.No</b>	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Position</b>
1	Gangavaram Port Limited	Audit Committee	Member
		CSR Committee	Member
		Nomination and Remuneration Committee	Member
2	IDFC First Bank Limited	Nomination and Remuneration Committee	Member
		Credit Committee	Member
3	Warburg Pincus India Private Limited	CSR Committee	Chairman

He is not holding any shares in the Company either directly or in form of beneficial interest for any other person.

The Company has received from Mr. Vishal Mahadevia:

- (i) Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.
- (ii) An undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

The Board considers that continued association with him would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vishal Mahadevia.

The sitting fees for attending the Board Meetings and the commission as approved by the Members within the overall ceiling of 1% of the net profits of the Company, is paid to the Directors of the Company other than Managing Directors in proportion to their tenure of Directorship.

He does not have inter-se relationship with any other Director and Key Managerial Personnel (KMPs) of the Company.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

None of the Directors or KMPs of the Company or their relatives except Mr. Vishal Mahadevia is concerned or interested (financial or otherwise) in the resolution.

The Board of Directors recommends resolution set out at item no.1 for your consideration and approval.

## **Item No. 2**

In order to augment long term resources for financing the repayment of existing debt and/or for general corporate purposes, the Members of the Company at the Annual General Meeting held on July 31, 2019 had passed the resolution for raising of funds for an amount not exceeding ₹15,000 million through Issue of Secured Non-Convertible Debentures (NCDs) through Private Placement, in one or more tranches within overall borrowing limits of the Company. The above resolution was valid upto July 30, 2020. During the validity of aforesaid resolution, the Company had raised ₹10,000 million through issue of NCDs.

In order to potentially meet the additional funds requirement for growth/ capex and for general corporate purposes, the Board approved raising of funds through issue of NCDs for an amount not exceeding ₹10,000 million.

In order to enable the Company to offer or invite subscriptions for Non-Convertible Debentures on a Private Placement basis, in one or more tranches, as per provisions of Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a Company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Members of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for “Non-Convertible Debentures”, it shall be sufficient if the Company passes a Special Resolution only once in a year for all the offers or invitations for such Debentures during the year.

Further, the Board of Directors of the Company or any duly constituted Committee of the Board or such other authority as may be approved by the Board, shall be authorized to determine the terms of the Issue, including the class of investors to whom the NCDs are to be allotted, the number of NCDs to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount

to issue price to a class of bond/debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force.

The Board of Directors of the Company, at its Meeting held on August 5, 2020, had approved the above proposal and recommended the passing of proposed Special Resolution by Members of the Company.

The approval of the Members is being sought by way of a Special Resolution under Section 42 & 71 of the Companies Act, 2013, read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on a Private Placement basis, in one or more tranches, during the period of one year from the date of passing of the resolution, within the overall borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested (financial & otherwise) in the resolution.

The Board of Directors recommends resolution set out at item no.2 for your consideration and approval.

### **Item No. 3**

The Company had entered into the Investment Agreement dated February 27, 2020 (including amendments thereto) (“**Agreement**”) with Emerald Sage Investment Ltd (“**Investor**”). As per the Agreement, the existing Articles of Association (“**Articles**”) had to be amended/ restated in order to reflect various rights as set out in the Agreement. Further in order to align the existing Articles with several amendments made in the provisions of the Companies Act, 2013 along with its rules, the Articles had to be amended suitably and new set of Articles of Association had to be adopted in substitution, and to the entire exclusion of the existing Articles of Association.

The new set of Articles are divided into two parts viz. Part A - containing the revised provisions of existing Articles aligned with Companies Act, 2013 and Part B - containing the Restated Articles as mentioned in the Agreement.

Pursuant to the provisions of Section 14 the Companies Act, 2013, the amendment in Articles require the approval of Members through Special Resolution. Accordingly, this matter has been placed before the Members for approval.

