

**APOLLO TYRES LTD**

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apollo tyres.com

GST No.: 06AAACA6990Q1Z2

ATL/SEC/21

June 29, 2021

The Secretary, National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E), <b>Mumbai - 400 051</b>	The Secretary, BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, <b>Mumbai – 400001.</b>
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Dear Sir,

**Re: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**Sub: Submission of Annual Report for Financial Year 2020-21 (FY21)**

Please find enclosed herewith the following documents being dispatched/ sent to the Shareholders in the permitted mode:

- (1) Notice of the 48<sup>th</sup> Annual General Meeting (AGM) of the Company scheduled to be held on July 23, 2021.
- (2) Annual Report FY21.

The above documents are also uploaded on the website of the Company viz. [www.apollo tyres.com](http://www.apollo tyres.com).

This is submitted for your information and records.

Thanking you,

Yours faithfully,  
**For Apollo Tyres Ltd**

**(Seema Thapar)**  
**Company Secretary & Compliance Officer**



## NOTICE

NOTICE is hereby given that the 48<sup>th</sup> Annual General Meeting of the Members of **APOLLO TYRES LTD** will be held on July 23, 2021, Friday at 3:00 PM through Video Conferencing (VC) for which purpose the Registered Office of the Company situated at 3<sup>rd</sup> Floor, Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi-682036 shall be deemed as the venue for the Meeting and the proceedings of AGM shall be deemed to be made thereat, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt:
  - a. the audited financial statement of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon; and
  - b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and report of Auditors thereon.
2. To declare dividend of ₹3.50 per equity share, for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Satish Sharma (DIN: 07527148), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Francesco Gori (DIN: 07413105), who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

5. Ratification of payment of remuneration to Cost Auditor for the financial year 2021-22.

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditor, M/s. N.P.Gopalakrishnan & Co., Cost Accountants appointed by the Board of Directors of the Company for carrying out Cost Audit of the Company’s plants at Perambra (Kerala), Limda (Gujarat), Chennai (Tamil Nadu) and Chinnapandur (Andhra Pradesh) and Company’s leased operated plant at Kalamassery (Kerala) for the financial year 2021-22 be paid out a remuneration of ₹3.30 lakhs per annum plus reimbursement of out of pocket expenses.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. 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.”

7. 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 and Remuneration Committee and Board of Directors, approval of the Members be and is hereby accorded for payment of overall remuneration to Mr. Satish Sharma, Whole-time Director of the Company, in the event of absence or inadequacy of profits, upto a maximum amount of ₹9.50 Crores (Rupees nine crores fifty lakhs only) for a period from April 1, 2021 to March 31, 2022 (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.”

By Order of the Board  
For Apollo Tyres Ltd

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

Place: New Delhi  
Date : May 12, 2021

#### **NOTES:**

1. In view of the current extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/ 2020 (dated April 8, 2020), Circular No.17/2020 (dated April 13, 2020) Circular No. 20/2020 (dated May 5, 2020), and Circular No. 02/2021 (dated January 13, 2021) (Collectively referred to as MCA Circulars), issued by the Ministry of Corporate Affairs (MCA) physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC and Members of the Company joining through VC shall be reckoned for the purpose of quorum under Section 103 of the Act. Further, all resolutions in the meeting shall be passed through the facility of e-Voting/ electronic system.
2. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the MCA the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-Voting.
3. In compliance with MCA Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and owing to the difficulties involved in dispatching of physical copies



of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report FY21) and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s) as on June 25, 2021 and to all other persons so entitled.

4. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1,000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Register of Members and Share Transfer Books shall remain closed from July 17, 2021 to July 23, 2021 (both days inclusive) for payment of dividend on equity shares. The dividend, as recommended by the Board of Directors, if declared at the meeting, will be paid within 30 days from the date of declaration to the Members holding equity shares as on the cut-off date i.e. July 16, 2021 on 635,100,946 equity shares of the Company. In respect of shares held in dematerialised form, dividend will be paid on the basis of beneficial ownership as per details furnished by the respective depositories for this purpose.
7. Corporate Members are requested to send a duly certified copy of the Board resolution/ authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the ordinary/ special business set out above in the notice is annexed hereto.
9. All documents referred to in the notice can be obtained for inspection through secured mode by writing to the Company at its email ID:investors@apolloyres.com till the date of the meeting.
10. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com/>.
11. The shares of the Company are under compulsory demat list of Securities & Exchange Board of India w.e.f. November 11, 1999. The trading in equity shares can now only be done in demat form. In case you do not hold shares in demat form, you may do so by opening an account with a depository participant and complete dematerialisation formalities.
12. Members holding shares in dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their depository participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the Members.
13. Members holding shares in physical form are requested to intimate changes with respect to their bank account (viz. name and address of the branch of the bank, MICR code of branch, type of account and account number), mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company's Registrar and Share Transfer Agent at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

14. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.
15. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.apollotyres.com](http://www.apollotyres.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
16. AGM has been convened through VC/ OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.

**17. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

- I. **The remote e-Voting period begins on Tuesday, July 20, 2021 at 10:00 A.M. and ends on Thursday, July 22, 2021 at 5:00 P.M. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. July 16, 2021 may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 16, 2021.**

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or <b>e-Voting service provider-NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="753 1499 1477 1913">  <p>NSDL Mobile App is available on</p> <p>App Store Google Play</p> <p>QR codes for downloading the NSDL Mobile App.</p> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.**

### **How to Log-in to 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 ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP 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.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders 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’?
    - (i) 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. a .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’.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those Shareholders whose email IDs are not registered.**
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 etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  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.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/ OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those Shareholders whose email ID are not registered with the depositories for procuring user id and password and registration of email IDs for e-Voting for the resolutions set out in this notice and for obtaining Notice and Annual Report:**

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors@apolloyes.com](mailto:investors@apolloyes.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@apolloyes.com](mailto:investors@apolloyes.com). If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.**
3. Alternatively Shareholders/ Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC link” placed under “**Join General meeting**” menu against Company name. You are requested to click on VC link placed under Join General Meeting menu. The link for VC will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email ID, mobile number at (investors@apolloyres.com). The same will be replied by the Company suitably.

## **FOR HELP IN CONNECTION WITH VOTING BY ELECTRONIC MEANS OR FOR PARTICIPATING IN THE AGM THROUGH VC:**

Members can directly contact Ms. Soni Singh, NSDL, 4<sup>th</sup> Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. email ID: evoting@nsdl.co.in, Toll free no.: 1800 1020 990 and 1800 22 44 30. Members may also write to the Company Secretary at the email ID: investors@apolloyres.com.

## **PROCEDURE TO RAISE QUESTIONS/ SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT**

1. As the AGM is being conducted through VC, Members are encouraged to express their views/ send their queries in advance mentioning their name, DP ID and Client ID/ Folio No., e-mail ID, mobile number at investors@apolloyres.com to enable smooth conduct of proceedings at the AGM. Questions/ Queries received by the Company on or before Friday, July 16, 2021 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
  2. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at investors@apolloyres.com on or before Friday, July 16, 2021. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ ask questions during the AGM.
  3. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
- II. Mr. P.P. Zibi Jose, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.



III. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting and e-Voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.

IV. The Results shall be declared by the Chairman or the person authorised by him in writing not later than 2 working days of conclusion of the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website ([www.apollotyres.com](http://www.apollotyres.com)) and on the website of NSDL([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the result is declared by the Chairman.

Any person, holding shares in physical form and non-individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes Member of the Company after sending of the notice and holding shares as on the cut-off date i.e. July 16, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company. However if he/ she is already registered with NSDL for remote e-Voting then he/ she can use his/ her existing User ID and Password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date July 16, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system.

In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms. Soni Singh, NSDL, 4<sup>th</sup> 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), Toll free no.:1800 1020 990 and 1800 22 44 30. Members may also write to the Company Secretary at the email ID: [investors@apollotyres.com](mailto:investors@apollotyres.com).

18. Those Members who have so far not encashed their dividend warrants for the financial year from FY14-FY20, may claim or approach the Company's RTA for the payment thereof, as the same will be transferred to Investor Education and Protection Fund (IEPF) established pursuant to Section 125(1) of the Companies Act, 2013, if a Member does not claim the dividend amount for a consecutive period of seven years or more. The due date for transfer of unclaimed dividend for FY14 is September 6, 2021.

In accordance with Section 124 (6) of the Act read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), if a Member does not claim the dividend amount for a consecutive period of seven years or more, then the shares held by him/ her shall be transferred to the DEMAT Account of IEPFA. The details of the Members whose shares are liable to be transferred are also posted on the website of the Company i.e. [www.apollotyres.com](http://www.apollotyres.com). The unclaimed or unpaid dividend which have already been transferred or the shares which were transferred can be claimed back by the Members from IEPFA. Upon such transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the "Web Form IEPF- 5". Members can file only one consolidated claim in a financial year as per the IEPF Rule.

19. The Notice of AGM and the copies of audited financial statements, board's report, auditor's report etc. will also be displayed on the website ([www.apollotyres.com](http://www.apollotyres.com)) of the Company.

20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account

Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company.

21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified periodically.
22. Information under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings, in respect of the Directors seeking appointment at the AGM, forms integral part of the notice. The concerned Directors have furnished the requisite declarations for their appointment and their brief profile forms part of the explanatory statement.
23. Members can also provide their feedback on the Shareholder services of the Company using the 'Shareholders Satisfaction Survey' form available on the website of the Company (refer link:<https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=Others>). This feedback will help the Company in improving Shareholder Service Standards.
24. The Company has appointed KFin Technologies Private Limited as the RTA w.e.f. April 1, 2021. All documents, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's RTA, KFin Technologies Private Limited, at the address mentioned below:

KFin Technologies Private Limited  
Unit: Apollo Tyres Ltd  
Selenium, Plot No. 31 & 32, Tower B,  
Serilingampally, Nanakramguda,  
Financial District, Hyderabad – 500 032  
Tel. No.: +91 40 6716 2222;  
Fax No.: +91 40 23001153  
Toll Free No. 1800 309 4001  
E-mail Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

25. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

By Order of the Board  
For Apollo Tyres Ltd

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

Place: New Delhi  
Date : May 12, 2021

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

### **Item No. 5**

The Board at its meeting held on May 12, 2021, on the recommendation of the Audit Committee, had re-appointed M/s. N.P. Gopalakrishnan & Co., Cost Accountants, as the Cost Auditors for carrying out Cost Audit of the Company's plants located at Perambra (Kerala), Limda (Gujarat), Chennai (Tamil Nadu) and Chinnapandur (Andhra Pradesh) as well as Company's leased operated plant at Kalamassery (Kerala) for the financial year 2021-22 on a remuneration of ₹3.30 lakhs per annum plus reimbursement of out of pocket expenses and applicable taxes.

In accordance with provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors which is recommended by the Audit Committee has been considered and approved by the Board of Directors and is required to be ratified by the Members.

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

The Board of Directors recommends resolution set out at item no.5 for your consideration and ratification by way of passing an ordinary resolution.

### **Item No. 6**

In order to potentially meet the additional funds requirement for growth/ capex and for general corporate purposes, the Members of the Company through postal ballot on September 24, 2020 had passed the resolution for raising of funds for an amount not exceeding ₹10,000 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 is valid for a period of one year i.e. upto September 23, 2021. During the validity of aforesaid resolution as on the date, the Company has not raised any funds through issue of NCDs.

In order to meet the 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 one or more tranches during the period of one year from the date of passing of this resolution.

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 May 12, 2021, 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.6 for your consideration and approval.

#### **Item No. 7**

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).

With the current pandemic the economic recovery could be adversely impacted in FY22. The automobile industry is also facing a serious semiconductor crisis impacting production of vehicles, with a consequent impact on the tyre industry, both for OEMs and replacement sales. In this situation the Company could have a fall in profits during FY22.

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 absence or inadequacy of profits, 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 profits are inadequate due to COVID-19 pandemic, the approval of the Members by way of a Special Resolution will 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, as also the competitive market practices, if the Company's profits become inadequate due to COVID-19 pandemic, the approval of the Members is sought for payment of a maximum amount of ₹9.50 crores for a period from April 1, 2021 to March 31, 2022 (both days inclusive). The aforesaid remuneration has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

If the Company's profits become adequate during the aforesaid period, Mr. Satish Sharma shall be entitled for higher annual remuneration subject to an overall ceiling of 1% of the Profit before Tax (PBT) as per the terms & conditions of his remuneration approved by the resolution passed at the Annual General Meeting of the Company, held on July 31, 2019.

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 also 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 to 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 seven meetings of the Board during FY21. The Company has received from Mr. Satish Sharma, an undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority and 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.

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		
	March 31, 2021	March 31, 2020	March 31, 2019
Sales	113,545	108,327	120,896
Other Operating Income	3,789	2,356	2,642
<b>Revenue from Operations</b>	<b>117,334</b>	<b>110,683</b>	<b>123,538</b>
<b>Operating Profit (EBITDA excluding Other Income)</b>	<b>20,343</b>	<b>13,992</b>	<b>14,791</b>
Other Income	1,215	286	1,115
Less: Finance Costs	3,794	2,257	1,379
Less: Depreciation & Amortization Expenses	7,134	6,207	4,463
<b>Profit before exceptional Items &amp; Tax</b>	<b>10,630</b>	<b>5,814</b>	<b>10,064</b>
Exceptional Items	(110)	-	(2,000)

<b>Profit before Tax</b>	<b>10,520</b>	<b>5,814</b>	<b>8,064</b>
Less: Provision for Tax	3,292	728	2,143
<b>Profit after Tax</b>	<b>7,228</b>	<b>5,086</b>	<b>5,921</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, 2021, the Company has 35 overseas wholly owned Subsidiaries/ Step Subsidiaries.

**II. Information about the appointee**

**(i) Background Details**

Mr. Satish Sharma aged 53 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.

**(ii) Past Remuneration**

Mr. Satish Sharma was paid an amount of ₹6.85 Crores during FY21.

**(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 up to a maximum amount of ₹9.50 Crores (Rupees nine crores fifty lakhs only) for a period from April 1, 2021 to March 31, 2022 (both days inclusive).

**(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 absence or 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**

Continuing Covid-19 stress on the economy and the semiconductor crisis is going to impact the tyre industry and Apollo Tyres.

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

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

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

The Company will continue its efforts to increase 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 customer needs at the forefront. There are new product launches planned in FY22 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 set out at item no. 7 for your consideration and approval.

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

#### **Item No. 3**

For the details of Mr. Satish Sharma, please refer to item no.7 under the Explanatory Statement of this Notice.

#### **Item No. 4**

Mr. Francesco Gori, aged about 68 years, has a degree in Economics from Università degli Studi in Florence and he possesses experience over 33 years with Pirelli Tyre S.p.A Group in the field of product development, sales & marketing, product management etc. He has had a long and illustrious career in the tyre industry. His last appointment was as the CEO of Pirelli Tyre, a position that he held from 2006 till he left the Company in 2012. He has also served as a Member of the Board of Directors of many Companies of Pirelli & C Group. He had joined the Company as “Advisor for Strategy” effective from October 26, 2015 to support the goal of international growth, identification and development of new opportunities and has been Member of Management Board of the Company.

Mr. Francesco Gori was first appointed on the Board of the Company on February 9, 2016.

He is not holding Directorship on the Board of other Companies.

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

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

He has attended seven Board Meetings during FY21.

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

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 and Whole-time Director in proportion to their tenure of Directorship. Mr. Francesco Gori is entitled to a remuneration of Rs.5 million as commission, as approved by the Board, for FY21.

The Company has received from Mr. Francesco Gori, an undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority and 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Francesco Gori.

By Order of the Board  
For Apollo Tyres Ltd

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

Place: New Delhi  
Date : May 12, 2021





**Corporate Office :** Apollo Tyres Ltd, 7, Institutional Area, Sector-32, Gurgaon- 122001, India, Tel +91 124 2383002



**No challenge  
too tough**

**ANNUAL REPORT 2020-21**

 **APOLLO  
TYRES LTD**

# No challenge too tough

They say crisis reveals character. Financial Year 2020-21 (FY21) was business as unusual, and at Apollo Tyres we faced an uphill journey with the onset of the global pandemic, leading to our first quarterly loss in over two decades. This, however, did not deter us from driving forward in our quest for value creation. On one hand, we mobilised resources to help the fight against COVID-19 and on the other, redoubled our efforts to ensure that our long-term growth strategy remained intact.

So, we launched our Vision 2025, 'Driving Progress, Together', along with a new purpose statement, values and corporate identity to help us continue to create value for everyone. We backed our strategy and inaugurated our 7th plant globally in Andhra Pradesh and a new 2-wheeler radial facility in Gujarat. Not just that, to take on the pandemic, we launched an internal global initiative – **DRIVE** (Discover new sales opportunities, Re-engineer Apollo, Inventory and production optimisation, Value of cash and Eliminate cost). All these, coupled with a strong stated commitment to superior ESG performance, defined the year for us.

After all, it is only challenging times that can validate the Apollo Tyres belief of 'No Challenge Too Tough'.

## APOLLO TYRES IN BRIEF

**Apollo is one of the most trusted names in the manufacture and sale of tyres. The Company was founded in 1972 and is headquartered in Gurgaon, Haryana (India).**

## CATERING TO ALL TYRE SEGMENTS

**TRUCK AND BUS  
LIGHT TRUCK  
PASSENGER  
VEHICLES  
TWO-WHEELER  
OFF-HIGHWAY**

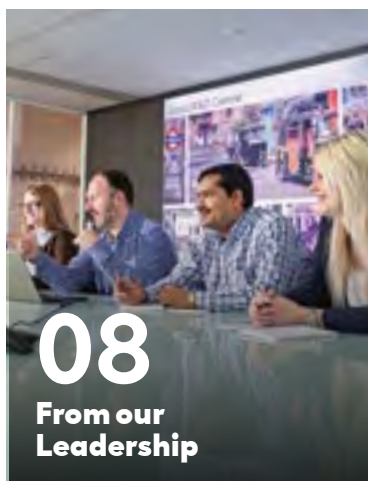
## KEY HIGHLIGHTS 2020-21

**₹169.5 Bn**

Sales

**₹3.5 Bn**

Net Profit



**08**

**From our  
Leadership**



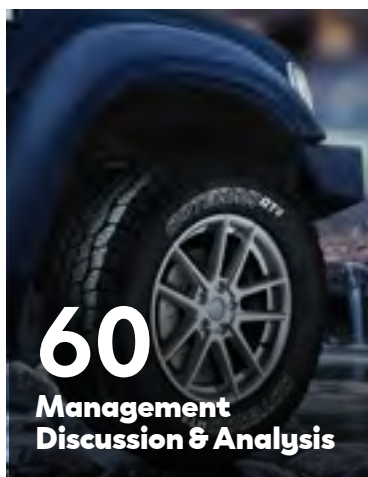
**18**

**Value Creation  
at Apollo Tyres**



**28**

**Our ESG  
Performance**



**60**

**Management  
Discussion & Analysis**

## Contents

### **02 Corporate Factsheet**

06 Key Performance Indicators

### **08 From our Leadership**

10 Chairman's Message

12 Vice-Chairman's Message

14 Board of Directors

16 Management Team

### **18 Value Creation at Apollo Tyres**

20 Creating Value for Stakeholders,  
across a Global Value Chain

22 Value Creation Model

24 Outcomes across Capitals

26 Interconnectivity between Capitals

### **28 Our ESG Performance**

30 Governance

36 Environment

40 Social

58 Being Future Ready

### **60 Management Discussion & Analysis**

### **78 Statutory Reports**

78 Board's Report

90 Annual Report on CSR

96 Business Responsibility Report

113 Corporate Governance Report

### **142 Financial Statements**

142 Standalone

207 Consolidated



## Corporate Factsheet

# Apollo Tyres at a glance

As one of the most trusted tyre businesses in India and globally, we persist in our aim to strengthen our market leadership to drive unprecedented growth for our stakeholders.