A copy of the draft new set of Articles of Association is available on the website of the Company viz. [www.apollotyres.com](http://www.apollotyres.com) for inspection by the Members.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested (financial & otherwise) in the resolution.

The Board of Directors recommends resolution set out at item no. 3 for your consideration and approval.

### **Item No. 4**

In order to meet the funding and business-related requirements of the Company and its Subsidiaries including but not limited to funding business growth, capital expenditure, expansion, exploring new initiatives and for other general corporate purposes, the Board at its meeting held on February 26, 2020 and the Members at the extraordinary general meeting held on March 23, 2020, had approved the issue of upto 10,80,00,000 (Ten Crores Eighty Lakhs Only) 6.34% Compulsorily Convertible Preference Shares having a face value of ₹100/- (Rupees One Hundred Only) (“**CCPS**”) each for raising of funds by way of preferential issue on a private placement basis to Emerald Sage Investment Ltd, an affiliate of Warburg Pincus LLC (the “**Proposed Allottee**”).

As per the aforesaid approval and based on the Amendment Agreement executed with the Proposed Allottee

on April 21, 2020, the issue of CCPS upto 10,80,00,000 (Ten Crores Eighty Lakhs Only) has been divided into “**Tranche 1 CCPS**” and “**Tranche 2 CCPS**” respectively.

The Committee of Directors - Private Placement of the Company at their meeting held on April 22, 2020 had allotted 5,40,00,000 (Five Crore Forty Lakhs Only) 6.34% Compulsorily Convertible Preference Shares having a face value of ₹100/- (Rupees One Hundred Only) (“**CCPS**”) each (“**Tranche 1 CCPS**”) at par, for cash, for an aggregate amount of ₹540,00,00,000 (Rupees Five Hundred And Forty Crores only) by way of preferential allotment on a private placement basis to the Proposed Allottee.

As per the Amendment Agreement, the remaining 5,40,00,000 (Five Crores Forty Lakhs Only) CCPS (“**Tranche 2 CCPS**”) amounting to ₹540,00,00,000 (Rupees Five Hundred and Forty Crores only), have to be allotted on or before October 7, 2020.

The provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations (“**SEBI ICDR Regulations**”) requires the Company to seek approval of the Members for issuance of preference shares on private placement basis. The approval of the Members is accordingly being sought by way of a special resolution under Sections 42, 55 and 62(1)(c) of the Companies Act, 2013, read with the rules made thereunder, and Regulation 160 of the SEBI ICDR Regulations for the issue of the Tranche 2 CCPS not exceeding an amount of ₹540,00,00,000 (Rupees Five Hundred and Forty Crores Only) and to offer and allot the Tranche 2 CCPS on a private placement basis to the Proposed Allottee on the terms and conditions set out hereunder.

**Given below is a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014:**

The size of the issue and number of preference shares to be issued and nominal value of each share	Upto 5,40,00,000 Tranche 2 CCPS having face value of Rs. 100/- each, for an aggregate amount of upto ₹540,00,00,000/-.
The nature of such shares	Cumulative, Participating, and Compulsorily Convertible Preference Shares.
The objective of the issue	To meet the funding and business-related requirements of the Company and its Subsidiaries including but not limited to funding business growth, capital expenditure, expansion, exploring new initiatives and for other general corporate purposes.
The manner of issue of shares	Private placement basis.
The price at which such shares are proposed to be issued	Tranche 2 CCPS are being issued at Par, at a face value of ₹100/- each and are convertible into 3,15,25,483 equity shares of ₹1/- at a conversion price of ₹171.29 each.
The basis on which the price has been arrived at	The conversion price for allotment of fresh equity shares upon conversion of CCPS has been determined in accordance with the Regulation 164(1) of Chapter V of the SEBI ICDR Regulations and as per the Investment Agreement and Amendment Agreement executed on February 27, 2020 and April 21, 2020. (Hereinafter referred as “Agreements”)
The terms of issue including terms and rate of dividend on each share, etc.	a. The Tranche 2 CCPS shall be allotted in dematerialized form. b. The Tranche 2 CCPS shall be issued free from any encumbrances.

	<p>c. The Tranche 2 CCPS shall carry the same right with respect to the payment of dividend or repayment of capital vis-a-vis equity shares of the Company.</p> <p>d. The Tranche 2 CCPS shall also bear a cumulative preferential dividend at the rate of 6.34% per annum, to be calculated on pro rata basis from the date of allotment of such Tranche 2 CCPS till the date of conversion of the Tranche 2 CCPS.</p> <p>e. The voting rights of the persons holding the Tranche 2 CCPS shall be in accordance with the provisions of Section 47 and other applicable provisions, if any, of the Companies Act, 2013.</p> <p>f. The Tranche 2 CCPS shall be entitled to participate in the surplus funds, surplus assets and profits of the Company on winding up, which may remain after the entire capital has been repaid.</p>
The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	<p>The terms and tenure of redemption is not applicable as the Tranche 2 CCPS shall compulsorily convert into equity shares of the Company within a maximum period of 18 months.</p> <p>The Tranche 2 CCPS to be allotted shall be compulsorily converted into 3,15,25,483 equity shares of the face value of ₹1/- each, within a maximum period of 18 (eighteen) months commencing from the date of allotment of such Tranche 2 CCPS. Such conversion may take place earlier of either (i) at the option of the Proposed Allottee, or (ii) at the earliest date occurring at any time after 21 (twenty one) trading days from the date of issue of the Tranche 1 CCPS to the Proposed Allottee on which the 21 (twenty one) days' average of the daily volume weighted average price of the equity shares of the Company on the National Stock Exchange of India Limited reaches at least the conversion price of the Tranche 2 CCPS.</p> <p>In the event the existing CCPS ("<b>Tranche 1 CCPS</b>") approved by the Members on March 23, 2020 and allotted on April 22, 2020, have been converted (or if notice has been issued for the conversion of Tranche 1 CCPS) into Equity Shares on or prior to the date of allotment of Tranche 2 CCPS, then the Tranche 2 CCPS shall automatically convert into Equity Shares without any requirement of any further act on the part of the Proposed Allottee on the Business Day immediately following the day on which Tranche 2 CCPS have been issued.</p>
The manner and modes of redemption	Not applicable as the CCPS shall compulsorily convert into equity shares of the Company.



The current shareholding pattern and the expected dilution in equity share capital upon conversion of preference shares.	Refer clause IV below
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**The details of the issue and other particulars as required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Regulation 163 of the SEBI ICDR Regulations are set forth below:**

**I. Objects of the Preferential Issue**

The proceeds of the preferential issue shall be utilized to meet the funding and business-related requirements of the Company and its Subsidiaries including but not limited to funding business growth, capital expenditure, expansion, exploring new initiatives and for other general corporate purposes.

**II. Particulars of the offer including the maximum number of specified securities to be issued**

Preferential issue of upto 5,40,00,000 Tranche 2 CCPS of ₹100/- each convertible into 3,15,25,483 equity shares of face value of ₹1/- to the Proposed Allottee for an aggregate amount of upto ₹ 540,00,00,000/-.

**III. The intent of the Promoters, Directors or Key Management Personnel of the issuer to subscribe to the offer**

None of the Directors, Promoters or Key Managerial Personnel of the Company intends to subscribe to Tranche 2 CCPS proposed to be issued under the preferential allotment.