## Vision

**DRIVING PROGRESS,  
TOGETHER.**

## Values

We have reshaped our values and simplified them to all-encompassing three that sit at the heart of Apollo Tyres Ltd.

## FOLLOWING OUR PASSION

We champion ideas that inspire us to think big, be brave and challenge the ordinary

## ONE FAMILY

We create an exclusive culture that brings our people, partners community together

## TAKING RESPONSIBILITY

We are committed to building a responsible and sustainable business that benefits society

## A truly global business

We manufacture tyres in multiple state-of-the-art facilities and make them available across the world, through our extensive network of branded, exclusive, and multi-product outlets.

# 7

Manufacturing locations  
across India and Europe

# 2

Global R&D centres

# 100+

Countries served

## A strong portfolio of reliable brands

Our two key brands Apollo and Vredestein cater to specific consumer segments and the product portfolio comprises tyres for passenger, commercial, off-highway vehicles and two-wheelers. Each has a distinct positioning and brand language.



A choice of global and Indian original equipment auto players, the Apollo brand is available across all categories, including commercial, passenger vehicles, two-wheelers, farm and industrial.



The Vredestein brand is over 110 years old and has achieved premium brand status in the automotive industry. Products include car tyres, tyres for agricultural and industrial applications and bicycle tyres.







## Corporate Factsheet



### A people company

The skills, experience, diversity and productivity of our employees enable us to deliver on our promises.

# 18,734

Employees

### A calibrated financial strategy

We approach long-term returns with efficiency, foresight and prudence.

# ₹11.9 Bn

Capital Expenditure Outflow

# ₹27.9 Bn

EBITDA





## An endeavour for good

We have an ambitious sustainability agenda focused on supporting the society's holistic growth and preserving the planet that we cohabit.

**₹129.9 Mn**

CSR Spend

**~0.7 Mn m<sup>3</sup>**

Water Recycled/Reused

**Nearly**

**a million**

CSR Beneficiaries

**Over**

**36,000 GJ**

Energy Saved





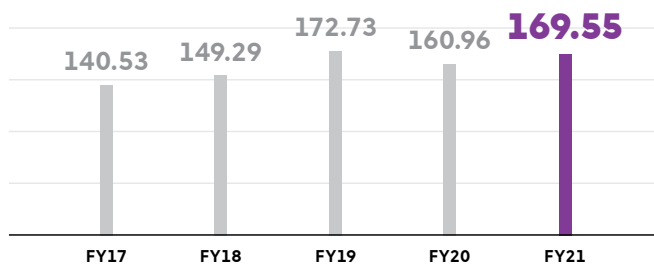


## Key Performance Indicators

# Delivering through challenges

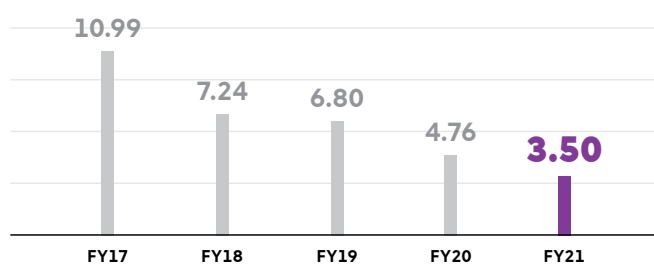
## Sales

[₹ Bn]

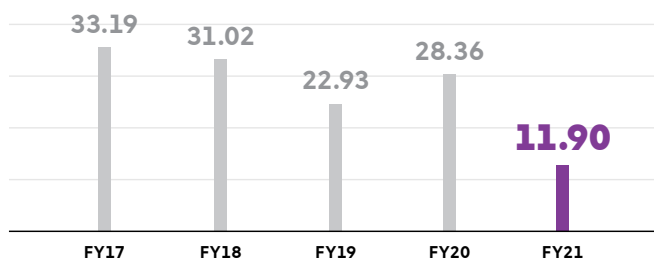


## Net Profit

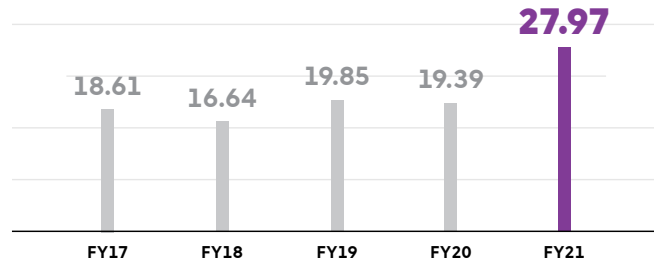
[₹ Bn]

Capital Expenditure  
Outflow

[₹ Bn]

EBITDA  
(excluding other income)

[₹ Bn]

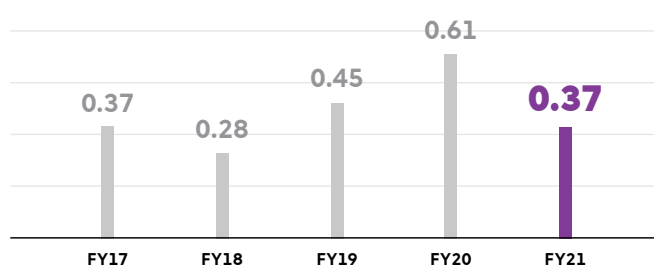
EBIT  
(including other income)

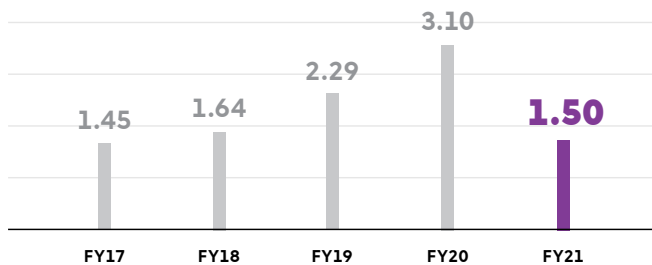
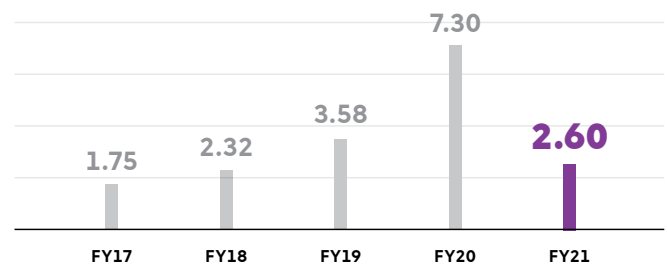
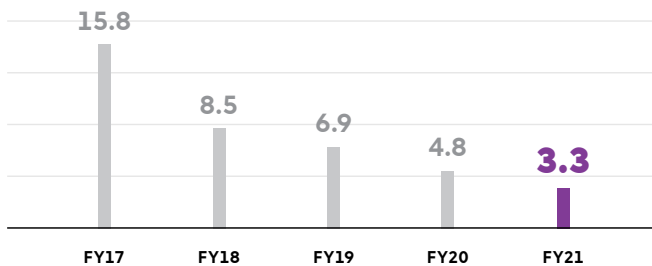
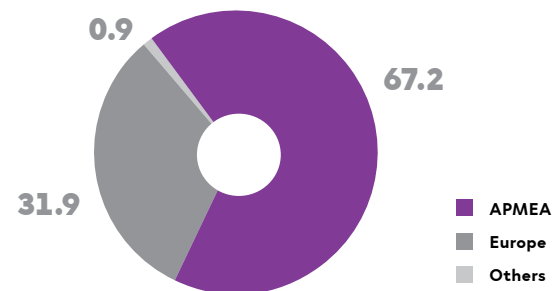
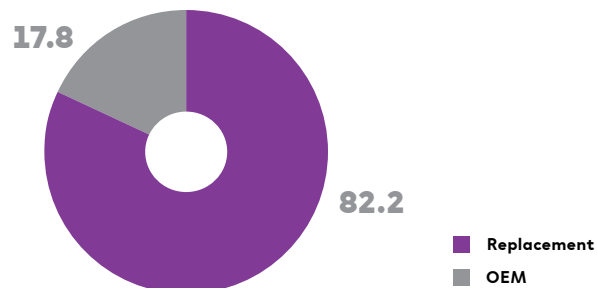
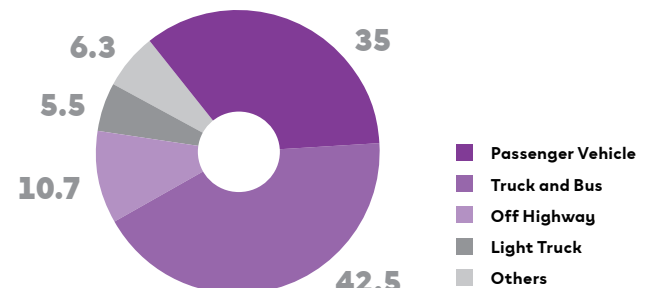
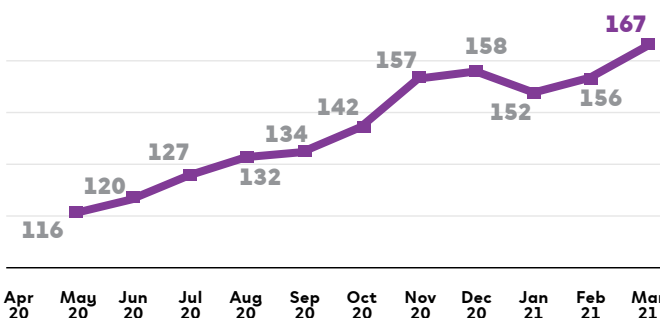
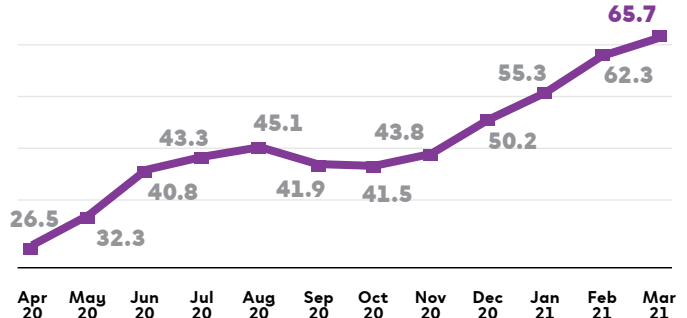
[₹ Bn]



## Net Debt/Equity

[Ratio]



**Net Debt/EBITDA  
(excluding other income)****[Ratio]****Net Debt/EBIT  
(including other income)****[Ratio]****Return on Equity****[%]****Revenue Segmentation  
by Geography****[%]****Revenue Segmentation  
by Customers****[%]****Revenue Segmentation  
by Products****[%]****Natural Rubber Price Movement****[₹/KG]****Crude Oil Price Movement****[\$/Barrel]**

# From our Leadership

At Apollo Tyres, our Board, Management and Governance Structure are designed to keep us stable and moving forward, no matter how tough the terrain or how long the journey.

Our leadership helps define and implement our strategy in line with our stakeholder commitments. We adhere to the strictest principles of compliance and ethics, while improving our ESG performance, leading to sustained value-creation for all stakeholders.





# 7th

Manufacturing facility globally  
(5th in India) inaugurated in  
Andhra Pradesh

## In this section

- 10 Chairman's Message
- 12 Vice-Chairman's Message
- 14 Board of Directors
- 16 Management Team



## Chairman's Message

# In pursuit of enduring value



During the year of the pandemic, we left no stone unturned to ensure that we live by one of our core values – 'Taking Responsibility'.

**Onkar Kanwar**

Chairman and Managing Director

## Dear Member,

I hope that you and your family members are safe and following all precautions and safety guidelines in these days of crisis.

We have been a witness to an extremely challenging and difficult FY21. The COVID-19 pandemic raged across the world and the ensuing challenges had to be faced by individuals, communities, organisations and countries.

In India, the fiscal began with a lockdown resulting in a never before situation for all of us. The main fallout of the lockdown (and the first quarter of the fiscal) was the plummeting demand for products and services. It was an extremely tough quarter for us as well, something that we have not faced in a long, long time. And for the first time in over two decades, we reported a quarterly loss of ₹ 135 crore (Euro 16.1 million) with both our Indian and European operations reporting losses for the quarter.

I have always maintained that we have tried to build a culture at Apollo Tyres where we see challenging times as opportunities. Like the theme of the annual report, each one of us at Apollo Tyres truly believes that 'No challenge too tough'. As difficulties forced all their might on us, we endured and overcame them, and leapt forward living our DNA of 'go the distance'.

At times, adversities bring the best in us and it was delightful to see Apolloites living the value of 'One Family' during the adversity. As your trustee of the value system in the company, I saw the spirit of empathy and the sense of togetherness as individuals and teams reached out to people inside and outside the organisation to help and support them during the pandemic. During such difficult times, we ensured constant communication with the employees and shared the challenges of living in a year of COVID-19. This helped us to continue our relentless focus on cost reduction and enhancing manufacturing efficiencies across the organisation. It is my firm belief that we need to drive unnecessary cost out of our business, as that is the delta between a profitable and a losing organisation in this increasingly global industry.

We have launched the Vision 2025 – 'Driving Progress, Together' – along with a new purpose and values to enable us to continue surging ahead, despite the challenges and adversities. I am confident that Team Apollo will continue to be firmly guided by its vision, purpose and values to take the company to new heights.

This helped us end the fiscal on a very healthy note with robust revenue growth across market segments and geographies.

During the year of the pandemic, we left no stone unturned to ensure that we live by one of our core values – 'Taking Responsibility'. Our teams across the regions extended themselves to distribute food and other resources to people across the country. Further, the best way of beating the virus was ensuring the right information of COVID-19 across various communities and we reached out to over a million people creating awareness and safety guidelines. We also joined the 'Jan Andolan' for Tuberculosis (TB) free India to contribute to India's National TB Elimination Programme to meet the ambitious goal of eradication of TB from India by 2025.

We are not out of the grim situation as the second wave has been causing massive disruption at personal and professional fronts. Yet we remain confident!

We have launched the Vision 2025 – 'Driving Progress, Together' – along with a new purpose and values to enable us to continue surging ahead, despite the challenges and adversities. I am confident that Team Apollo will continue to be firmly guided by its vision, purpose and values to take the company to new heights.

I would like to acknowledge every single employee, network partner and business partner for having stood by Apollo Tyres in these challenging times, and actively contributed to this success. I would like to thank each one of you, our valuable shareholders, for having been with us in this exciting journey. The support that we continue to receive from our banks, financial institutions and the various State and National Governments where we operate, enable us to excel and we remain grateful as ever.

We, at Apollo Tyres, remain committed and sincere in our efforts to keep delivering ever better value to you, our shareholders. I look forward to having many more exciting updates for you in the new year.

**Stay safe!**

Regards

**Onkar Kanwar**

Chairman and Managing Director

## Vice Chairman's Message

# Ahead with clear conviction



### Dear Member,

I sincerely hope that each one of you and your family members are safe, practising all safety protocols and continuing to adhere to all government guidelines.

'No challenge too tough' is the theme for the fiscal's annual report. It was a fiscal of the COVID pandemic which disrupted and challenged everything that we knew as normal.

As a global company, we faced various challenges and had to navigate multiple scenarios as the situation was different in each country and kept changing fast. We could not have a consistency of approach and had to learn quickly to live with the added complexity. And yet as the pandemic raged on, we forged a path through these uncertain times. We pushed the envelope and went the distance with a firm belief that no challenge is so tough that it cannot be overcome or converted into an opportunity to ensure that we are on our profitable and sustainable growth journey. FY21 was business as unusual!

## To take on the pandemic, we launched an internal global initiative – **DRIVE** (Discover new sales opportunities, Re-engineer Apollo, Inventory and production optimisation, Value of cash and Eliminate cost)

Given the pandemic, our first and foremost concern was the safety of our employees across the globe. We ensured COVID appropriate behaviour was strictly adhered to in all our offices and plants and urged people to follow it when at home. Within a short time, we created an entire eco-system to ensure that our employees could work from their homes and yet continue business as usual.

While business was unusual, life at Apollo Tyres remained as usual - fast paced. To take on the pandemic, we launched an internal global initiative – DRIVE (Discover new sales opportunities, Re-engineer Apollo, Inventory and production optimisation, Value of cash and Eliminate cost) and this helped us to not only to ease the pain of the pandemic but be ready when the lockdowns were lifted and post a healthy overall growth for the fiscal.

Digitalisation played a key role in the DRIVE journey. We added it to our focus on people, brands and product technology, as we ramped up our investment significantly in this area.

**A strategy based on these focus areas helped us to commission our 7th manufacturing unit globally, and the 5th in India, in Andhra Pradesh. We also inaugurated our two-wheeler radial tyre facility in Gujarat as we set our eyes on building a leadership position in highly profitable premium two-wheeler market.**

The fiscal saw the virtual launch of the new Vredestein Wintrac and the new Vredestein visual identity. This will allow us to position Vredestein as an ultra premium brand and take our marketing activities to the next level. We launched the Vredestein brand and its specially designed best-in-class product portfolio for the North American market.

And the year ended with the introduction of the Apterra Cross tyres for the Indian market. These are dedicated range of tyres for the fast growing compact SUV segment in India and a first in the industry.

As I look back, I see the year has indeed passed by quickly, despite the uncertainty all around us. I don't see uncertainty changing given the second wave of the virus hitting many countries even as it hit India hard. FY22 will not be an easy year and we have our work cut out to post profitable and sustainable growth.

We continue to plan ahead. We have launched our vision for 2025 – 'Driving Progress, Together' – along with a new purpose – 'Enabling Excellence'. These will be part of the new corporate identity which you have seen in the pages of the annual report.

I am confident that we will continue to be unstoppable in our pursuit to achieve the vision as I and every colleague at Apollo Tyres firmly believe in the power of the theme of the annual report and this gives us confidence in our ability to overcome any challenge.

I sincerely thank the support of every single member of the Apollo One Family including our employees, our network and business partners and our shareholders. I will continue to update you on a periodic basis and I do look forward to being in touch with you.

**In conclusion I urge you to follow all safety protocols and stay safe!**

With best regards,

**Neeraj Kanwar**

Vice-Chairman and Managing Director



## Board of Directors

# Diversified experience to deliver strong governance



**Onkar Kanwar**

Chairman and  
Managing Director



**Neeraj Kanwar**

Vice-Chairman and  
Managing Director



**Akshay Chudasama**

Regional  
Managing Partner,  
Shardul Amarchand  
Mangaldas & Co



**Vikram S Mehta**

Former Chairman,  
Shell Group of  
Companies



**Sunam Sarkar**

President & Chief  
Business Officer,  
Apollo Tyres Holdings  
(Singapore) Pte Ltd



**Robert Steinmetz**

Former Chief  
of International  
Business, Continental AG



**Pallavi S Shroff**

Regional Managing  
Partner, Shardul  
Amarchand  
Mangaldas & Co



**Gen. Bikram Singh  
(Retd.)**

Former Chief of  
Indian Army



**Francesco Gori**

Former CEO,  
Pirelli Tyre



**Vinod Rai**

Ex-Comptroller and  
Auditor General of India

**Anjali Bansal**

Former Global Partner  
and MD,  
TPG Private Equity



**Satish Sharma**

President (APMEA) and  
Whole-time Director



**Francesco Crispino**

Co-founder,  
Greater Pacific Capital



**Vishal Mahadevia**

Managing Director,  
Head of India  
Warburg Pincus



## Management Team

# A hands-on team that steers performance



**Onkar Kanwar**

Chairman and  
Managing Director



**Neeraj Kanwar**

Vice-Chairman and  
Managing Director



**Daniele Lorenzetti**

Research and  
Technology



**Gaurav Kumar**

Finance and Legal



**K Prabhakar**

Projects



**P K Mohamed**

(Advisor) Technology





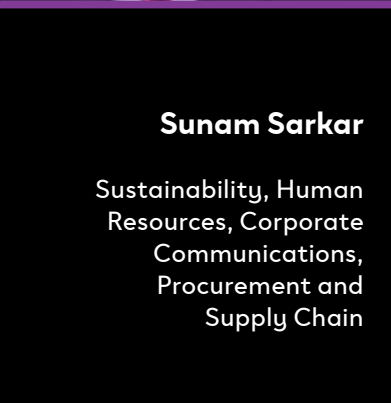
**Pedro Matos**

Global Programme  
Management and  
European OE Business



**Satish Sharma**

Asia Pacific, Middle East  
and Africa Operations



**Sunam Sarkar**

Sustainability, Human  
Resources, Corporate  
Communications,  
Procurement and  
Supply Chain



**Benoit Rivallant**

European  
Operations



**Hizmy Hassen**

Digitalisation and IT



**Yoichi Sato**

Quality, Health, Safety  
and Environment

# Value Creation at Apollo Tyres

Apollo Tyres commenced its integrated reporting journey in FY18, to articulate its performance across six identified capitals, its strategic way forward and progress.

We conducted the materiality assessment in FY18 as per the Integrated Reporting framework. A third-party study was commissioned to identify the material issues by mapping stakeholder concerns and the business priorities.

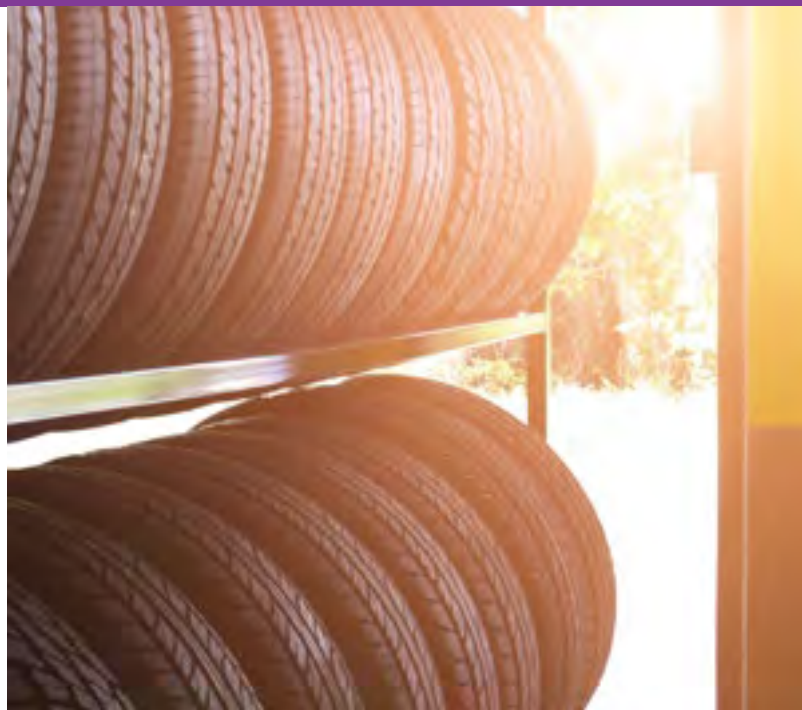
## 7,248 MT

Total Recycled Material used

## 22 patents

filed in FY21

## 18







## In this section

- 20 Creating Value for Stakeholders,  
across a Global Value-Chain
- 22 Value Creation Model
- 24 Outcomes across Capitals
- 26 Interconnectivity between Capitals

# Creating Value for Stakeholders, across a Global Value Chain

## STAKEHOLDER MAP

Six stakeholder groups play a pivotal role in our business



Employees



Community



Shareholders & Investors

## MANUFACTURING AND R&D REGIONS



### MANUFACTURING LOCATIONS

1. Enschede, The Netherlands
2. Gyöngyöshalász, Hungary
3. Chennai, Tamil Nadu
4. Limda, Gujarat
5. Perambra, Kerala
6. Kalamassery, Kerala
7. Chinnapandur, Andhra Pradesh



### R&D LOCATIONS

1. Enschede, The Netherlands
2. Chennai, Tamil Nadu



## PROCESS

Our business processes outline the key activities that are intrinsic to our operations



**Research and innovation**  
at R&D locations in Asia and Europe



**Manufacturing**  
at plants in Asia and Europe



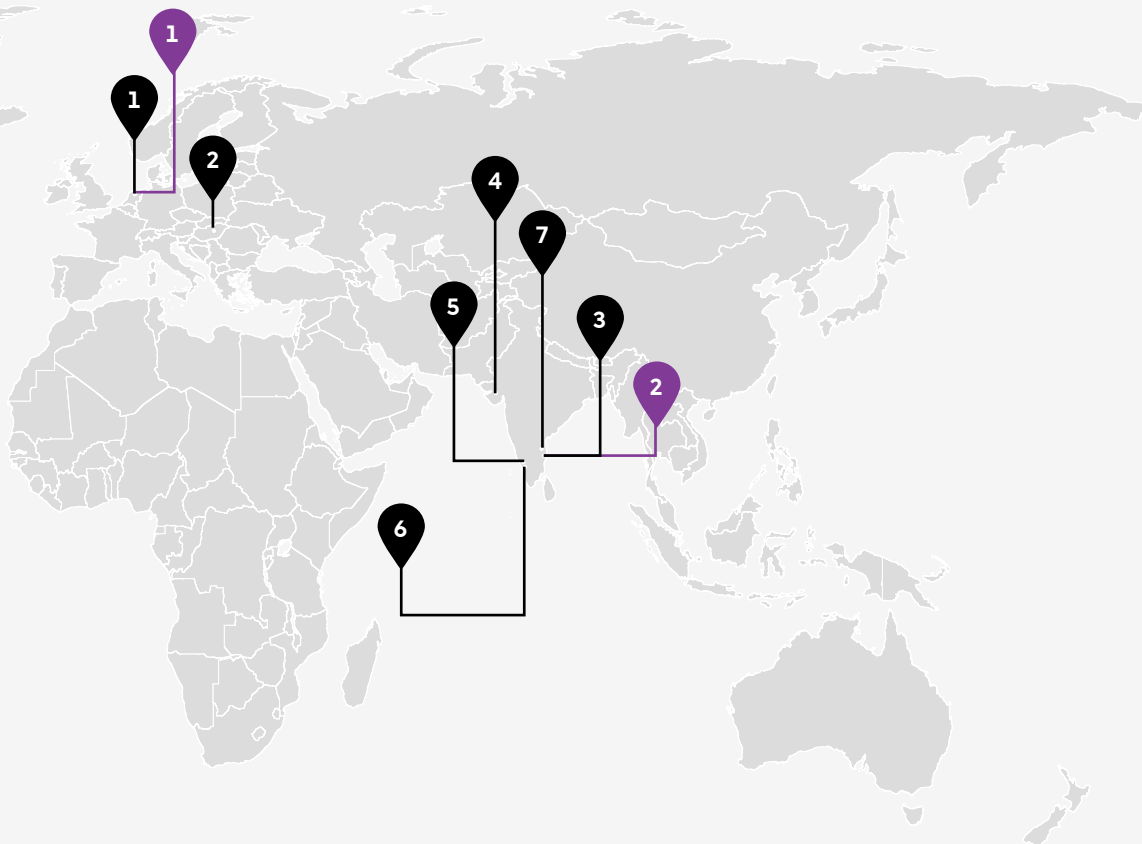
Value Chain Partners



Customers



Environment



\*Map not to scale



**Marketing and distribution**  
in USA, Europe, the Middle East, India  
and other parts of Asia





## Value Creation Model

## CAPITALS

## &gt; INPUT



### Financial Capital

**₹11.90 Bn**

Capital Expenditure  
Outflow (consolidated)  
(as on FY21)

**₹114.43 Bn**

Capital Employed  
(consolidated)  
(as on FY21)

**₹41.98 Bn**

Net Debt (consolidated)  
(as on FY21)



### Human Capital

**18,734**

Total workforce  
(as on FY21)

**Safety Culture**

Across the operations  
as an enabler

**Apollo Virtual Academy**

For promoting Learning  
and Development



### Social and Relationship Capital

**₹129.91 Mn**

CSR Spend in FY21

**Sampark 2**

A digital platform to  
conduct all business  
transactions

**Apollo Partnership Pact [APP]**

For Preferred Upstream  
Suppliers



### Intellectual Capital

**420**

Skilled R&D Workforce

**₹893.28 Mn**

Research & Development  
allocated capex  
(consolidated) for FY21



### Manufactured Capital

**7**

Operating sites across  
the globe

**2**

Dedicated R&D  
Centres

**₹145.24 Bn**

Property, plant and  
equipment (consolidated)  
(as on FY21)



### Natural Capital

**583,321 MT**

Of Raw Material  
Consumed in operations

**4,444 TJ**

Of energy consumed

**5.19 Mn m3**

Water consumed

## &gt; OUTPUT

## &gt; CONTRIBUTION TO SDGs

**₹24.47 Bn**Cash generated by  
operating activities  
(consolidated) for FY21**₹27.97 Bn**Consolidated  
operating profit  
(EBITDA excluding  
other income) for FY21**31%**Reduction in Lost Time  
Injury Frequency Rate  
over FY20**98,935**Accident prevention  
opportunities were identified  
56% higher than the last year**Nearly a  
million**

CSR beneficiaries

**80%**APP Endorsements  
upstream raw material  
suppliers**68**Dedicated  
CV zones**22**

Patents filed in FY21

**₹375.95 Mn**Intangible assets worth  
(standalone) in FY21**Installed Capacity (MT)**

- LIMDA: 199,433
- CHENNAI: 301,556
- PERAMBRA: 110,508
- KALAMASSERY: 41,763

- CHINNAPANDUR: 21,163
- HUNGARY: 56,376
- ENSCHEDE: 59,623

**100+**

Countries Served

**5.84 Lakhs**  
tonnes of CO<sub>2</sub> eq  
Total GHG footprint**Over  
21,000 MT**  
Of solid waste generated

## The Value Creation endeavours of the Company has created the following outcomes across the Capitals.



### FINANCIAL CAPITAL

**1.50**

Net debt to EBITDA  
excluding other income  
(ratio) (consolidated)

**₹5.68**

Earnings per share  
(consolidated)

**0.37**

Net debt to Equity  
(ratio) (consolidated)

**3.3%**

Return on Equity  
(consolidated)

Credit Ratings

CRISIL AA+/  
Stable for Long term

CRISIL A1+ for Short term

IND AA+/  
Stable for Long term

IND A1+ for Short term



### HUMAN CAPITAL

- Launched Apollo Virtual Academy for global employee engagement and learning & development, with 23 in-house and live global (Refresh@Apollo) webinars hosted, and 38 virtual online self-paced courses offered

- ADMIRE programme, focused on sales capability development attended by frontline field sales managers, and Winning with Customers & Apollo ONE designed to enhance managerial and functional skills.

- Speak Up for safety programme reached out to workers on one-on-one basis as part of micro learning programme. 215,248 Safety contacts were made successfully.

- 65,590 behavior observations made on the shop floor to strengthen the safety culture, 29% higher than last year.

- Risk-based training introduced in FY21. 18,140 training man-days across manufacturing operations, 15% higher than last year.

- Diversity is critical on our People Pillar, focusing on provision of equal opportunities and increasing women participation. 21% of workforce is women in Hungary.



### SOCIAL & RELATIONSHIP CAPITAL



#### Community

**₹1 Mn +**

Women beneficiaries earned  
through mask production

- Recognition by Ministry of Health and Family Welfare for efforts on TB Eradication
- Received an appreciation from Haritha Kerala Mission, Kerala Government for Mangrove Conservation



#### Value Chain

- Close to 250 AVK/ ARD and more than 1000 REDs in the rural network
- Exclusive rural engagement vehicle - Apollo Vikas Kendra



#### Customers

- Apollo Quick Service and AQS Lite caters nationally with 915 centres in FY21
- Dedicated Commercial Vehicle Zones in FY21 - 68
- 50 CV Zones certified by third-party for standardisation for better safety and hygienic environment
- Total 550 digital activities and 50 influencer activities conducted in FY21 as a part of Apollo Tractor Owners Meet [ATOM] in FY21



## INTELLECTUAL CAPITAL



## MANUFACTURED CAPITAL



## NATURAL CAPITAL

Products  
Commercialised

**34** PCR Domestic      **83** Export

**7** TBR Domestic      **1** Export

**2** Two Wheeler (2W) and Three Wheeler (3W) Domestic

**14** OHT/ TBB Domestic      **3** Export

Intellectual  
Property

- Patents filed in FY21  
22 Nos (total 181 active patents across geographies)
- Design registrations in FY21  
44 Nos (total 193 designs across geographies)
- Trademarks filed in FY21  
12 (approx. 1000+ active trademarks across geographies)

Research  
Collaboration

- Global R&D centre Chennai is now an approved Research centre of IIT Madras

**₹13.15 Bn**

Depreciation and Amortization (consolidated) in FY21

**₹7.1 Bn**

Depreciation and Amortization (Standalone) in FY21

**₹1.17 Bn**

Impairment of fixed assets in FY21

**₹11.90 Bn**

Capital Expenditure Outflow (consolidated) in FY21



## Environment

**696,464 m3**

Total water recycled/reused

**7,248 MT**

Total recycled material used

**36,795 GJ**

Total energy saved in FY21

**24,500 tonnes of CO<sub>2</sub>**

Total amount of GHG sequestered

## Interconnectivity between Capitals

At Apollo Tyres, we consider our capitals as stocks of value that interact with each other to deliver larger stakeholder and organisational value. As they interact, they result in key trade-offs, which we strive to optimise.



### Interlinkage of Financial Capital with other capitals

Financial capital stock is utilised to build on other forms of capitals. These in return help in contributing to the financial capital itself, and Manufactured and Social & Relationship capitals.



### Interlinkage of Human Capital with other capitals

The Company's human capital stock is positively impacted when it invests in skill development initiatives to improve the technical know-how for better operations. This also benefits the individuals with career enhancements, and increasing growth prospects, thereby increasing intellectual capital stock as well positively impacting the financial capital stock by enhanced profitability.



### Interlinkage of Social and Relationship Capital with other capitals

The Organisation invests proactively in developing its social and relationship capital stock. This translates into build up in financial capital and natural capital stocks over the long term.





### Interlinkage of Intellectual Capital with other capitals

The Company builds its intellectual capital stock through investments in state-of-the-art R&D facilities together with skilled human resources. This also augments the rise in Manufactured and Human capitals. The products developed through innovation and collaborations with other institutions consequently translate into positive build up in financial, natural and social & relationship capitals.



### Interlinkage of Manufactured Capital with other capitals

The manufactured capital stock gets positively impacted with the Company's strategic focus on growth projects. Increasing capex on manufacturing plants to access domestic as well as global markets impacts financial capital and natural capital in the near term. The enhanced manufactured capital in terms of new products across segments will help in achieving growth in market share. This shall eventually help in building the financial and social & relationship capital.



### Interlinkage of Natural capital with other capitals

The conservation and efficiency initiatives align to conservation of Natural Capital. This in turn, also helps in improving the Financial Capital stock. The Company focuses on state-of-the-art operation and R&D to build manufacturing and intellectual capital stocks which in turn cater to a positive natural capital stock. To further reduce impact on natural capital, the Company invests in community development projects like Environmental Protection thereby increasing social & relationship capital through generation of common natural assets.







# Our ESG Performance

At Apollo, we believe in a long-term approach to business. Hence, we accord equal importance to both financial and non-financial parameters that contribute to our overall growth and business viability. While considering the non-financial parameters, we evaluate our performance across the three facets of Environmental, Social and Governance (ESG).

## Approach

Apollo Tyres has developed its own Sustainability Management Framework (SMF), aligned to the global standard of ISO 26000 on Social Responsibility. The sustainability performance is presented through a stakeholder lens under the three pillars of ESG.

**NOTE:** This report covers information pertaining to the period from **April 1, 2020 to March 31, 2021**. The scope of the report includes Apollo Tyres' European operations including Enschede, The Netherlands and Gyöngyöshalász, Hungary; and APMEA operations including Chennai, Tamil Nadu; Limda, Gujarat; Perambra and Kalamassery (leased unit), Kerala; and Chittoor, Andhra Pradesh.



## Governance

- 31 Drivers for Sustainability
- 31 Sustainability Committee to build oversight
- 32 Sustainability Roadmap 2025
- 32 Framework for Sustainability
- 35 Policy Framework for Seamless Governance

## Sustainability Roadmap 2025 defined

## Environment

- 37 Raw Material Footprint
- 37 Energy Performance
- 38 Sustainable Water Use
- 38 Climate Adaptation and Promoting Biodiversity
- 39 Prevention of Pollution
- 39 Beyond the Fence

**13.4%**  
Water recycled  
or reused in FY21



## Social

- 41 Customers - Central to Existence
- 44 Value Chain - Partners in Progress
- 48 Engaging with Communities
- 54 Performance against Sustainable Development Goals
- 56 People - The Inner Core

**Nearly a million**  
CSR beneficiaries

**80%**  
Raw material  
suppliers  
endorsed APP

58 **Being Future Ready**





## Governance



# For an Enabling Ecosystem

At its core Apollo Tyres has a robust governance model that acts as an enabler to realise far-reaching outcomes with a strong sense of purpose.

Apollo Tyres has invested in processes guided by forward-looking policies to build an Institution of Tomorrow. Over the years, the Company has created a solid foundation where values of ethics, integrity and purpose are deep rooted.

## Drivers for Sustainability

Apollo Tyres has always believed that sustainability is not just a 'good to have' but a 'must have' attribute for any organisation aspiring to generate continual value for its stakeholders. With this value proposition, the Company has taken a framework approach to deep root sustainability principles into its core operations and business goals. In the reporting year, the Company strengthened its commitment to pursue sustainability by re-looking at its review mechanisms, assessing emerging challenges in domains like climate induced risks and setting a roadmap on sustainability for 2025.