**IV. The Shareholding Pattern of the issuer before and after the preferential issue:**

The shareholding pattern of the Company before and after the proposed preferential issue will be as follows:

S. No.	Category	Pre-Issue		Issue of Tranche 2 CCPS of ₹ 100/- each*	Equity Shares of ₹ 1/- each arising upon conversion of Tranche 2 CCPS of ₹ 100/- each	Post Issue of Equity Shares of ₹ 1/- each assuming full conversion of Tranche 1 & 2 CCPS#	
		No. of equity shares held	% of Holding			No. of equity shares held	% of Holding
<b>A.</b>	<b>Promoters' Holding</b>						
1	Indian						
	Individual/HUFs	3,13,130	0.05			3,13,130	0.05
	Bodies Corporate	23,58,78,821	41.23			23,58,78,821	37.14
	<b>Sub-Total</b>	23,61,91,951	41.28			23,61,91,951	37.19
2	Foreign Promoter						
	Individuals (Non-Resident Individuals/ Foreign Individuals)	26,66,880	0.47			26,66,880	0.42
	<b>Sub Total (A)</b>	<b>23,88,58,831</b>	<b>41.75</b>			<b>23,88,58,831</b>	<b>37.61</b>

<b>B.</b>	<b>Non Promoters' Holding</b>						
<b>1</b>	<b>Institutions</b>						
	Mutual Funds	9,34,23,294	16.33			9,34,23,294	14.71
	Institutions/Banks	41,11,549	0.72			41,11,549	0.65
	FII/FPI	11,31,29,760	19.78			11,31,29,760	17.81
<b>2</b>	<b>Government</b>	1,00,00,000	1.75			10,000,000	1.57
<b>3</b>	<b>Non-Institution</b>						
	Corporate Bodies	43,69,176	0.77			43,69,176	0.69
	Foreign Corporate Bodies			5,40,00,000	3,15,25,483	6,30,50,966	9.93
	Indian Public (including others)	10,53,35,466	18.41			10,53,35,466	16.59
	NRIs	28,21,904	0.49			28,21,904	0.44
	<b>Sub Total (B)</b>	<b>33,31,91,149</b>	<b>58.25</b>	<b>5,40,00,000</b>	<b>3,15,25,483</b>	<b>39,62,42,115</b>	<b>62.39</b>
	<b>GRAND TOTAL</b>	<b>57,20,49,980</b>	<b>100.00</b>	<b>5,40,00,000</b>	<b>3,15,25,483</b>	<b>63,51,00,946</b>	<b>100.00</b>

\*The Company on April 22, 2020 had allotted 5,40,00,000 (Five Crores Forty Lakhs only) 6.34% compulsorily convertible preference shares ("CCPS") having face value of ₹100/-each ("Tranche 1 CCPS"), at par, for cash, for an aggregate amount of ₹540,00,00,000 (Rupees Five Hundred And Forty Crores only) which shall be converted into 3,15,25,483 equity shares of ₹1/ each.

# Post shareholding structure is calculated on fully diluted basis i.e. assuming full conversion of Tranche 1 and 2 CCPS.

#### **V. Proposed time limit within which the allotment shall be complete:**

As required under the SEBI ICDR Regulations, the Tranche 2 CCPS shall be allotted by the Company within a period of 15 days from the date of passing of this resolution provided that where the allotment of the proposed Tranche 2 CCPS is pending on account of receipt of any approval or permission from any regulatory authority, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

#### **VI. The identity of the natural persons who are the ultimate beneficial owners of the Tranche 2 CCPS proposed to be allotted and / or who ultimately control the proposed allottees and the percentage of post preferential issue capital that may be held by them:**

Identity of the allottee and the percentage of post preferential issue capital that may be held by them:

Name of the Proposed Allottee	Category	Present Pre-Issue Shareholding		Issue of Tranche 2 CCPS of ₹ 100/-each	Equity Shares of ₹ 1/- each arising upon conversion of Tranche 2 CCPS of ₹ 100/- each	Post Issue Shareholding (Presuming full conversion of Tranche 1 & 2 CCPS) #		Ultimate Beneficial Owner
		Pre-Issue Holding	% Total Equity Capital			Post-Issue Holding	% Total Equity Capital	

Emerald Sage Investment Ltd	Foreign Corporate Bodies	NIL	NIL	5,40,00,000	3,15,25,483	6,30,50,966	9.93%	Mr. Charles Kaye@
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# Post shareholding structure is calculated on fully diluted basis i.e. assuming full conversion of Tranche 1 and 2 CCPS.