The Company's sustainability strategy outlines its inclusive growth approach by syncing with environment conservation, social prosperity and economic well-being.

This is further manifested through its well-developed and implemented Sustainability Management Framework. The framework has supported the integration of sustainability into all levels of the corporate strategy, business model and value chain.

In its efforts to make sustainability performance a core business objective, the Company started to submit its disclosures based on international guidelines from 2010. These disclosures have been instrumental in assessing the actual performance, setting benchmarks and supporting continual improvement towards a better growth trajectory in all domains of the triple bottom line – **social, environmental and financial**.

## Sustainability Committee to build oversight

The Sustainability Committee, with representations of the senior members of the Management Board, is a conduit between the Board and the Company. It serves to provide

oversight on sustainability issues of critical significance and guide the Company towards achieving sustainability objectives. The committee is responsible for setting up an overall vision.

The key responsibilities of the committee are enumerated below:

01/

**Manage sustainability statement and framework**

02/

**Develop strategy and implement priority/focus areas**

03/

**Review sustainability risk register or framework**

04/

**Identify focus areas and fix overall targets in the roadmap**

05/

**Allocate required resources for achieving projects/objectives**





## Governance

### Sustainability Roadmap 2025

The Company has defined its Sustainability Roadmap 2025 with six key focus areas:



**Combating  
Climate Change**



**Working towards  
Circular Economy**



**Establishing  
Sustainability  
Governance model**



**Building a  
Responsible  
Value Chain**



**Fostering a  
People Centric  
approach**



**Engaging with  
Communities**

Action plans are being drawn for each of these focus areas to achieve tangible outcomes by 2025.

### Framework for sustainability

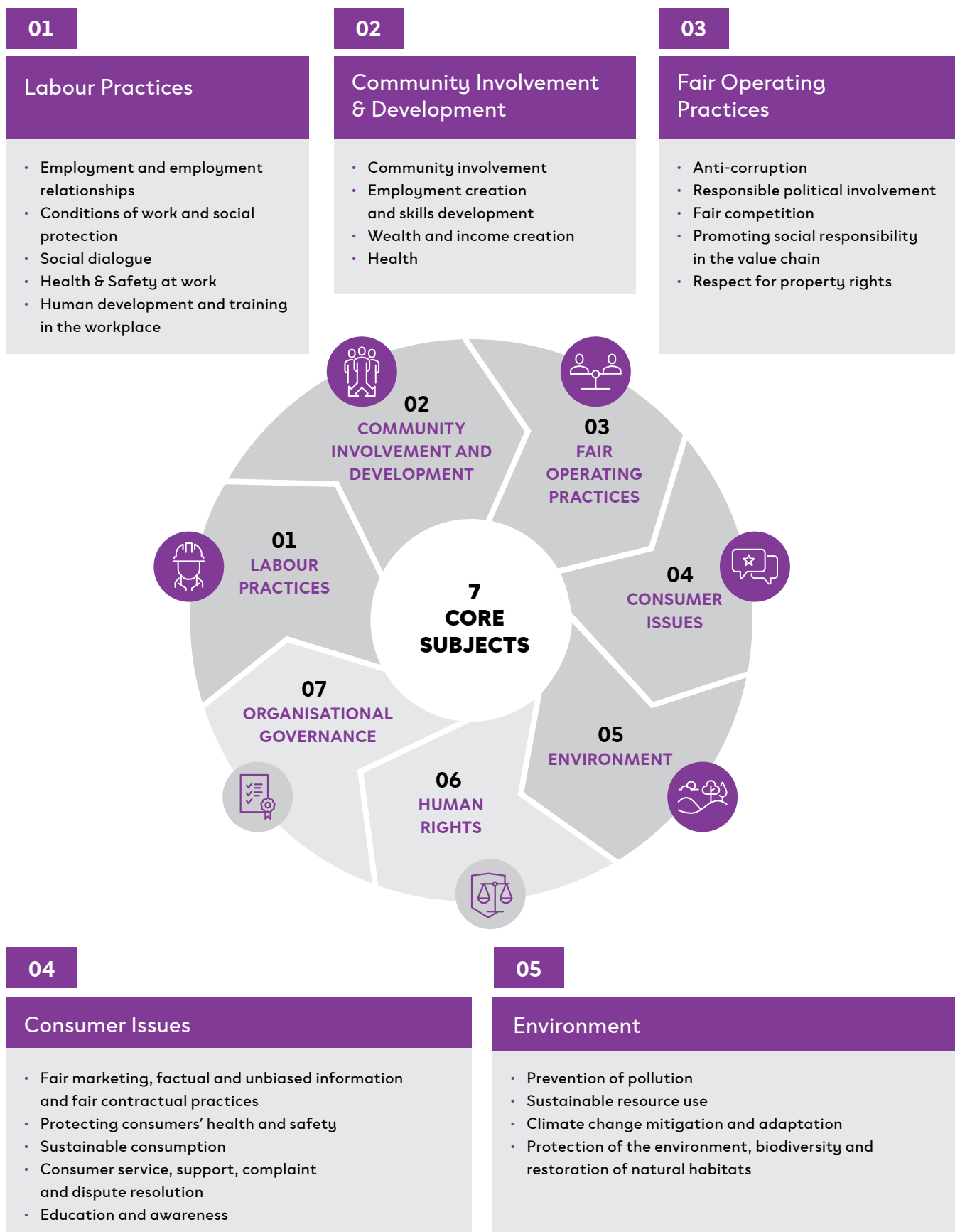
Apollo Tyres adopted ISO 26000:2010, an International Standard on social responsibility, to develop its Sustainability Governance Model.

The standard states seven areas, referred to as 'Core Subjects', which any organisation should consider developing a socially responsible entity.



Out of the seven core subjects listed under ISO 26000:2010, Apollo Tyres has adopted five, addressing 23 issues

■ Subjects adopted by Apollo Tyres



## Governance

### RISKS AND MITIGATION

The Company has in place a robust risk management framework that identifies and evaluates business risks and opportunities. The Company's risk management processes focus on ensuring that these risks are promptly identified, and a mitigation action plan is developed and monitored periodically to create sustainable growth.

Sustainability risks are identified through formal and informal interactions with the stakeholders, and mitigation plans are developed. The risks are prioritised and reported to the Board each quarter.

The Company's risk management framework operates with the following objectives:

**Proactively identify and highlight risks to the right stakeholders**

**Facilitate discussions around risk prioritisation and mitigation**

**Provide a framework to assess risk capacity and appetite; develop systems to identify any red flags**





## FAIR OPERATING PRACTICES

Apollo Tyres' business dealings involve the relationships between the organisation and its partners, suppliers, contractors, customers, competitors and associations wherein it holds membership. As a responsible organisation, it identifies, adopts, and applies standards of ethical behaviour appropriate to its purpose and activities.

The Company has been able to sustain productive relationships with organisations because of its responsible business practices. Its values are key to the way its employees work and interact with customers, suppliers and colleagues across the business. The Code of Conduct sets out key policies that outline the standards and behaviours that help to shape and strengthen the organisational culture.

### Anti-corruption

Apollo Tyres has a zero-tolerance approach towards corruption. It is in compliance with all applicable legal and regulatory requirements and has formulated a Code of Conduct for all employees along with a vigil mechanism through Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected, fraud or violation. The functioning of the whistle blower mechanism is periodically reviewed by the Audit Committee of the Board. There are laid down procedures in reporting breaches of the Code of Conduct.

### Fair competition

Apollo Tyres considers its vendors as long-term business partners. It is committed to conducting business affairs in a fair and ethical manner that promotes open and fair competition in its best interests and its business partners. The Company has been proactive in ensuring compliance with all applicable laws, rules and regulations laid down. It has developed a Competition Compliance Manual to prevent engaging in anti-competitive behaviour and conducts employee awareness on legislations related to fair competition through regular e-mailers, newsletters, trainings, meetings and manuals.

## Task Force on Climate-related Financial Disclosures (TCFD)

Assessment conducted in FY21

## Policy Framework for Seamless Governance

The Company is guided by appropriate publicly stated policies to address the needs and expectations of its spectrum of stakeholders. Some of the policy provisions are highlighted below. All the policies are available on the company website.

Read more on our

**Sustainability statement:**

**Guiding framework for the company formulated**





## Environment

# Operating Within the Ring of Nature

True awareness of the limits of nature has augmented the Company's philosophy to innovate for a better environment. Each tyre rolling out of the manufacturing site represents the Company's commitment towards a 'sustainable habitat' for all.

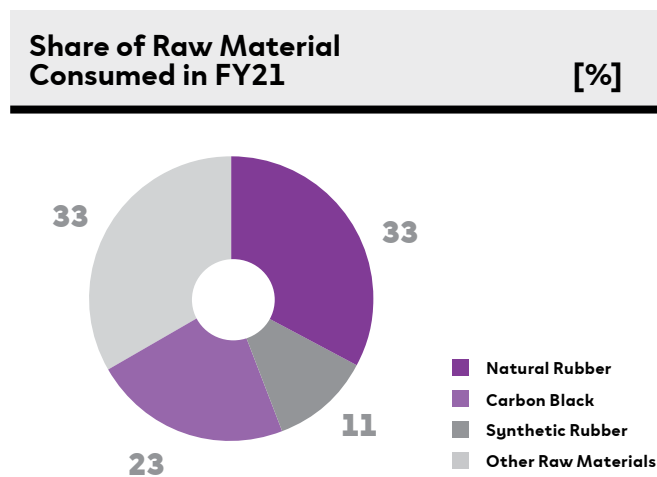
Apollo Tyres has long considered the environment as one of its most influential stakeholders. The need to operate in complete harmony with natural systems is conspicuous in the various initiatives and innovations taken by the Company. These are aimed at a better future for all stakeholders and a **reassurance to Earth** – that we are **Partners**.

### Key aspects while delivering on environmental stewardship:



## Raw Material Footprint

The three main constituents used for manufacturing tyres are natural rubber, synthetic rubber and carbon black. These constitute a major part of the raw material while there are some other materials required to complete the raw material requirement. The total raw material consumed in the operations in FY21 stood at 583,321 MT.

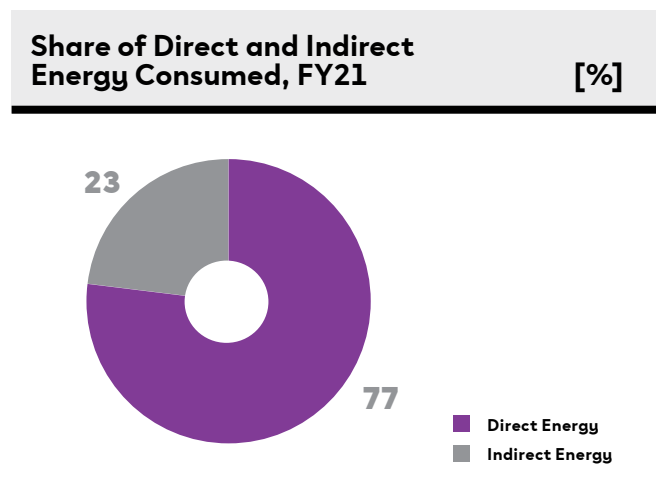


# 7,248 MT

Total recycled material

## Energy Performance

Apollo Tyres utilises a mix of renewable and non-renewable fuel types to meet its energy requirements. In its India operations, the main source of direct energy continues to be coal, while in Europe the main fuel is natural gas. It has also invested in renewable energy like solar and wind power as direct energy sources.



# 4,444 TJ

Total energy consumption (from both direct and indirect sources) for the reporting year



## Environment

The Company has been making efforts to achieve energy efficiency through improvements in its process design, conversion and retrofitting of equipment and use of energy-efficient equipment. There were several initiatives that were undertaken during the reporting period resulting in 36,795 GJ of energy savings.



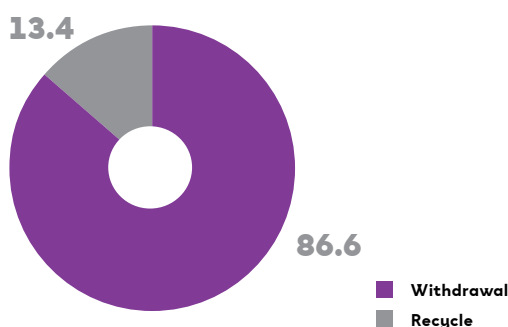
### Sustainable Water Use

The primary source of water at the operations is surface water. Other sources included ground water and municipal water.

The APMEA operations carried out several initiatives to conserve water. Some of them are enumerated below:

- Increased reuse of rainwater in the process
- Automatic make up water system for domestic water usage
- Condensate recovery system from steam trap drains
- Ultrafiltration unit installed to treat ETP Final Water for Reusing as plant soft water
- Ultrafiltration water treatment for STP

#### Break-Up of Total Water Usage in terms of Recycled Water and Fresh Water Withdrawal, FY21 [%]



# 696,464 m3

Total recycled or reused water which was 13.4 % of total annual water withdrawal

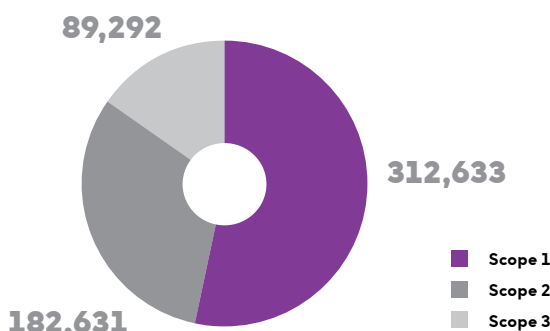
## Climate Adaptation and Promoting Biodiversity

Climate adaptation is one of the key considerations in the automobile industry. As an important representative of the automotive industry value chain, Apollo Tyres has been working on this aspect within its zone of influence. The Company has been measuring and monitoring its carbon footprint. To promote a climate conscious manufacturing setup, the Company has invested in renewable energy as well as various energy saving initiatives.

#### Climate adaption through energy conservation

A substantial reduction of water consumption has been achieved for both PCR (11.5%) and TBR (10.5%) tyre production. Nitrogen curing technology has been implemented in the new tyre plant to reduce further water consumption. A new process to ensure a uniform cure across the tyre, consistent durability and energy saving has been introduced. The Apollo Mixing Technology concept has helped increase efficiency in manufacturing by 15% and extrusion by 20%, thereby saving energy.

#### Carbon Emission Profile FY21 [tCO<sub>2</sub> eq]



The carbon footprint has been externally assured by an independent 3rd party. The assurance statement is a part of the Sustainability Report.

During the fiscal, the Company undertook a detailed climate risk assessment as per the Task Force on Climate-related Financial Disclosures framework. The Company has also been reporting to the Carbon Disclosure Project on climate change to better respond to the growing needs of its stakeholders for information related to the Company's preparedness in addressing climate-related impacts.

With a view towards enhancing the biodiversity quotient within the fence, the Company's environment programme HabitAt Apollo has designed and implemented several activities within the plants including maintaining existing theme gardens such as butterfly garden and snake repellent plant belt in Kalamassery plant or Apiculture from rubber trees within the premises at Perambra plant and organic farming project at Limda, Gujarat.



## Prevention of Pollution

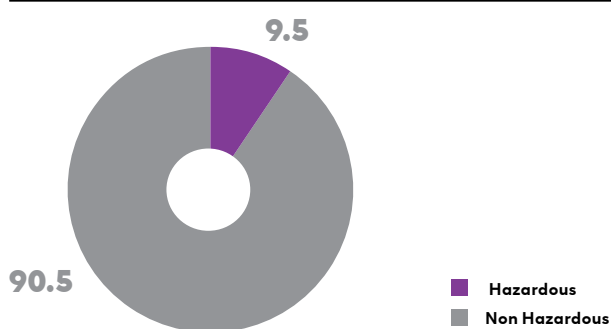
Apollo Tyres strives towards improving its environmental performance by reducing pollution including emissions reduction, water management, waste management, usage/ disposal of toxic and hazardous chemicals and other identifiable forms of pollution. Manufacturing operations use state-of-the-art technology to ensure cleaner operations.

# 21,142 MT

Total solid waste generated in the reporting period. Additionally, 107 kilolitres of liquid hazardous waste was also generated in the reporting year.

Solid Waste generated  
by type, FY21

[%]



## Beyond the Fence

The Company partners with like-minded institutions and corporates to promote water stewardship, waste management and conservation of biodiversity in communities through various initiatives. These are detailed in the Social section of this report.



## Social

# Enriching and Empowering a Prosperous Society

The existence of a broad spectrum of stakeholders with varied expectations is our biggest propeller towards growth. Each day we step up our efforts to match their aspirations and create shared prosperity in the process.





## Customers – Central to Existence

Customer-centricity has always been critical to Apollo Tyres. Listening to customers to understand their requirements and identify efficient solutions has been one of the greatest strengths that has made the company a preferred brand over the years.

In the tyre industry, beyond quality and a competitive price, quality of services also plays a key role in enhancing customer loyalty. Customer loyalty begins with the quality of the products and the quality of services plays a key role in the engagement levels with the customers. In line with the perspective, the Company has realigned its approach to customer relationship management into two broad themes – Customer Care and Transparent Communication.

### CUSTOMER CARE

#### Safety a priority

The Company lays emphasis on customer safety while designing and manufacturing the products. It strives to provide its customers with a product that is safe, reliable and efficient, and at the same time has minimum impact on the environment. These are ensured through a combination of rigorous systems, procedures, adhering to all applicable norms and standards and as per the tyre application recommended by the Company. Products are labelled giving sufficient information to the customers regarding the product safety enabling them to make informed decisions in addition to ensuring compliance with applicable rules and legislations.

The Company conducts periodic investigations at each stage of the product lifecycle to ensure that the product is safe for use. It also educates dealers and consumers on the proper use of products.

#### Customer delight - a lasting commitment

The Company invests in customer service function – equipping it with specialised knowledge on products, technical expertise and commercial understanding to provide value added services to its customers.

Apollo Tyres constantly works towards improving its products. Regional Inspection Centres set up across India carries out checks on returned products. The insights gained are shared with the manufacturing and R&D teams for improving the quality of the products and minimising wastes. Further, customer complaints help the Company to better align products/services to customers' interests.

To ensure customer delight, the Company is working on concepts like Apollo Tyre Service Centre and to doorstep delivery of services with service tractor in rural areas.

**Apollo Tyre Service Centre:** Increasing the ease of service and facilitating customers with a faster resolution with spot complaint settlement including tyre replacement. Coupled with additional tyre services at these centre is helping the Company create customer delight.

**Service Tractor:** The Company has started doorstep services in rural to improve uptime.

**Apollo Quick Service:** Complaints are registered at a single point of contact – Apollo Customer Care and distributed to nearest dealer to the customer based on pin code mapping.

#### Customer engagement

Apollo Tyres continuously engages with its customers through different forums to gather inputs and suggestions utilised to serve them better. The Company has set in place multiple initiatives to capture customer feedback. These include the 'Voice of Market' programme which gets feedback from touch points like Fitter, Retreader, Casing Dealer, Drivers. 'Load and Fitment' studies which provide a comparative insight against peers on product parameters like fitment share, brand of choice, current loading trends, usage practices by customers on various tyre brands, etc. Further, the Company gets feedback on its products and services through its dedicated customer service team and its Apollo Customer Contact Centres.

#### Commercial vehicle (CV) zone:

The Company is expanding its CV Zone centres to cater to the need of truck wheel alignment promoting safety culture. A total of 68 centres are operational in FY21.

To standardise the services and to ensure safety and hygienic environment to both visiting customers and serving staff at the CV Zones, the company started its journey of TUV SUD certifications across CV Zones. The certification process has been completed at 50 CV zones in the reporting period.

## Social

### TRANSPARENT COMMUNICATION

#### Apollo Tyres 360° Customer Approach

##### Apollo Certified Fitter (ACF)

A fitter engagement and welfare initiative to educate customer to follow recommended fitment practices, inflation pressures for tyre longevity and using right tools and safety measures. Sustained the touch point and initiated internal audits for better customer service experience. The organization has increased its network of Apollo Certified Fitters from 390 in FY20 and no expansion due to COVID this year.

##### Apollo Radial Service Assistance (ARSA)

An initiative to engage with customers to optimise operational efficiency in their fleet. A technically trained and qualified person is allocated to the fleet for standard checks like vehicle inspection, scrap tyre inspection, inflation and other routine work which leads to an enhancement in operational efficiency by 15-20%. "Sustained the touch point and initiated internal audits for better customer service experience".

##### Apollo Radial Repair Centre (ARRC)

An initiative to motivate and equip dealers to support customers by repairing damaged tyres, instead of scrapping them. "Sustained the touch point and initiated internal audits for better customer service experience".

##### Apollo Quick Service (AQS), Tubeless Service Point (TSP)

A programme to provide quick redressal to customers, like complaint redressal at business partner counter only. Also extended service reach in the name of AQS Lite at OEM Franchisee ( M&M and TAFE) at selected outlets with partial empowerment. Added 139 AQS Lite and 347 AQS centres in FY21 and now it is 915 to nos., nationally. Extended our service during the pandemic situation.

##### Apollo Tractor Owners Meet (ATOM)

A farmer engagement and welfare initiative to educate tractor owners in tyre care and repair. Dealers, franchisees, fitters and retreaders are invited to training sessions. Total 550 nos digital activities and 50 influencer activities conducted during times of COVID.

##### Apollo Direct (Contact Centre Management)

A dedicated customer care service centre for grievance redressal. It is open all seven days of a week and addresses queries and complaints in English and regional languages. Customers are encouraged to approach us with their query, feedback and grievances.

#### Customised solutions to Passenger Vehicle (PV) commercial fleet owners

The core purpose of this activity continues to engage PV commercial fleet owners. During the fiscal, the Company conducted 1,057 activities with PV commercial fleets across the geographies. The campaigns were focused on customer engagement and safety trainings including areas like minimising operational tyre failures. Importantly the campaigns focused on product information on Amazer 4G Life like helping them understand benefits of the product and how to reduce operational costs.



## INNOVATION

There is a strong emphasis on innovation to provide customers with world-class products. The Company has positioned its R&D as a critical function catering to varied demands of the consumers. There is a dedicated R&D department with 420 skilled, experienced and technically qualified employees. The Company's Global R&D Centre in Asia is an approved Research Centre of IIT Madras and Anna University Chennai. The Company has also sponsored doctoral students at various IITs, BITS, MG University, etc. Several scientists working in R&D are registered for PhD programmes at multiple universities. In Europe, the Centre has numerous affiliations with research institutes and dedicated close partnerships with suppliers focused on innovative and sustainability projects.

As part of sustainability strategy, the Company has committed to the objectives of the European Green Deal, by the introduction of increased bio-based and recycled raw materials, and reduction of substances of concern in its products.

The Company's R&D is at the forefront of this with numerous initiatives to enhance product performance, use of renewable material and creating safer, sustainable tyres.

### Performance

The Company achieved a low rolling resistance of 5.4 kg/t concept OEM tyre, containing the latest components and tyre construction technology. Additionally, all summer products have A label graded and A/B level grade for winter and all-season products for wet grip performance. The targets set for the coming five years will be mainly be focussed on the further improvements of rolling resistance, grip and wear performance.

### Renew and restore

There is a focus on using bio-based, eco-friendly and renewable materials to prevent resource depletion. To further protect the planet and its resources, the Company is collaborating with ISCC certified partners with the latest sustainable technologies that allow for an increase in bio-based and recycled content in high-quality raw materials. This approach prevents waste generation and reduces the emission footprint of raw material, The Company is committed to protecting the environment, health and safety of the society by complying with all applicable laws.

### Towards a circular economy

In the last few years, Apollo Tyres has taken significant steps to increase the use of recycled ELT products and reclaiming powdered rubber crumb.

### Compliance with global regulations

In support of OEM customers for complying, further compliance to other chemical restrictions like REACH, SOCs, POPs, PFOA, TSCA, California Prop65 is strictly adhered to.





## Social



### Value Chain - Partners in Progress

The value chain approach has become a significant factor in embedding sustainability principles across all stakeholders. Globally, corporates are increasingly including the entire value chain as a coherent mass in their quest to standardise processes and maximise growth opportunities.

#### RAW MATERIAL SUPPLIERS

Apollo Tyres has a centralised procurement function with offices in India, Singapore, and The Netherlands, through which it is able to work efficiently with its global suppliers based in Asia, Africa, Europe and USA.

#### Sustainable Procurement

In line with the Company's sustainability vision, Apollo Tyres continuously works towards achieving sustainability across its operations and value chain. This is done by adopting sustainable procurement policies and by ensuring the partners' participation in promoting sustainable practices in the raw material supply chain.

In-line with efforts towards sustainability, the Company is working with the Global Platform for Sustainable Natural Rubber (GPSNR) promoted by the World Business Council on Sustainable Development (WBCSD), to contribute to the improvement of socio-economic factors in natural rubber supply chain.

#### The Apollo way becomes the guiding principles of the sustainable procurement agenda:

1. Driving through governance, transparency and accountability.
2. Enhanced usage of recycled and renewable raw materials in our products including encouraging RM supply chain partners in increasing the content of their recycled & renewable raw materials in their manufacturing processes.
3. Striving towards the highest environment, health & safety standard in the raw material vendor partner's manufacturing processes and operations and to work towards applicable certifications in their respective industries.
4. Integrating international and domestic standards on Human Rights as applicable within the raw material vendor partner's operations.
5. Ensuring compliance of international norms on decent work agenda and encouraging our 'One Family' culture in the raw material supply chain.
6. Work on Natural Rubber Sustainability in line with the GPSNR guidelines to drive improvements in the Social, Economic and Environmental performance of the Natural Rubber supply chain.
7. Driving continual improvement in sustainable procurement agenda in the raw material supply chain.



**Purchasing Guidelines**

With a view to promoting lower carbon footprints, logistics costs and supply proximity to the manufacturing locations, the Company encourages sourcing from domestic suppliers, other factors being equal. The Company continues to work on developing import supplier partners as alternate sources of supply and for technical partnerships.

Apollo Tyres mandates from its partners to certify compliance of their environmental systems to ISO:14001 by an accredited third party.

**Apollo Partnership Pact (APP)**

Supplier partners are expected to comply with Apollo's Partnership Pact (APP) and integrate environmental, occupational health & safety, human rights and labour policies into their business and decision-making processes. To date, more than 80% of the upstream supplier base has signed the Apollo Partnership Pact to pledge their compliance.

**Digital Initiatives in Procurement**

Apollo Tyres has introduced an online supplier portal for the day-to-day operational management of purchasing and vendor quality management processes with its suppliers.

**Green procurement**

Apollo also promotes and encourages suppliers to embrace environment friendly and green materials in their production and packaging processes including usage of recycled products.

**REACH Compliance and other regulatory requirements**

In order to meet the obligations under REACH compliance for import into EU, Apollo is geared up to meet all requirements, as applicable. It is ensured that the raw materials sourced are free from chemicals and substances which impact environment adversely (SVHC – Substances of Very High Concern).

Apollo is also geared to meet all raw material related requirements with reference to usage of PAH free materials and tyre labeling requirements for the supply of tyres to Europe and other markets.

**Safety @ Suppliers' Workplace**

Apollo Tyres encourages suppliers to follow all applicable industrial practices to ensure safe operations. The programme initiative was continued in the Upstream Supply Chain this year using the virtual collaboration platforms with the RM suppliers, thereby leveraging IT for a deeper reach in the supply chain.

## Social

### Supplier engagement

The joint engagement with suppliers exists in various spheres of working through the following supplier framework:

- **New supplier selection**

A stage-wise evaluation and approval process involving commercial and technical evaluation of the supplier.

- **Joint development projects**

Joint development projects and technical collaborations exist through Technical Seminars & Technical Leadership Development Programmes with the raw material suppliers.

- **Supplier audits and periodic assessments**

Supplier audits and assessment are conducted periodically by a qualified team of trained auditors at the time of selection of new suppliers and for existing suppliers as per defined frequency and criteria.

Supplier performance evaluation is done on Quality, Delivery and Service performance aspects and communicated regularly to the suppliers.

- **Apollo Vendor Quality Management Programme 5.0**

Apollo released an updated version of its Vendor Quality Manual 5.0 to the RM supplier partners. The initiative was rolled out to the upstream supply chain partners to share the Apollo quality management system requirements and with a view to enabling the absorption of benefits of the quality initiatives across functions in the supplier organisations.

- **Apollo Global Partners' Summit**

Apollo successfully conducted its Global Partners' Summit 2020 virtually with its global Raw Material Partners this year. The summit conducted through the virtual medium was a maiden attempt this time by Apollo Tyres team going the digital way.

- **Vendor Quality Meets**

Vendor Quality reviews were periodically conducted with the RM suppliers to share feedback and identified opportunities for improvements and closure of action points with regards to product and supply improvement at Apollo plants.

- **Corporate Social Responsibility in Supply Chain**

The Company runs a CSR programme at the premises of its raw material suppliers to support good health and covers awareness programmes such as HIV / AIDS Prevention and the ill effects of Substance Abuse. During the current fiscal, the initiative was run virtually with the upstream supply chain which covered 3 supplier companies benefiting about 50 participants.

- **Apollo natural rubber dirt free centres**

Apollo Tyres has taken the lead in contributing to the quality improvement of natural rubber in India by setting up Dirt Free Centres where natural rubber sheets are sourced from the farmers and graded using international practices.

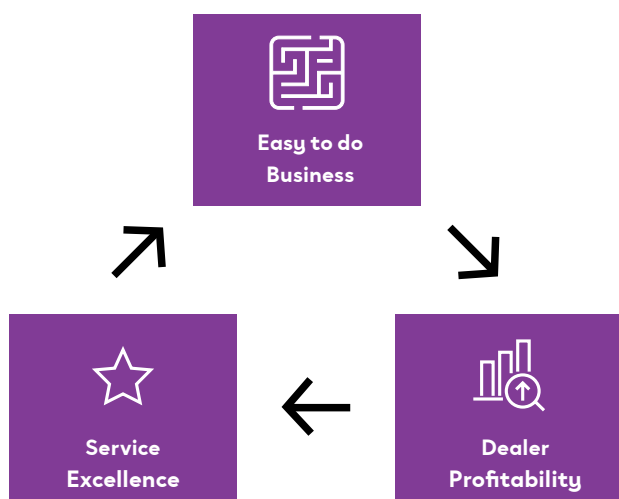




## ENGAGEMENT WITH DEALERS

The Company endeavours to enhance the business processes to offer best-in-class service to its business partners. Apollo Tyres has formed a Management Advisory Committee of Business partners with a view to gathering constructive market feedback for improvement.

Furthering the journey towards enhancing service level for business partners, the Company has introduced three robust IT enabled platforms. These are **Business Partner Service Centre**, a solution for all business transactions, queries, benefits & grievances; **Sampark**, a 24 by 7 digital platform for dealers to do all business transactions; and **Sampark-2**, a technology-enabled distribution system for last-mile connectivity.



### Customer Hotline for tyre requirement under essential services

During the lockdown in the pandemic, the movement of essentials such as tractors, ambulances came to a halt due to tyres requirement. The Company launched the 'customer hotline' for essential services through its business partners.

### Medical care for business partners

The Company has been working with the business partners and extending all help during the pandemic. Tie ups have been made with various doctors and medical professionals to provide free of cost consultation to its Rural Business Partners. The Company has also introduced a policy to reimburse COVID-19 vaccination cost for the business partners and their families.

### Expanding Footprint in rural India

Apollo Tyres has been a significant player in rural markets with close to 250 AVK/ ARD and more than 1000 REDs in the rural network at the start of FY21. With a vision to be the leader in the rural footprint, it launched the 'Apollo Tyres Sarpanch' initiative in March 2021 to enable it to have the widest tyre distribution network in the rural segment. The Company has been quite successful in adding a good number to its secondary network to the AVK/ ARDs despite the restricted movement due to the pandemic. A total of over 4500 touchpoints in rural has been created.

### Apollo Value Club (AVC)

The core objective of the programme has been to build a stronger bond through one of its core value of 'One Family' with the dealer network and their families.



## Social



### Engaging with Communities

Apollo Tyres is committed to the sustainable development of its communities. The Company's CSR approach stems from its vision statement mentioning 'continuously enhancing stakeholder value'. The CSR efforts resemble a steadfast focus towards promoting inclusive growth and improving the quality of life, in the regions where the company operates, strengthening relationship with communities.

The CSR programmes are designed to be in consonance with the national development priorities as well as the United Nations Sustainable Development Goals (SDGs). In addition to the social stakeholders, the Environment is also considered a crucial stakeholder, hence Biodiversity features as a global initiative with projects implemented in India, Hungary and The Netherlands.

The CSR initiatives are categorised under 4 themes, details given below:

1. Healthcare for Trucking Community
2. Solid Waste Management and Sanitation (SPARSH)
3. Livelihood for Underprivileged Women (Navya)
4. Biodiversity Conservation

Additionally, to cater to the customised needs and expectations of the communities, the Company has special programmes for local initiatives spanning in 25-50 km radius of the manufacturing locations. Additionally, the Company is also involved in philanthropic endeavours which are implemented through the Taru Foundation.

The Company has been fostering collaborations and partnership through the Apollo Tyres Foundation for reaching out to an expanded base of beneficiaries.



**Key highlights of the programmes in the reporting year are presented below:**

#### HEALTHCARE FOR TRUCKING COMMUNITY

Linked with Sustainable Development Goal (SDG) -3: Good health and wellbeing, preventive healthcare initiative for the truck driver community is a pioneering programme run by the Company.

To provide quality healthcare services to the mobile population, it operates 31 Healthcare Centres in the transshipment hubs spanning across 19 Indian states. The programme provides healthcare services such as Prevention and Awareness of HIV-AIDS, Vision Care, Integration of Tuberculosis and other Non-Communicable diseases such as Diabetes, High Blood Pressure and General Treatment facility.

#### Services Under Healthcare Programme

- **HIV-AIDS Awareness and Prevention service**  
Among India's millions of truckers, nearly half drive on long distance routes and have been found to be at high risk of HIV and other STIs.

Under this initiative spectrum of services are offered i.e. Behaviour Change Communication (BCC), Sexually Transmitted Infection Treatment (STI), Counselling, Awareness through Peer Educators (PE), Condom Promotion, Integrated Counselling and Testing Centre (ICTC) support.

The Foundation delivers this service through staff and Peer Educators (PE) or volunteers. PEs play an important role in creating awareness about health services and referring the beneficiaries to healthcare centres due to their local connect.

So far, the programme has mobilised about 1,021 active PEs across its locations. Periodic training and capacity building workshops are organised with peer educators to cascade the health awareness message within the trucking community. During COVID times, virtual training sessions were organised for PEs and communities to push the awareness messages related to protocols.

Total 26,822 people were tested for HIV during FY21 out of which 49 people were identified as HIV positive. Of these positive cases, 19 were linked with ART centres for HIV treatment service.

- **Vision Care service** is targeted towards addressing the vision related problems faced by the trucking community. Identifying vision impairment as a major health threat to the trucking community, Apollo Tyres initiated its vision care initiative in the year 2015. The programme provides doorstep solution for vision care problems. The organisation has partnered with Essilor India Pvt Ltd (2.5 NVG) for providing affordable and sustainable vision care services to the trucking community. Beneficiaries identified with refractive error issues are provided with low-cost spectacles and cataract patients are linked with the nearby government hospital for further treatment. In the reporting year 32,611 people availed vision screening facility out of which 17,082 people were identified with refractive error issue and 2,361 spectacles were distributed.

- **Tuberculosis Awareness and Treatment**

Apollo Tyres has joined the 'Jan Andolan' for Tuberculosis (TB) free India to contribute to India's National TB Elimination Programme (NTEP) to meet the ambitious goal of eradication of TB from India by 2025. The organisation has partnered with USAID, The Union and Central TB Division for TB initiative. In the reporting year two webinars on the theme of **Partnership for Action against Tuberculosis (PACT)** were organised. The main aim of the webinar was to invite more corporates to join the partnership for TB elimination. The work in this domain has earned a recognition certificate by the Ministry of Health and Family Affairs (MoHFW).

Apollo Tyres has seven Designated Microscopy Centres (DMC) at Agra, Gwalior, Guwahati, Mundra Port, Delhi, Kanpur and Agartala location. Out of the total 7 DMCs, two in Agartala and Mundra Port were inaugurated in the reporting year.

Total 3,659 people were screened for TB testing and total 170 positive TB cases were identified. Out of these 151 positive cases were linked to DOTS centre for TB treatment.

- **Diabetes and Hypertension**

Due to lifestyle issues, lack of awareness and access to medical facilities, trucking community is more vulnerable and at higher risk of getting non-communicable diseases. During the OPDs, an increase in diabetes and high blood pressure cases amongst trucking community was an alarming sign and therefore the organisation started screening of

diabetes and hypertension. At all the healthcare centres (HCC), diabetes screening and blood pressure check-ups are conducted.

In the reporting year, total of 33,114 people have availed diabetes testing facility. Out of these 7,174 people were identified as at risk of diabetes.

Also, there are other generic treatment facilities provided at each healthcare centre for ailments such as fever, cough, cold, flu and other basic first aid features.

- **Mobile Medical Units (Apollo Tyres Healthcare Express)**

started to provide healthcare services to long-distance truck drivers who do not get the opportunity to visit the healthcare centres. The mobile medical unit provides its services at the highways, district borders and trucking halt points. The main objective of this service is to provide doorstep healthcare facility for the trucking community.

There are five mobile medical units (Apollo Tyres Healthcare Express) currently operational.

The Company also organises health camps (**Sakushal Saarthi**) for the benefit of the employees of its fleet owners.

- **Oral Hygiene service** was introduced in FY20. This was mainly due to the feedback received from the truck drivers about their addictions like tobacco consumption (smoking and chewing) and other substance abuse due to various reasons.
- **Tele Medicine Consultation Service** was introduced during the COVID-19 lockdown period to provide uninterrupted medical consultation facilities to the trucking community while keeping in view social distancing requirements. The tele medicine consultation facilities is available at all the 31 healthcare centres with technical support of Telerad Foundation, whereby an online consultation service with the doctor for the beneficiaries is conducted. Total 8,569 people were benefitted through tele consultation facility in the reporting period.