@There is no natural person who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than 25% of shares or capital or profits of Emerald Sage Investment Ltd, or exercises control through other means except as given below:

The governance and decision making with respect to the shares held by the shareholders of Emerald Sage Investment Ltd is controlled by an entity, which in turn, is controlled by Mr. Charles Kaye.

## **VII. Any change in control, if any, in the issuer consequent to the preferential issue:**

As a result of the proposed preferential issue of Tranche 2 CCPS and upon conversion of Tranche 2 CCPS into equity shares, there will be no change in the control or management of the Company. However, voting rights will change in tandem with the shareholding pattern.

## **VIII. Lock-in Requirements:**

The Tranche 2 CCPS and the equity shares on the conversion of the Tranche 2 CCPS shall be subject to applicable lock-in and transfer restrictions stipulated under the SEBI ICDR Regulations.

## **IX. Basis on which the Issue price and the Conversion price has been arrived at:**

In terms of Regulation 161 of SEBI ICDR Regulations, the Relevant Date has been reckoned as August 25, 2020, for the purpose of computation of conversion price of the equity shares arising on conversion of CCPS.

The Tranche 2 CCPS shall convert into 3,15,25,483 equity shares of face value of ₹1/- each of the Company, arrived at by dividing the product of the face value of each Tranche 2 CCPS i.e., ₹100/- each and the number of Tranche 2 CCPS being converted, by ₹171.29, being the conversion price determined in accordance with the SEBI ICDR Regulations and the Agreements.

## **X. Undertakings:**

- ▶ None of the Company, its Directors or Promoters are categorized as wilful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by Reserve Bank of India. Consequently the undertaking required under Regulation 163(1)(i) is not applicable.
- ▶ None of its Directors or Promoters are fugitive economic offenders as defined under the SEBI ICDR Regulations.
- ▶ As the equity shares have been listed on a recognized Stock Exchange for a period of more than twenty-six weeks as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable. Consequently the undertaking required under Regulation 163(1)(g) and Regulation 163(1)(h) is not applicable.

## **XI. Auditor's Certificate:**

The certificate from M/s. Walker Chandiok & Co LLP, Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the

requirements of Chapter V of the SEBI ICDR Regulations has been obtained considering the said preferential issue. The copy of said certificate is available at the website of the Company viz. [www.apollotyres.com](http://www.apollotyres.com), till the declaration of result of postal ballot.

## **XII. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.**

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested (financially or otherwise) in the above referred resolution.

The Board of Directors recommends the resolution as set out in item no. 4 of this notice for approval of the Members of the Company by way of a Special Resolution.

### **Item No. 5**

The Members of the Company at the AGM held on July 31, 2019 had appointed Mr. Satish Sharma as a Whole-time Director of the Company for a period of 5 years with effect from April 1, 2019 and the terms and conditions of appointment mentioned in the explanatory statement were approved by the Members. His annual remuneration was subject to an overall ceiling of 1% of the Profit before Tax (PBT). Although his CTC entitlement for FY20 was significantly more, he had received a remuneration of ₹5.81 Crores during FY20 based on Company's policy on variable pay.

With the country wide lockdown due to COVID-19, India is being hitting hard and IMF along with other rating agencies have sharply slashed India's growth estimate for FY21 ranging from 0% to 1.9% from the 5.8% estimated in January 2020. The COVID-19 has grave consequences for the automobile industry and all related sectors, with most automobile manufacturers had announced temporary closures of plants due to collapsing demand, supply shortages and government measures. COVID-19 pandemic had impacted all businesses including the tyre industry. Against this bleak scenario due to COVID-19, the Company expects a significant fall in profit during FY21 while adopting a cautious approach.

As per the provisions of Section 197 of the Companies Act, 2013 read with Part II and Section II of Schedule V, in case of inadequate profit, the remuneration to be paid in excess of the limits specified in Part II of Section II has to be approved by the Members by way of a Special Resolution. Accordingly, if the Company's profit was inadequate due to COVID-19 pandemic, the approval of the Members by way of a Special Resolution would be required for payment of an overall remuneration exceeding the limits specified in Schedule V.

Therefore, in order to suitably remunerate Mr. Satish Sharma, Whole-time Director, keeping in view his entitlement and existing remuneration, if the Company's profit becomes inadequate due to COVID-19 pandemic, the approval of the Members is sought for payment of an overall remuneration upto a maximum amount of ₹6 Crores (Rupees Six Crores only), exceeding the limits specified in Schedule V, to Mr. Satish Sharma with effect from April 1, 2020 to March 31, 2021. The aforesaid remuneration has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

All other terms and conditions of the appointment approved by the Members at the AGM held on July 31, 2019 except the abovementioned shall remain unchanged.

Mr. Satish Sharma is a Director of Apollo Tyres (Thailand) Limited and Apollo Tyres (Malaysia) Sdn. Bhd.

He is a Member of the Risk Management Committee of the Company. He is not holding any other Committee positions on the Board of other Companies.

He is not related with any other Director and Key Managerial Personnel (KMP) of the Company.

He is not holding any shares in the Company either directly or in form of beneficial interest for any other person.

He has attended five meetings of the Board during FY20.

The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

**Statement pursuant to the provisions of Part II of Section II of Schedule V of the Companies Act, 2013**

**1. General Information**

**(i) Nature of Industry**

The Company is engaged in the business of manufacture and sale of tyres.

**(ii) Date or Expected date of Commencement of Commercial Production**

The Company was incorporated on September 28, 1972.

**(iii) In case of new Companies, expected date of Commencement of activities as per project approved by financial institutions appearing in prospectus**

Not Applicable

**(iv) Financial Performance based on given indicators**

The financial performance of the Company in the last 3 years is as follows:-

(₹ Million)

Particulars	Year ended		
	31.03.2020	31.03.2019	31.03.2018
Net Sales	108,327	120,896	101,332
Other Income and Other Operating Income	2,642	3,756	2,883
Operating Profit (EBIDTA including Other Income)	14,278	15,906	13,692
Less: Depreciation/Amortisation Exp.	6,207	4,463	3,644
Finance Cost	2,257	1,379	1,375
Provision for Tax	728	2,143	2,449
Net Profit before share of Profit in Associate/ Joint Venture and Exceptional Items	5,086	7,921	6,224
Add: Exceptional Items	-	(2,000)	-
Add: Share of Profit in Associate/ Joint Venture	-	-	-
<b>Net Profit</b>	<b>5,086</b>	<b>5,921</b>	<b>6,224</b>

**(v) Foreign Investment or Collaborations, if any**

The Company follows its vision to become a global tyre brand of choice, it has multiple Subsidiaries for facilitating these operations in various countries. As on March 31, 2020, the Company has 35 overseas wholly owned Subsidiaries/ Step Subsidiaries.

**II. Information about the appointee**

**(i) Background Details**

Mr. Satish Sharma aged 52 years is a Chemical Engineer from the National Institute of Technology, Raipur, Madhya Pradesh. He also holds a post-graduate diploma in Business Management from Institute of Management Technology, Ghaziabad. He is a Member of the Institute of Engineers,

Indian Rubber Institute and All India Management Association (AIMA).

**(ii) Past Remuneration**

Mr. Satish Sharma was paid an amount of ₹ 5.81 Crores during FY20.

**(iii) Recognition or Awards**

He was the past Chairman of Automotive Tyre Manufacturers' Association (ATMA). He is a member of the Institute of Engineers, Indian Rubber Institute and All India Management Association (AIMA).