In the reporting year total 597,921 people were outreached from awareness activities which was 18% more from FY20. The major reason for increased outreach has been the focused 15 days TB awareness and testing campaigns organised across locations twice in the year.





## Social

### SOLID WASTE MANAGEMENT & SANITATION

India faces major environmental challenges associated with waste generation and inadequate waste collection, transport, treatment, and disposal. To address the issue of Solid Waste Management and supporting the Clean India campaign, the company launched SPARSH programme in 2013. This initiative is linked with SDG 6: Clean Water & Sanitation, SDG 11: Sustainable Cities and Communities, SDG 12: Responsible Consumption and Production.

SPARSH (**S**egregate waste, **P**ractise composting, **A**wareness raising, **R**ecycle-reuse, **S**afe sanitation, **H**ygience for all) programme comprises of four initiatives: Clean My Transport Nagar (CMTN), Clean my Village (CMV), Sanitation Management and End of Life Tyres Playground (ELT).

The Company started Clean My Transport Nagar (CMTN) and Clean My Village (CMV) initiatives with the objective to improve the conditions of waste management and cleanliness of identified transshipment hubs and villages in India. Under this initiative basic services like door-to-door waste collection, cleaning of roads/lanes, segregation of waste, composting from wet waste and awareness generation are provided to the community. During COVID crisis also the waste workers (Nirmal brigade) were in the forefront and continued their services.

In the reporting period, total 1,300 metric ton (MT) waste was collected. Out of which 95 MT was biodegradable waste and 1,205 MT was a non-biodegradable waste. Total 10,503 touch points were covered through door to door waste collection. Over 2,500 people were reached through awareness activities.

# 1,300 MT

Total waste collected in reporting period



With a view to providing access to sanitation, the Company has constructed toilet cum bathing space for the underprivileged communities around Chennai manufacturing location. It has constructed 50 toilets cum bathing space in Chennai in the reporting period. Around 200 people have been directly benefitted from these constructed toilets.

The Company has constructed community toilets for the trucking community at Agra and Delhi transshipment hubs. Over 3,000 people have benefitted directly from the community toilets.

Apollo Tyres is also conscious of the perils of irresponsible disposal of used tyres. To reuse the discarded tyres, it has initiated ELT Playgrounds project. Play structures made from tyres help the school kids in improving their agility and fitness, and also sensitises them on the concept of reuses and recycle. In the reporting year one such playground was constructed at Karanja Maharashtra location, making the total to 14 ELT playgrounds.

### LIVELIHOOD FOR UNDERPRIVILEGED WOMEN (NAVYA)

The livelihood initiative addresses the Sustainable Development Goals (SDGs) SDG 5-Gender Equality and SDG 1: Poverty. This is a key area of our focus, given that India still has the highest percentage of people living in poverty when compared to the world. This initiative is also aligned with SDG 8: Decent work and Economic Growth, as it provides income generation opportunity to the women at their doorsteps.

To address the problem of poverty and poor social status of women in the community, Apollo Tyres has started skill building and income generation programme namely Navya, for the women in the villages around its manufacturing locations (they are agriculture and non-agriculture based initiatives).

Under this, women are reached through Self Help Group (SHGs) or strengthening of existing SHGs. The main objective of this initiative is to create livelihood opportunities at doorstep and develop entrepreneurship capabilities of underprivileged women.

The women beneficiaries are trained and further linked with the market to enhance their income. As a result of this initiative trained women have started their own business where they are not only supporting their own families but also providing employment opportunities to other women of their villages.

The programme also provides awareness to women beneficiaries about various government funded schemes, and supports them to avail those causing a multiplier effect.



## Over 6,500

Women directly benefitted through virtual engagement mode

The outbreak of the pandemic, spawned innovative ideas for providing digital training to the beneficiaries and keeping the programmes operational. Over 6,500 women directly benefitted through virtual engagement mode.

In the reporting year, 2,557 women were trained in different livelihood activities and 897 women started income generation activities to support their families.

The biggest landmark of the programme was linking women beneficiaries to various government schemes for livelihood generation. Total 3,133 women beneficiaries and 9 income generation units were linked with government schemes. Total 108 SHG were linked with banks for loan purpose.

Additionally, the programme also supports farmers by providing them technical knowledge in improved farming practices and livestock care and management. The farmers are trained in improved farming practices like fodder management, seed selection, organic farming, cattle rearing and others. Farmers are also linked with various government agriculture schemes. Over 721 male farmers benefitted through such activities in the reporting period.

### Achievements

The first achievement is launching the third edition of 'EkNaam...' Symposium 2021 virtually. ATF, along with Institut Francais (IFI) and CSRBox felicitated eight Change Agents from across the country who have brought a positive impact in their community, to commemorate the International Women's Day 2021.

These eight women, not only worked for their own empowerment and livelihood generation, but they also galvanised similar women from their own or nearby villages, providing income opportunities to them by forming self-help groups or have brought social changes in their communities.

The campaign felicitated the winner representing seven different states including Kerala, Tamil Nadu, Maharashtra, Gujarat, Rajasthan, Odisha and Madhya Pradesh.

This event was followed by a panel discussion on the theme '#ChoosetoChallenge'. A month-long social media campaign was organised to showcase the journey of the chosen eight change agents.

The second achievement has been the partnership with NABARD for providing livelihood training and developing enterprise for rural women under Rural Mart project at Waghodiya Taluka, Baroda. Under this project, women got opportunity to market their products from a centralised place. With NABARD's support, a shop (rural mart) was established at Waghodiya and total 15 underprivileged women got direct benefit to showcase over 14 variety of products. Additionally, 240 women also received training in agriculture and non-farm-based activities through NABARD support.

## Social

### BIODIVERSITY CONSERVATION

The Company has mapped this initiative with SDG 13: Climate Action, and Goal 14: Life below Water.

Biodiversity conservation is the global theme for the company, wherein various projects are undertaken in India and The Netherlands.

In India, Mangrove conservation is the main initiative, implemented at Kannur district of Kerala. Mangroves are remarkably diverse and important ecosystems that keep coastal zone healthy and habitat friendly. Our initiative focuses on conservation of mangroves in Kunhimangalam village in Kannur district, which is the largest mangrove village in Kerala. It has partnered with Wildlife Trust of India (WTI) for the programme.

In the reporting year, mangrove restoration activities were conducted in seven locations in association with various panchayats and Haritha Kerala Mission, Govt of Kerala.

To engage with the stakeholders, the Company organised eight webinars related to biodiversity awareness and mangrove conservation and reaching out to over 580 people.

The Mangrove conservation initiative received an appreciation from the **Haritha Kerala Mission of State Government of Kerala**.

This was given for the model ecological restoration initiatives undertaken by the project and for being a partner in the 'Pachathuruth' project rolled by the state.



The Company also works on climate change mitigation. It has planted 350,000 teak trees and red sandal trees in the Tamil Nadu region. As per the estimation, 24,500 tonnes of CO<sub>2</sub> has been sequestered till March 2021. The project also engages with the farmers for providing agriculture interventions for soil productivity enhancement.

With a view to promoting the use of renewable energy, the Company has also installed 231 household biogas units in various villages of Waghodia Taluka, Vadodara.

This initiative has not only helped in addressing climate adaptation, but has also helped the beneficiaries in saving costs associated with purchasing of conventional fuel. This helps women to spend more time in their livelihood activities.

At Enschede, The Netherlands, the Company has undertaken Revitalisation of the City Stream (Stadbeek Project). The project is in partnership with Enschede Municipality and European Union. The objective of this project is to address issues related to flooding from rainwater and groundwater and improve the local biodiversity.

The project encourages community participation in the conservation activity. The project motivated community members to disconnect their downspout to stop the rainwater from going into the sewer, now with this intervention rainwater flows into the stream.

Over the years, the project has seen positive change in the flora and fauna around the Stadbeek.

### LOCAL INITIATIVES

In addition to the above four core themes, local initiatives are implemented within the radius of 25-30 kms of the manufacturing locations.

**Access to purified drinking water:** The project aims to provide RO drinking water to people in Orgadam village, Chennai, Tamil Nadu and Chinnapandur village, Chittoor in Andhra Pradesh. Around 1,100 households and over 4,400 people are availing the drinking water facility.

# ~1,100

Households and over 4,400 people are availing the drinking water facility





**Eco restoration of Ponds:** The main objective of this initiative is to improve the condition of water bodies, restoring and enhancing the aqua biodiversity in Chennai, Limda and Perambra. Total 10 ponds, covering area of 3 lakh square feet have been restored through pond deepening, desilting, bunding and maintenance activity.

At Baroda, the Company supports government's pond deepening initiative under Sujalaf Sufalam Jal Sanchay Abhiyan. The scheme focuses on deepening of lakes, pond, check dams and rivers by removing silt through public participation utilising the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). In the reporting year, one pond in Tarasva village of Waghodia block in Baroda district was restored and provided livelihood opportunity to 180 beneficiaries under MGNREGA.

#### Support to Anganwadi & Public Health Centre (PHC) :

The Company provided equipment support like water filter, medicine rack, furniture, etc to the local PHC at Chinnapandur village for the better infrastructure facility and smooth functioning of the PHC.

#### PHILANTHROPIC INITIATIVES

The Company also supports the underprivileged and deprived communities by undertaking philanthropic initiatives through Taru Foundation. The initiative ranges from providing education support to underprivileged girls to providing healthcare facilities to rural people and distributing food items to eradicate hunger and poverty.

#### Corporate Responsibility in Europe

**Blood donation camps:** At the Hungary plant, the Company organised 4 blood donation camps in the reporting year. It partnered with the Heves County Organization of Hungarian Red Cross and the Hungarian National Blood Transfusion Service. Over 240 employees donated blood.

**Donation drive for child health centre:** At Miskolc Hospital Gyöngyöshalász, Hungary, Apollo Tyres along with another regional company provided financial support to the hospital.

**Tyre donation:** During the fiscal, the Company donated tyres to Gyöngyös Ambulance Service and to Hungarian National Blood Transfusion Service.

**Summer camp:** A two-week summer camp was organised for school children. The idea was to engage with the children in creative and fun time activities and also help the parents. Total 20 children benefitted from the summer camp.

**Mask donation:** During the first COVID-19 wave, there was a huge shortage of face masks at the hospitals in the Netherland. The organisation donated 1,000 face masks to the local hospital in The Netherlands to fight the pandemic.



## Social

### Performance against Sustainable Development Goals

#### 17 PARTNERSHIPS FOR THE GOALS



**Strengthen the means of implementation and revitalise global partnerships.**

#### SDG Goals & Target Mapping

Sr No	Initiative Name	Linkage with SDG
1	 <b>Healthcare for Trucking Community</b>	
2	 <b>Solid Waste Management &amp; Sanitation</b>	  
3	 <b>Livelihood for Underprivileged Women</b>	  
4	 <b>Biodiversity Conservation</b>	 
5	 <b>Local Initiative</b> - Eco restoration of ponds - Access to purified drinking water	

#### Philanthropy Initiatives



The Company also undertakes philanthropic initiatives through Taru Foundation. These initiatives focus on providing quality education to underprivileged girls, healthcare facilities to rural communities and ration to homeless people to eradicate hunger and poverty.



Apart from mapping the core initiatives with SDGs, the Company emphasises on linking the initiative with SDG 17: Partnership for Goals. Our focus is on collaborating with like-minded organisations for project implementation and a wider outreach. Our ethos is to work in collaboration not in silos.

**Our Partners:** Ambuja Cement Foundation, Ashok Leyland, Telerad Foundation, Essilor India Pvt Ltd, The Union, USAID, State AIDS Control Society (SACS), Central TB Division, Wild Life Trust of India, French Institute in India, CSRBOX, NABARD etc.

## SDG target

## Performance against the target (cumulative)

End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases other communicable diseases. (Total **1 Cr people** outreach by 2025).

Total **4,339,290** people outreached and total **1,025,129** people have availed treatment facility from **31** healthcare centres.

Achieve access to adequate and equitable sanitation & hygiene for all and end open defecation. (Total **10 ODF village panchayat** by 2025).

Total **4 village panchayats** were declared Open Defecation Free (ODF).

Achieve the environmentally sound management of all wastes. (Total outreach through awareness activities to **4 lakh beneficiaries** by 2025).

Over **1.41 lakh people** were outreached under waste management initiative.

Substantially reduce waste generation through prevention, reduction, recycling, and reuse.

Total **8,721 metric ton (MT)** waste was collected. Out of which **883.2 MT** was biodegradable waste and **7,837.8 MT** was non- biodegradable waste.

Total **09** ELT playgrounds constructed. Nearly **1,600** waste tyres were recycled.

Eradicate extreme poverty for all people everywhere Ensure women's full and effective participation and equal opportunities. (Total **20,000 women** in financial and social inclusion decision by 2025).

Over **8,000 women** have received income generation training and are involved in income generation.

Promote decent job creation, entrepreneurship. (Total women in income generation **15,000** by 2025).

Over **9,000 women** are directly involved in decision-making process.

More than **100 group** enterprises established, engaging **2,000 women** directly.

Strengthen resilience and adaptive capacity to climate-related hazards.

**350,000 teak trees** are planted under Afforestation project at Tamil Nadu region. Total **24,000 tonnes** of CO2 was sequestered.

Improve education, awareness-raising on climate change mitigation, adaptation (Total awareness outreach to **5 Lakh people** on Environment conservation by 2025).

Under Mangrove Conservation Project, covering **6.4 acres** of land. **80,000** people outreached.

Total **232 biogas units** installed at Baroda location.

Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.

**10** ponds, covering area of **3.5 lakh square feet** were restored. Over **1 lakh people** are benefitted from restoration of the ponds.

Achieve universal and equitable access to safe and affordable drinking water for all.



## Social



### People – The Inner Core

With the spirit of 'People First', the Company offers a talent value proposition that allows it to challenge, enrich and fulfil aspirations of its people, so that they can maximise their true potential to 'make a difference' and 'go the distance'. As of March 31, 2021, Apollo Tyres has **18,734** permanent and contract employees worldwide. In the reporting year, extensive work was done with regions on aligning existing grades with global grades, using Hay job evaluation method, and was successfully updated in the Company's Human Capital Management System.



# 18,734

Total employees

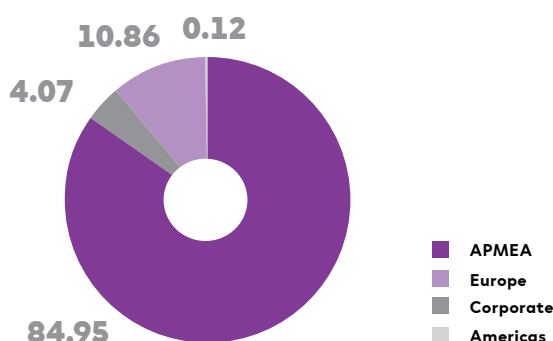
# 31% ↓

LTIFR (in FY21)

# 21%

of workforce is women in  
Hungary

#### Region-wise breakup of employees is represented below [%]



Apollo Tyres provides its workforce with an equal opportunity to perform and gain recognition and cultivate an environment of 'One Family'. With this philosophy, it engages with them regularly to ensure their well-being and levels of engagement.

#### ONBOARDING TALENT FOR A PROMISING FUTURE

The Company focused on bringing in global talent that can be fostered along its core values. It believes in not just lateral hiring, but also building and nurturing talent directly from campuses, in order to groom them as future leaders.

The Apollo Summer Internship programme, conducted online, saw interns from premier MBA institutes work on live projects closely with the leadership team across functions like Sales, Marketing, Supply Chain Management and Finance.

#### FOSTERING SOCIAL DIALOGUE FOR ROBUST INDUSTRIAL RELATIONS

The Company has consistently worked in collaboration with Trade Unions and other employee bodies to improve the working environment for its people as well as the productivity and cost-effectiveness of the operations globally. For grievance redressal, Total Quality Management methodology was adopted and all processes were standardised and therefore addressing their concerns were also streamlined through the Daily Work Management (DWM) model.

In Enschede, the Company successfully implemented the restructuring plan for the plant.

## CAPABILITY BUILDING TO BE FUTURE READY

Talent development is one of the key foundation stones of human capital deployment at Apollo Tyres. Capability building has been the focus area, which enables Apolloites to face challenges, learn, grow and 'Go The Distance'. The programmes are designed and linked to achieve business goals and be future ready.

In FY21, it launched the **Apollo Virtual Academy (AVA)** for employee engagement and learning & development. During the pandemic, under the aegis of the AVA, multiple virtual sessions were conducted.

In Enschede, with the restructuring of employees, various training schemes were offered to enhance the skills. In India, the focus was also on organisational behavioural programme titled **Apollo ONE**. This is a change management programme which aims at building high-performing and high-trust teams.

The Company continued its successful **ADMIRE** programme, focused on Sales capability development while the specialised training programmes like **Winning with Customers & Apollo ONE** were designed to enhance managerial and functional skills.

At the plant level, several initiatives were conducted to ensure multi-skilling as well as up skill development trainings. These included '**Knowledge House**' in Limda, Gujarat, '**Learning Day**' in Kerala, '**E-Learning Week**' and '**Internal Capability Building**' programme in Andhra Pradesh and '**FLM training**' and '**Skill Connect**' in Tamil Nadu.

## HEALTH AND SAFETY

Apollo Tyres steadily moved forward in its Health & Safety [H&S] culture transformation journey and its integration with business processes were further strengthened. The Company is making synergised efforts in key focus areas across the operating ecosystem to strengthen H&S risk management. The detailed initiatives for FY21 have been mentioned in the MDA section of the annual report.

## JOB ENRICHMENT AND ROTATION

As a growing organisation, to meet the challenging demands of the industry, a lot of learning opportunities are provided to internal talent in the form of job rotation and job enrichment as a win-win arrangement.

## EMPLOYEE ENGAGEMENT

**At a global level, Apollo Tyres runs several employee engagement programmes to keep employees motivated and productive.**

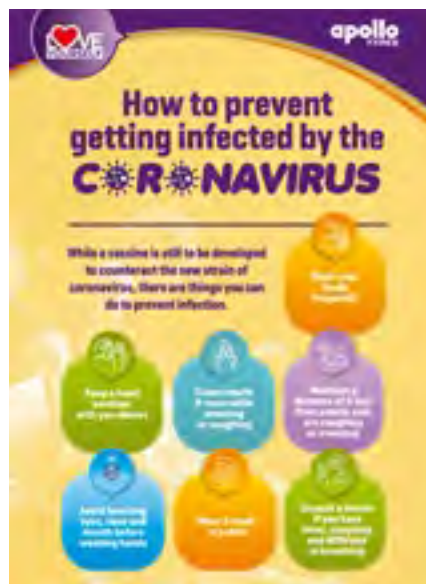
During lockdown, the management ensured connect with each and every employee. At the outbreak of COVID, the Company introduced a helpline, voluntary top up for parents' mediclaim and Corona Kvach policy, work from home ergonomics and Sanjeevani programme to take care of employee health and wellness.

To strengthen healthy well-being, even during pandemic, Sanjeevani (a fitness and wellness programme) was introduced in India, in which regular Yoga sessions and coaching by professional trainers on fitness was done for employees.

## REWARDS & RECOGNITION

**At a global level, Apollo Tyres runs several recognition programmes aimed at rewarding employees including the Chairman's Award – 'Employee of the Year' to senior level employee, and Roll of Honor to individuals in middle management. The Long Service Awards, Apollo Pillars** was introduced to recognise and reward the long-term contribution of the employees, towards the growth and success of the organisation.

In FY21, the Company introduced, '**Chairman's Recognition Week 2020**' which was celebrated by employees globally as they shared Appreciation Badges with other colleagues for their amazing work and out-of-the-box thinking.





# Being Future Ready

As a future focussed company, Apollo Tyres endeavours to find solutions for the rising expectations in mobility. The Company consistently keeps itself calibrated to the changing consumer behaviour and innovates to offer products that suit their needs.

The Paris Agreement and laying down of Sustainable Development Goals (SDG) in 2015 led to a cultural shift in thinking across the sectors where ESG has established a foothold. The Company has embarked upon the journey, whereby it aims to create a shared value for its stakeholders.

Collaboration with all stakeholders remains the mainstay for the Company in advancing its journey towards developing mobility solutions for the future.









# Management Discussion and Analysis

## India Market Overview

### ECONOMY

It was a year of COVID-19 as it subsumed everything in its wake! During the Financial Year 2019-20 (FY20), the discussion was about US-China trade war along with the ensuing geopolitical tensions and general elections in India among others. FY20 was a witness of the start of the COVID-19 pandemic. However, FY21 was simply about the COVID-19 pandemic and its impact on individuals, communities, companies and nations.

According to the International Monetary Fund (IMF), US GDP de-grew by 3.5% in CY20 as against a growth of 2.3% in CY19. Overall, Advanced Economies posted negative growth of 4.7%, with the sharpest contractions reported in Spain, the UK and France at 11%, 9.9% and 8.2%, respectively. Even the traditionally fast growing Emerging Markets & Developing Economies could not insulate themselves against the COVID-19 impact, recording a 2.2% decline in GDP. China was the only bright spot with a growth of 2.3%.

India too faced an uncertain FY21. The fiscal year began with a lockdown leading to multiple socio-economic challenges, such as mass exodus of the migrant labour population, subdued demand as consumers became cautious, job losses and reduced salary. The Indian economy contracted about 24% in Q1, FY21, with most businesses recording a washout quarter. As the lockdown gradually eased, with aggressive government policies to spur the economy, industries saw some demand returning. However, consumer sentiment remained weak, resulting in low offtake.

As per the data from India's National Statistical Office, the country's GDP contracted by 7.3% for FY21 as compared to the growth rate of 4.2% in the previous fiscal.

### Auto segment

The industry was already witnessing a slowdown as the growth rate fell to 5.2% in FY19. It reported further negative growth with a fall of 14.2% in FY20 owing to overall economic slowdown, lack of government stimulus, liquidity crisis and poor consumer sentiments in face of the pandemic. The auto industry experienced a considerably poor Q1, but found the tide turning with steady increase in demand during the remaining quarters. According to the Society of Indian Automobile Manufacturers (SIAM), the industry saw a huge decline of 79% in Q1 numbers. As the lockdown gradually lifted, demand made a comeback to the market even as the production for Q2 continued to be negative with a de-growth of 7%. Q3 marked the beginning of the recovery phase, which can be largely attributed to the pent-up demand, positive agricultural economics and a moderate shift from public to private transport.

During this quarter, Passenger Vehicle (PV) and Two-Wheeler (2W) segments gained momentum while Commercial Vehicle (CV) and Three Wheeler (3W) segments were in the negative zone. The PV segment led the recovery quarter-on-quarter with sales at 0.9 million units, marginally above the previous best sales of 0.8 million units in January - March 2018. CV sales rebounded strongly in Q4 with 0.2 million units, accounting for nearly 40% of total yearly sales.

However, despite the strong performance in the second half, the CV segment continued its FY20 downward spiral, reporting a 21% drop in sales to 0.57 million units in FY21 from 0.72 million units in FY20. The 2W and 3W business, which together account for over 80% of the national sales, witnessed a de-growth of 13% and 66%, respectively, for the fiscal.

The PV segment reported a 2.2% drop in sales to 2.7 million units from 2.8 million units in FY20. The silver lining was the continued demand for utility vehicles, which resulted in a healthy growth of 12% to 1.1 million units and accounted for 39% of the total PV market, up from 34% in FY20. The Electric Vehicle (EV) segment reported registration of 4,588 units compared to 3,000 units in FY20.

Overall, the automobile industry remained in the negative territory with a 13.6% decline over FY20.

### Tyre Segment

Invariably, the slowdown in auto sales directly impacted the tyre industry. In the past, sales of tyres in the replacement market supported the industry in offsetting any de-growth in Original Equipment Manufacturers (OEMs). However, FY21 was different as lockdowns and poor consumer sentiment led to a negative growth in the tyre sector in India. According to the data released by the Automotive Tyre Manufacturers' Association (ATMA), the tyre industry declined nearly 4% as compared with the year-ago period.

As the unlocking phase progressed in India, aggressive measures were implemented to spur demand and, consequently, the industry witnessed traction in the Medium & Heavy Commercial Vehicle (M&HCV) segment—with a reduced fall of 3% for FY21 compared to the staggering 12% in FY20. In April 2020, the segment saw a fall of 96% along with an overall decline of 56% for Q1. However, the tide turned in September 2020 when the segment showed a 39% growth over September 2019. If one looks at the performance of this segment since September 2020 till February 2021, it grew by 28%.

The story for the other major segment, PV, is also similar. While it posted an overall drop of 10% for the 11 months period, the segment recouped its losses of the initial period in the second half of the fiscal. Production from September 2020 to February 2021 accounted for 74% of total units for FY21 as compared to only 56% for FY20.

# Management Discussion and Analysis

## Europe Market Overview

### ECONOMY

Europe struggled with further economic slowdown in CY20 amid falling demand, persistent global trade tensions and uncertainties over Brexit—intensified by the looming challenges of the COVID-19 outbreak.

The start of the year bore witness to the resolution of Brexit as the UK formally parted ways with the European Union (EU) on January 31, 2020. This was followed by the outbreak of COVID-19 pandemic across EU. Additional factors that continued to aggravate the situation in Europe included the falling oil prices threatening bankruptcy for many companies and discouraging consumer sentiments. Impacting the overall economic performance, the situation demanded a renewed evaluation of growth estimates and forecasts. The labour market showed a positive trend with reduction in unemployment resulting in purchasing power gains. However, private consumption declined indicating higher household savings amid uncertainties.

Based on a report issued by Eurostat, the statistical office of the EU, the GDP for CY20 fell by 6.6% in the Euro markets and by 6.2% in the EU after gains of 1.3% and 1.6%, respectively, in CY19.

### Auto segment

According to the European Automobile Manufacturer Associations, CY20 proved to be one of the worst years for the passenger car market with the highest yearly decline in car demand. The segment contracted by 24% to 9.9 million units as a direct result of the COVID-19 pandemic. Containment measures including long and complete lockdowns among other restrictions had an unprecedented impact on car sales across the EU.

New car registrations fell by 3 million units compared to 2019 and all 27 EU markets recorded decline in double-digits through 2020. Looking at the region's biggest car markets, Spain faced the sharpest drop of 32% followed closely by Italy with a 28% decline while France de-grew by 25%. In Germany, full-year losses were significant but less pronounced as it saw a decline of 19%.

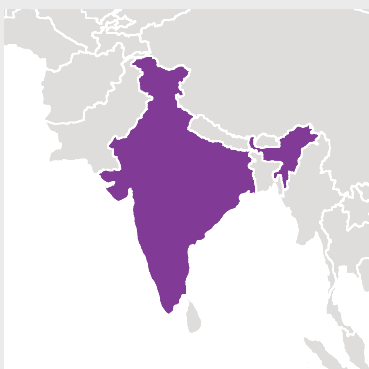
The EU commercial vehicle segment struggled as the market shrank by 19% to reach 1.7 million units. While the industry did gain momentum in September and November 2020, lockdowns and poor demand during the first six months continued to weigh on the yearly performance. All EU markets posted double-digit declines in 2020 with the exception of Denmark. Of the four major markets, Spain suffered the most at -26% followed by France at -17%, Italy at -15% and Germany at -15%.

### Tyre segment

Intrinsically connected to the auto industry, the tyre industry faced a difficult year as well. Imposition of lockdowns and mobility restrictions along with the economic crisis led to suspension of operations and shutdowns. This situation strongly impacted sales giving rise to unemployment. The OEM sector suffered greatly with a fall of 23% for consumer tyres and decline of 18% for trucks. Given the poor consumer sentiment, the replacement market took a beating. Consumer tyres reported double digits decline of 12%—with both car winter tyres and summer tyres registering falls of 20% and 13%, respectively. Breathing life into the industry, the shining star was the all season car segment with a growth of 5% for CY20. The truck tyres segment registered a de-growth of 4% while agricultural tyre sales remained stable in comparison to the previous year.



## Industry Structure and Developments



# 81%

Replacement sales for M&HCV accounted for 81% of total domestic production—the highest across categories.

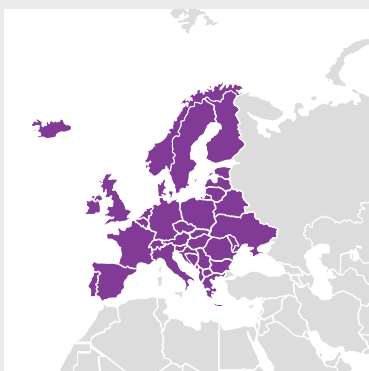
### India

The tyre industry is directly dependent on the business from the OEMs and the replacement market. As the OEMs for PV and CV continued to show poor sales, demand from them impacted the tyre industry adversely. The replacement market, on the other hand, continued to support the industry and partially recouped the losses.

The ATMA data shows replacement sales for M&HCV accounted for 81% of total domestic production—the highest across categories. A remarkable increase from 72% in the previous fiscal. Exports accounted for around 12% of the total volume for the segment. PV replacement accounted for 55% of total domestic availability, while OEMs contributed to around 37% of the business. During the year, demand increased in rural India as is evident in the double-digit growth in the Tractor, Tractor Rear and Tractor Trailer segments, which grew by 47%, 70% and 24%, respectively.

India constitutes one of the biggest 2W market in the world with more space for growth. Despite the pandemic, this segment is witnessing demand with people moving away from shared/ public transport and opting for personal vehicles, including two-wheelers. This trend drove the demand for tyres as well.

On the raw materials front, two distinct themes played out during the year. In the first half, lockdowns led to demand contraction along with a decline in raw material cost. However, in the second, recovery in automobile production and support from the replacement market resulted in a sharp rise in cost of raw materials. The challenges faced by the industry and its players included shipping and logistics management. The industry faced shortages of containers, blank sailings and port congestion leading to sharp spike in ocean freight rates during the second half of the year, adding to the cost push.



### Europe

The first wave of the COVID-19 pandemic saw subdued demand from the important passenger car tyre markets, such as Germany and Spain. The subpar demand continued from November due to a mild winter and the uncertainties linked to the second wave. Meanwhile, imports of PV tyres witnessed growth during the year and gained market share with majority resting with Ultra-High Performance (UHP) and winter tyres.

While the truck tyre segment saw negative trends between March and July 2020, the segment recovered after September 2020 and showed positive growth.

After six continuous years of decline, agricultural tyre sales exhibited improved performance this year. This can be attributed to the focus on agricultural goods during the pandemic as well as the barriers faced by external trade and imports. The EU agricultural sector demonstrated resilience during the COVID-19 crisis.



# Management Discussion and Analysis

## SWOT Analysis

### STRENGTHS

- Apollo Tyres has the advantage of a diversified market base across geographies and therefore, it is not completely dependent on the Indian market alone. Further, the Company is working towards establishing and expanding its operations in newer large markets, including Association of Southeast Asian Nations (ASEAN) and North America.
- With a reasonable presence in the two-wheeler segment, the Company is recognised as a full-range tyre player in India with capabilities of servicing the large and growing two-wheeler tyre segment in India.
- The Company is powered by strong product brands in its key markets, namely Apollo and Vredestein.
- Apollo Tyres enjoys an extensive distribution network for its products across its two key markets.
- In Europe, Vredestein has a legacy of over 110 years with an established reputation and premium positioning, especially in the winter and all season segments.
- With a strong manufacturing base in India and Europe along with a wide-spread network, the Company is strategically positioned to distribute and sell its products across the globe.
- Following the successful launch of its PV range in North America, the Company has forayed into the truck-bus tyre segment in this market.
- In India, the Company is a leading brand in the CV segment, which accounts for the bulk of the industry's revenue. The Company is best positioned to maintain its leadership position in the truck radial segment and drive growth through it.
- With a global and culturally diversified management team, the Company drives growth across geographies.
- The Company's Research & Development (R&D) facilities for PV and CV tyres play a key role in bringing cutting-edge technology and innovation.
- Increased investment on building the corporate brand has been effective in strengthening Apollo Tyres' position in India and establishing its presence on global platforms.
- Through its long-established relationships with international OEM manufacturers in India, the Company has entered the premium OEM segments in India.
- The Company is aggressively pursuing its strategy of building OEM relationships in Europe and has found success towards this.
- The Company's new ranges like Vredestein Wintrac Pro and Vredestein Quatrac Pro have been awarded high-level ratings by multiple external media and tyre testing agencies.

### WEAKNESSES

- In a rapidly rising raw material cost scenario, the Company may be unable to pass on cost escalations to consumers, in a timely fashion, due to intense competition and various market dynamics resulting in pressure on margins.
- European operations have been witnessing financial strain due to a dwindling market scenario along with pricing pressure and an internal operational struggle with a high-cost plant in Western Europe and a ramping up plant in Central-Eastern Europe.



## OPPORTUNITIES

- In India, the Company has maintained a healthy lead over its competitors with respect to capacity and market share in the Truck Bus Radial (TBR) segment. This is indicative of positive growth prospects with increasing 'radialisation.'
- The Company is witnessing gains in market leadership gains in the passenger car tyre due to its strong and robust product portfolio.
- In the Indian market, the Company's two-wheeler tyre product has been widely accepted with opportunities of scaling up its market share in a fast-growing and profitable segment.
- The Company's highly automated state-of-the-art Greenfield plant in Hungary is now scaling up and it is well-positioned to grow in the European market due to a new cost-competitive manufacturing facility.
- The Company initiated deliveries to European OEMs endorsing the premium position of its Vredestein brand in an effort to generate replacement demand.
- Together, the Vredestein brand and the state-of-the-art plant in Hungary will prove instrumental in improving the Company's product offerings leading to a more profitable premium car tyre segment.
- The Company plans to introduce the Vredestein brand in India which will cater to the higher segment of the market.
- The Company has launched truck radial tyres in Europe, which will further enhance revenue and market presence.
- Growth in premium segment of PV (17" and above) in all product categories (Summer/All Season/Winter) where Vredestein has a strong presence.
- The anti-dumping measures in EU against Chinese imports will lend support in expanding Apollo's TBR footprint.

## THREATS

- The economic downturn or slowdown in the Company's key markets (India and Europe) can result in decreased volumes and impact capacity utilisation.
- The continuing lockdown at the Company's operational locations can have a significant impact on the business.
- The Company will continue to invest in the plant in Andhra Pradesh. There would be pressure on margins as the utilisations ramp up gradually and reduced demand due to COVID-19 pandemic.
- A weak Indian currency can result in pressure on margins, since the Company is a net importer.
- A growing influence of budget tyres, mainly Tier 2 and 3 brands from established manufacturers, could further impact business in Europe.
- Consolidation in the distribution landscape as independent dealers are disappearing, wholesalers and company owned networks are growing. Internet is playing a major role in this change and this can impact the Company network and profitability.
- High capital intensity resulting in regular need of large capex for growth putting pressure on free cash flows.
- Increase in raw material cost can impact the profitability of the Company.

## Management Discussion and Analysis

### Segment-wise performance

The Company continued to focus on its key regions—India and Europe. Also, it continued to build its presence in North America with product releases and seeding the market.

In FY21, the APMEA (Asia Pacific, the Middle East and Africa) operation continued its focus on key themes for the Indian market—consolidating its leadership position and expanding market share by introducing new products across segments. During the fiscal, the Company also inaugurated its new greenfield plant in Andhra Pradesh, India. Committed investments in R&D and brand building continued to fuel the growth journey of the region to attain its vision. The region has seen continued OEMs approvals with high satisfaction as well as increased customer acknowledgements. For other countries in the APMEA region, the Company continued seeding the markets with country-specific products, building brand salience and expanding distribution networks.

#### COMMERCIAL VEHICLES

Apollo continued to consolidate its leadership in the CV segment. In the M&HCV category, Apollo Tyres' truck range registered its highest figures in the replacement market with an all-time high demand. There was a gradual increase in demand from OEMs and Q3 onwards, it peaked at the highest recorded levels month on month. The Company gained market share during FY21 across bias and radial segments. New launches, increased network and investing in dealer relationships were some factors that contributed to this growth.

In the Truck Bus Bias (TBB) segment, the Company launched its bias rib tyre, Apollo Abhimanyu, which became the new benchmark of performance within the segment. With more than 2.5 million kms of field and indoor testing, the product has been accepted for the growing performance demand for bias tyres by customers.

In addition, the premium drive tyre, Apollo XT100 HD, was launched. A combination of superior durability, tread mileage and world-class design, this product is the new flagship bias drive tyre in the Apollo TBB range.

Apollo Tyres took the year to prepare for the high growth segments in the market. The tipper segment witnessed a greater demand for 11.00 R20 special application tyres. The Company's Endutrax is a much-preferred brand in this application, and it has garnered major business from OEMs and saw strong volumes in the replacement market.

In the Light Commercial Vehicle (LCV) segment, the Company continued to play on its strength of radials and dominated the market with an extremely high replacement market share. The product quality gained favour with the OEMs, which led to Apollo earning one of the highest shares of its business.

In Pickup and SCV radials, the Company's EnduMaxx LT initiated its journey towards leadership. In the replacement market, it gained market share and found fitments in reputed OEMs, including Ashok Leyland, Tata Motors and Isuzu. Increased focus on rural journeys also supported the growth in this segment.

#### PASSENGER VEHICLES

In FY21, the Company continued to cement its market leadership position in India in the PV segment. The growth strategy was driven by high decibel marketing campaigns, expansion of its distribution footprint, new product launches and increasing the base of OEM clients. Even as the economic downturn continued, the Company leveraged its strengths to find opportunities in the various challenges it faced across the country. As a result of its initiatives and strong branding, the category recorded good growth over FY20 and improved its market share by 2%.



# ~345,000

Highest number of Amazer  
4G Life sold in March 2021

In the passenger car segment, the Company saw strong growth across all its brands. The Aspire 4G range, which is known for its exceptional high-speed braking and control, posted a strong growth and reinforced its presence in the luxury segment owing to range expansion, multiple branding initiatives and increasing penetration among the dealers. Having expanded its Aspire 4G portfolio, the Company can cater to a wide range of luxury car brands, such as Audi A6, Ford Mustang, BMW 3 Series, Mercedes CLS, Mercedes M Class, Porsche Cayenne and VW Touareg.