**(iv) Job Profile and his suitability**

As President (APMEA) of Apollo Tyres, Mr. Satish Sharma guides strategy and oversees the implementation of key functions like manufacturing, sales and marketing, customer relations and accounts/ commercial in Asia Pacific, Middle East and Africa (APMEA). A member of the Company's Supervisory Board, he is a man who prefers taking challenges head-on. He is credited with Apollo's steady sales growth, in the last 5 years. Known for his innovative marketing initiatives and exceptional leadership qualities, he continues to mentor and coach business units within the organisation.

**(v) Remuneration proposed**

The overall remuneration proposed is upto a maximum amount ₹ 6 Crores (Rupees Six Crores only) with effect from April 1, 2020 to March 31, 2021.

**(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

The proposed remuneration is sought to be paid as appropriate remuneration due to inadequacy of profits and comparative remuneration profile would not be a determining factor. However, taking into consideration the size of the Company, the profile of Mr. Satish Sharma, the responsibilities shouldered by him, the Nomination and Remuneration Committee at their meeting had considered the remuneration payable to Mr. Satish Sharma and found the same competitive in line with his experience, skill and expertise in the tyre Industry.

**(vii) Pecuniary relationship directly or indirectly with the Company or relation with the managerial personnel, if any**

Besides the remuneration payable to him as the Whole-time Director, he does not have any pecuniary relationship with the Company and does not have any relationship with the managerial personnel of the Company.

**III. Other Information**

**1. Reasons for loss or inadequate profits**

Due to COVID-19 pandemic and the lockdowns prevailing across the Country, the Company foresees a drop in the profits during FY21 due to a slower recovery. The ongoing COVID-19 has grave consequences for the automobile industry and all related sectors, with most automobile manufacturers had announced temporary closures of plants due to collapsing demand, supply shortages and government measures. OEMs in India are forecasting a degrowth of between 30-40% in FY21 demand due to COVID-19 impact, poor consumer sentiment and liquidity crunch, which in turn will seriously impact the tyre industry.

## **2. Steps taken or proposed to be taken for improvement**

Against the bleak global, Indian and European outlook, the Company has adopted a cautious approach. The focus is on employee safety and conserving cash. The Company is re-engineering production and cutting down on all avoidable costs and focusing on the good cost – R&D, eTraining, Brand building, etc.

## **3. Expected increase in productivity and profits in measurable terms etc.**

The Company will continue its efforts to increase the sales and profitability. The APMEA region is witnessing some traction in demand in the CV and the Agri space and it has put in place all necessary plans to tap this demand. In other categories, the Company is continuing its progress through numerous product developments to compete and gain market share whilst keeping its customers business needs at the forefront. There are new product launches planned in FY21 and the Company has been using the digital medium and innovative ways like virtual launches to reach the customers.

As prescribed by the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated May 5, 2020, the copies of the resolutions passed at the meeting of the Nomination and Remuneration Committee and the Board of Directors shall be made available for inspection of the Members through electronic mode.

This Explanatory Statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

None of the Directors or KMP of the Company or their relatives, except Mr. Satish Sharma, himself, is concerned or interested (financial & otherwise) in the resolution.

The Board of Directors recommends the Resolution as set out at item no 5 for your consideration and approval.

## **Item No. 6**

Mr. Vinod Rai was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds office as an Independent Director of the Company up to February 8, 2021 (“first term” in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Director, had recommended re-appointment of Mr. Vinod Rai for a second term of 5 (five) consecutive years on the Board of the Company.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who had attained the age of 75 years unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Accordingly, a Special Resolution was required to be passed for the re-appointment/ continuation of Directorship of Mr. Vinod Rai as during the tenure of his re-appointment, he would attained the age of 75 years.

The Board, based on the performance evaluation of Independent Director and based on the recommendation of Nomination and Remuneration Committee, considered that Mr. Vinod Rai has expertise in Audit, Banking, Finance and Corporate Governance etc. and his continued association would be beneficial to the Company and it is desirable to continue to avail services of Mr. Vinod Rai as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Vinod Rai as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. February 9, 2021 to February 8, 2026. The Company has also

received a notice in writing, from a Member under Section 160 of the Act, proposing his candidature for the appointment as Director of the Company.

Mr. Vinod Rai aged about 72 years was the Ex-Comptroller and Auditor General of India. He holds a Masters Degree in Economics from the University of Delhi, and Masters in Public Administration from Harvard University. He was a 1972 batch Kerala cadre officer of Indian Administrative Service (IAS). He was the MD of Kerala State Co-operative Marketing Federation from 1977 to 1980. Prior to his appointment as Financial Services Secretary, He was an Additional Secretary in the Banking Division of the Finance Ministry. He was awarded Padma Bhushan for the year 2016.

He was first appointed on the Board of the Company on February 9, 2016.

He holds Directorship in the following Companies:

Sl.No.	Name of the Company	Designation
1	IDFC Asset Management Company Limited	Director
2	IDFC Limited	Director
3	IDFC Financial Holding Company Limited	Nominee Director
4	Shubham Housing Development Finance Company Limited	Director
5	Grassroot Trading Network for Women	Director
6	Lava International Limited	Director

He is the Chairman of the Audit Committee and Nomination and Remuneration Committee of the Company.

He is also a Member/ Chairman of Committees in the following other Companies:

Sl.No.	Name of the Company	Name of the Committee	Position
1	IDFC Asset Management Company Limited	Audit Committee	Member
2	IDFC Limited	Audit Committee Stakeholders Relationship Committee	Member Chairman
3	IDFC Financial Holding Company Limited	Audit Committee	Member
4	Shubham Housing Development Finance Company Limited	Audit Committee	Member

He is not holding any shares of the Company either directly or in form of beneficial interest for any other person.

He has attended five meetings of the Board during FY20.

He is not related with any other Director and Key Managerial Personnel (KMP) of the Company.

Section 149 and Section 152 of the Companies Act, 2013 inter-alia specifies that:

- Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment upto five years, subject to passing of special resolution by the Shareholders in General Meeting; and
- An Independent Director shall not be liable to retire by rotation at the Annual General Meeting.

The provisions further provide that the Independent Directors shall give a confirmation of independence and meeting of the prescribed criteria, as mentioned in Section 149(6) of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of Companies Act, 2013, Mr. Vinod Rai, being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for 5 (five)



consecutive years w.e.f. February 9, 2021 to February 8, 2026.

The Company has received from Mr. Vinod Rai:

- (i) Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.
- (ii) A declaration to the effect that he meets the criteria of independence as provided under Sub Section (6) of Section 149 of the Companies Act, 2013.
- (iii) An undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

The sitting fees for attending the Board Meetings and the commission as approved by the Members within the overall ceiling of 1% of the net profits of the Company, is paid to the Directors of the Company other than Managing Directors in proportion to their tenure of Directorship. Mr. Vinod Rai was entitled to a remuneration of ₹ 4.13 million as commission, as approved by the Board, for FY20.

In the opinion of the Board, Mr. Vinod Rai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for his re-appointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter for re-appointment of Mr. Vinod Rai as an Independent Director would be made available for inspection through electronic mode.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

None of the Directors or KMP of the Company or their relatives except Mr. Vinod Rai himself is concerned or interested (financial or otherwise) in the resolution.

The Board of Directors recommends resolution set out at item no.6 for your consideration and approval.

## **DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT/ VARIATION OF THE TERMS OF REMUNERATION AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS & SECRETARIAL STANDARD-2 ON GENERAL MEETINGS.**

### **Item No. 1, 5 & 6**

For the details of Mr. Vishal Mahadevia, Mr. Satish Sharma and Mr. Vinod Rai please refer to item no. 1, 5 & 6 under the Explanatory Statement of this Notice.

By Order of the Board  
For Apollo Tyres Ltd

**SEEMA THAPAR**  
Company Secretary  
FCS No.: 6690

Place: New Delhi  
Date : August 5, 2020



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