The other brands for the segment, including the Alnac and Amazer, posted strong growth. In fact, the Company recorded an unsurpassed figure of about 345,000 units of Amazer 4G Life in the month of March 2021. On the OEM front, Apollo witnessed positive growth due to the revival in OEM sales. It also added OE fitment to its portfolio for prominent OEMs, such as Creta and Venue from Hyundai and Seltos and Sonet from Kia.

SUVs have become fastest growing segment in the Indian market with the success of the compact SUV (CSUV) segment outperforming all other car segments in the last 5 years. Every single CSUV launched by OEMs garnered record bookings and long waiting periods. The Company has focused on developing a dedicated CSUV tyre for two years and through the efforts of the R&D team, the fiscal saw the Company successfully launched a dedicated tyre for the CSUVs—Apterra Cross. The Company outlined a robust plan for the SUV segment while its flagship pattern, Apterra HT2, continued to show the highest growth.

## OFF-HIGHWAY TYRES

The Company's Off-Highway Tyres (OHT) category is focussed on three key sub-segments: Agriculture, Industrial and Earthmovers.

The Agriculture segment proved to be the silver lining for the economy during the pandemic-laced fiscal. The segment saw good growth as it was supported by two consecutive years of normal monsoons, two bumper crops, increase in agriculture income and higher allocation to Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) by the Government.

During the lockdown, India was home to a mass exodus of migrant labourers returning to their native villages. This reverse migration pushed farmers to invest more in mechanised agriculture, which resulted in a strong growth in demand for both tractors as well as agricultural tyres.



The Company showed upward growth of 50% in the replacement market in FY21 compared to FY20 and gained substantial market share in this space. It further consolidated its position by increasing its share of business with OEMs.

By expanding its already strong portfolio, Apollo created a firm foothold for its brand within this segment. Besides its established products, such as Farmking, Virat 23 and Krishak Gold, the Company also offers a host of products across special applications, including puddling, compact tractors and row crop propelled the growth.

In the Industrial tyres category, the Company reported unprecedented figures in the replacement market and increased its market share. Moreover, the robust OEM demand from the second half of the fiscal was promising with the addition of Case and Indofarm to the client base.

During FY21, the Company introduced next generation products for backhoe loaders, graders and compactors under the 'Terra' brand. The Company offers a wide range of products for every mass application in this category.

In the Earthmover category, Apollo Tyres continued to bag key tenders with Coal India. The Company's latest product, which has been developed specifically for limestone mining, caters to coal and limestone mining accounting for 80% of India's mining activity.

# 50%

Upward growth in Company's  
OHT replacement market in  
FY21 compared to FY20



## Management Discussion and Analysis

### TWO WHEELERS

Apollo Tyres aims to build a strong foothold in the high value and profitable premium motorcycle tyre market, which caters to the top 20% of motorcycle market in India. It continued towards this vision driven by new product launches, effective marketing campaigns, increasing distribution footprint and creating a strong consumer demand for technology-backed products.

During FY21, the Company inaugurated its motorcycle tyre plant in Limda, Gujarat, for high-end X-ply and steel radial products. With this advanced and futuristic facility, the Company has developed a global portfolio of high-end bias and steel radial tyres. The fiscal saw the Company extending its steel radials portfolio to the entry-level sports motorcycle (150-200cc) segment. This has facilitated a multi-fold increase in its volumes over the previous year leading to a market share of 20% in the premium sports motorcycle segment. The Company's high-decibel digital campaign #TestTheAlphaChallenge encouraged consumers to test its steel radial products with a 30-day return policy on payment made, if the consumer was dissatisfied.

In the high-end X-ply products for premium motorcycles, the Company launched a specialised off-road pattern for Royal Enfield motorcycles, actiGRIP R6 and actiGRIP F6. The product caters to the everlasting need of these consumers to explore uncharted geographies and offers them the freedom to ride confidently.

The Company derives nearly 20% of volume sales from rural markets. The wide 2W product portfolio has enabled cross-selling agricultural and car products.

### RETAIL FOCUS

Over the years, the tyre industry in India has been witnessing a change in the retail landscape. The major players are focused on enhancing the consumer experience at the retail point and Apollo has been at the forefront of this change. Today, over 50% of its sales comes from over 650 plus branded retail network across 150 cities. The Company's branded retail outlets provide state-of-the-art infrastructure ensuring superior customer experiences through skilled staff.

Driven by its objective of developing its rural distribution footprint, the Company introduced a new low-cost format 'Apollo Tyre Sarpanch' during the year. In the first year, the Company set-up more than 550 stores. With this initiative added to its existing 'Apollo Rural Exclusive Dealership' and 'AVK/ ARD' format, the Company has extended its reach to the hinterland of India.

For the CV segment, the Company continued to focus on expanding its retail network of Apollo CV Zones, which offer best-in-class tyre service to commercial truck and bus fleets. The Company has the largest network of 76 CV Zones within the tyre industry. In addition, it has a strong network of around 50 Apollo Retread Zones offering the most reliable re-treading service to ensure maximum value realisation from truck bus tyres.

### BRAND BUILDING

The COVID-19 pandemic called for reduced brand-building initiatives in terms of investments and volume of advertisements. Nevertheless, in terms of brand salience and recall, Apollo Tyres held its ground at the second place. In FY21, the Company's brand-building campaigns were primarily designed for digital platforms, including social media initiatives.

The Company's initiatives like 'Vehicle and Tyre Care during Lockdown', 'How to get tyres during the lockdown?', etc were channelised through digital mediums. Further, the Company also focussed on showcasing its CSR work done during the year including initiatives done in Gurgaon slums and for the trucking community to build on brand affinity.

Beyond brand specific and CSR related promotion, the Company also encouraged people to 'Maintain the Distance', follow proper sanitisation when travelling, etc. bringing lot of readers on our social brand handles as well as on our website. After the lockdown, as the Company witnessed a surge in demand, its hyperlocal initiative to help consumers locate its nearest dealers worked wonders to generate footfalls for its partner network.

Apollo Tyres continues to invest heavily in rural markets to create a brand presence in the hinterland with targeted campaigns running during farming seasons to promote its tractor tyres and specific pickup segment vehicle tyres. A strong rural distribution network was established helping the overall business.





In FY21, the Company launched its first motorcycling-based web series with PowerDrift. The four-part video content series built on different journeys across the country with more than 4 million views on YouTube and a much higher engagement index on other social media platforms. The initiative not only established a shared passion for motorcycling with consumers but also became the first of its kind in the industry.

The Company also continued connecting with its loyal communities across cities via digital variants of its flagship 'Bad Road Buddies' initiative and regional biking.

In the CV space, the Company continued to build the driver connect programme, 'Apollo Swastha Saathi'. The programme expanded to include new districts and has been recognised by the driver community for ensuring their health and safety, especially during the pandemic.

Building a strong brand across segments, the Company became the first Indian tyre company to introduce the branded retail concept in agriculture tyres and opened four 'Apollo Farm Zones' during the year. It also expanded its concept of 'Apollo Farm Points' with more than 200 additions in FY21.

Beyond expanding the retail network, the Company connected with end consumers through digital and social media platforms. The Company's digital campaigns for puddling and compact segment were a huge success reaching more than 25 million people and attracting over 5 million views on various social media platforms.

# 200+

Apollo Farm Points  
expanded in FY21

The Company also organised the second edition of Apollo Farm Power Awards in collaboration with ICFA (Indian Chamber of Food & Agriculture) to recognise the best tractor models introduced in India across different categories. This event was graced by the Agriculture Union Minister with active participation from all key OEMs.

## BEYOND INDIA

With operations in key countries like Thailand, South Africa, Philippines, UAE, Ethiopia and Indonesia—in the APMEA region, the Company continued to invest in creating brand, working on the requirements of each region to bring country specific products.

## EUROPE

In Europe, the Company largely operates in the replacement market in PV radials, agriculture, industrial, TBR and bicycle segments, even as it continues to make inroads into the OEM segment across all segments.

For the Europe region, the fiscal was an important one as it completed the specialisation of its plant in Enschede, The Netherlands. The Dutch operations were facing challenges of economic viability against the accelerated market transformation. For a long-term sustainable future, the Company initiated the specialisation process which entailed focus on profitable products, such as agricultural tyres and high value—niche segment passenger car tyres.

Owing to the dual impact of the COVID-19 pandemic and revamp of the Company's product portfolio of the 'Apollo' branded tyres, volumes for passenger car tyres decreased. However, the market share of the Vredestein brand remained stable over the fiscal. Given the decline in the PV tyres market, the Company inched its market share up in UHP and ultra, ultra-high performance (UUHP) segments.

In the agricultural segment, the Company witnessed stable sales and continued to hold on its market share. While the region has a significant presence in the OEM sector, its sales slightly declined in line with reduced production by OEMs due to pandemic-related challenges. However, this was compensated with the increased sales in replacement. In the Industrial Construction segment, the Company added new OEM customers, including Caterpillar and Liebherr, and posted growth as a consequence of strong replacement volumes.



## Management Discussion and Analysis



In the TBR segment, the Company showed growth in most countries across Europe and closed the year delivering a strong performance over FY20.

On the Bicycle tyres segment, the pandemic had both a positive and negative impact. While lockdowns lasted, cycling became increasingly popular as anxiety over public transportation and surge in exercise meant that more people choose to use (electric) bicycles. This led to spike in demand and a growth in sales. On the other hand, the disruption in the supply chain meant shortage of raw materials, absence of workers and infrastructural and logistical challenges. It proved difficult for the Company to optimise on the opportunity in this scenario.

### OUTLOOK

The second wave of COVID-19 pandemic implies further challenges for various economies, including India.

According to the International Monetary Fund (IMF), global prospects remain highly uncertain. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts people's sentiments. The outlook depends not only on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies are deployed to limit lasting damage from this unprecedented crisis.

The IMF is projecting a global growth at 6% in 2021 moderating to 4.4% in 2022. However, uncertainty surrounds this outlook considering the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalisation and the evolution of financial conditions.

In Europe, the economic activities are currently undergoing stress due to lockdowns and falling demand. As per the IMF, the European economy is expected to recover by 4.7% in 2021.

For India, the IMF holds a bullish outlook. As per its April 2021 update, the IMF projected India's GDP to grow 12.5% in FY22—the highest among emerging and advanced economies. The GDP growth for FY23 is pegged at 6.9%. India is the only country expected to register a double-digit growth this fiscal. However, the rapid spread of the second wave of COVID-19 might temper this outlook.

COVID-19 has grave consequences for the automobile industry and all related sectors. In its outlook in April 2021, SIAM estimates Passenger Vehicle (PV) sales to grow between 3-5% and Commercial Vehicle (CV) at 10-12%. The Two-Wheeler (2W) segment is expected to grow between 5-7% and the Three-Wheeler (3W) segment is pegged to grow between 7-9%. With the imposition of lockdowns across the country, the outlook might be subject to change.

Considering this volatile outlook, Apollo continues to have a cautious approach. The focus is on employee safety and conserving cash. The Company is re-engineering production and rethinking avoidable costs while investing in R&D, eTraining and brand building.

The APMEA region is witnessing some traction in demand in the CV segment and the agricultural space and has initiated strategic action to tap this demand. In the M&HCV category, key launches have been scheduled for FY22 in the TBB and TBR categories, including some future flagship products to expand the market share. In other categories, like LCV/SCV, 2W and OHT, the Company will continue its efforts to drive radialisation offering the best value to customers and maintaining its technology strength. It is confident that the agricultural segment will continue to hold in FY22 and with a robust product offering, it will continue to see continued growth momentum in this category.

The European region has focused on revamping its portfolio over the past 2 years. The region is confident that the upgraded products will help it to consolidate and grow its position in the market. The region will continue to prioritise the all season market where the Company has been a pioneer. Through its latest high-performing products and the widest portfolio of sizes, the Company will strengthen its position in this segment and continue to delivery positive growth.

Further, the Company has refreshed its summer range with the new Ultrac and upgraded Vorti+. These new products will help establish a stronger presence in the summer tyre category. The region will continue to work on growing its overall distribution footprint by recruiting new customers across Europe and expanding its retail networks. The plan to accelerate the introduction of Apollo branded TBR tyres and Industrial tyres in key European markets will provide the necessary leverage across all levels of the trade.

## Risk and Concerns from the point of view of the organisation

The Company has in place a robust risk management framework that identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be handled effectively and mitigated to protect the interest of the shareholders and stakeholders, achieve

business objectives and create sustainable value and growth. The Company's risk management processes focus on ensuring that these risks are identified promptly and a mitigation action plan is implemented and monitored periodically to ensure that the risks are being addressed accordingly.

The Company's risk management framework operates with the following objectives:

**Proactively identify and highlight risks to the right stakeholders**

**Facilitate discussions around risk prioritisation and mitigation**

**Provide a framework to assess risk capacity and appetite; develop systems to warn when the appetite is getting breached**

The list of key risks and opportunities identified by the Management are the following:

### FINANCIALS

#### 1. Raw material price volatility

- Natural rubber is an agricultural commodity and subject to price volatility and production concerns.
- Most other raw materials are affected by the movement in crude prices. Any volatility in crude oil prices may impact the prices of some of the raw materials.
- Both natural rubber and crude prices are controlled by external environment and are, therefore, beyond reasonable control of the management.

#### 2. Ability to pass on increasing cost in a timely manner

- Demand-supply situation must remain in favour of the industry to enable it to undertake price increases.

#### 3. Continued economic growth

- Demand in the tyre industry is dependent on economic growth and/or infrastructure development. Any slowdown in the economic growth across regions impacts the industry.
- In past few years, the Company has made significant investments to increase production capacities, both in India and Europe. Any slowdown in economic activities, may adversely impact return on such investments.
- In Europe, the Company's tyre sales in winters are subject to seasonal requirement, which can be adversely impacted in case of a mild winter season.

#### 4. Radialisation levels in India

- Slower than expected increase in the radialisation level in the truck tyre segment may affect Indian operations. Excess capacity may result in competitive pressures and decline in profit.
- At the same time, an unexpected quicker increase in the level of radialisation can result in faster redundancy of cross-ply capacities and create a need for fresh investments.

#### 5. Future growth

- Lower profitability due to some of the above factors impacts the ability to invest in future growth.
- Increased competition from global players such as Michelin, Bridgestone, etc. in India, may also hamper growth.
- The continuing lockdown situation due to the COVID-19 pandemic can lead to a serious impact on the organisation including a significant drop in demand, drop in profitability, liquidity concerns, etc.

### SOCIAL

#### 1. Manpower and Labour

- Retaining skilled personnel may become increasingly difficult in India due to the growth ambitions of other players in the Indian tyre industry.
- Tyre manufacturing is significantly dependent on availability of skilled labour. Any labour unrest, shortage of labour, diversion of labour to other industries may impact its tyre production



## Management Discussion and Analysis

### Internal Controls and Systems

The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. It has a robust internal control framework, which has been instituted considering the nature, size and risks in the business. The framework comprises, *inter alia*, a well-defined organisation structure, roles and responsibilities, documented policies and procedures and financial delegation of authority. Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. These policies are complimented by a management information and monitoring system, which ensures compliance with internal processes, as well as with applicable laws and regulations.

The Company's internal control environment ensures efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company uses SAP—an Enterprise Resource Planning (ERP) software—as its core IT system. The systems and processes are continuously improved by adopting best-in-class processes and automation and implementing the latest IT tools. The operating management is not only responsible for

revenue and profitability, but also for maintaining financial and commercial discipline.

The Company has a well-established independent in-house Internal Audit function that is responsible for providing assurance on compliance with operating systems, internal policies and legal requirements, as well as suggesting improvements to systems and processes. The Company has also identified and documented key internal financial controls for critical processes across all plants, warehouses and offices wherein financial transactions are undertaken. The financial controls are evaluated for operating effectiveness through management's ongoing monitoring and review process, and independently by Internal Audit.

The Head of Internal Audit reports functionally to the Audit Committee and administratively to the Chairman and Managing Director of the Company. Key internal audit findings are presented to the Audit Committee at its quarterly meetings.

Most importantly, the senior management sets the tone at the top of no tolerance to non-compliance and promotes a culture of continuous innovation and improvement.



## Discussion on financial performance with respect to operational performance

The financial statements have been prepared in accordance with the requirement of the Companies Act, 2013, and applicable accounting standards issued by the Institute of Chartered Accountants of India. The management of Apollo Tyres Ltd accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements are reflected in a true and fair manner and also reasonably present the Company's state of affairs and profit for the year.

(₹ Million)

Sl. No.	Particulars	Year ended		Year ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Standalone		Consolidated	
<b>1.</b>	<b>Revenue from operations</b>				
	Sales	113,545	108,327	169,546	160,965
	Other operating income	3,789	2,356	4,424	2,537
	<b>Total (1)</b>	<b>117,334</b>	<b>110,683</b>	<b>173,970</b>	<b>163,502</b>
<b>2.</b>	<b>Expenses</b>				
	a) Cost of materials consumed	62,383	60,730	70,653	70,498
	b) Purchase of stock in trade	6,948	6,517	20,093	18,342
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	69	1,128	3,198	1,917
	d) Employee benefits expense	9,109	8,261	25,134	24,822
	e) Other expenses	18,481	20,055	26,917	28,537
	<b>Total (2)</b>	<b>96,991</b>	<b>96,691</b>	<b>145,995</b>	<b>144,116</b>
<b>3.</b>	<b>Operating profit (EBITDA excluding other income) (1 - 2)</b>	<b>20,343</b>	<b>13,992</b>	<b>27,975</b>	<b>19,386</b>
4.	Other income	1,215	286	1,294	237
5.	Less: Finance costs	3,794	2,257	4,430	2,808
6.	Less: Depreciation & amortization expenses	7,134	6,207	13,150	11,381
<b>7.</b>	<b>Profit before share of profit/ (loss) in associate / joint venture, exceptional items &amp; tax</b>	<b>10,630</b>	<b>5,814</b>	<b>11,689</b>	<b>5,434</b>
8.	Share of profit / (loss) in associate / joint venture	-	-	0	(0)
9.	Exceptional items	(110)	-	(6,077)	-
<b>10.</b>	<b>Profit before tax</b>	<b>10,520</b>	<b>5,814</b>	<b>5,612</b>	<b>5,434</b>
11.	Less: Provision for tax				
	Current tax	1,904	1,027	2,247	1,274
	Deferred tax	1,388	(299)	(137)	(604)
	<b>Total</b>	<b>3,292</b>	<b>728</b>	<b>2,110</b>	<b>670</b>
<b>12.</b>	<b>Profit after tax</b>	<b>7,228</b>	<b>5,086</b>	<b>3,502</b>	<b>4,764</b>

### KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios. Please note that there is no significant change of 25% or more in Key Ratios viz. Debtors Turnover, Inventory Turnover, Interest Coverage Ratio and Debt Equity Ratio as compared to the previous year other than the following:-

Sl. No	Particulars	FY21	FY20	% Change	Explanation
1	Current Ratio	1.13	0.71	59%	Increase in current ratio is due to increase in working capital.
2	Operating Profit Margin	18.99	13.18	44%	Increase in operating profit margin is due to saving in fixed cost and better raw material prices.
3	Net Profit Margin	6.37	4.70	36%	Increase in net profit margin is due to saving in fixed cost and better raw material prices.

### CHANGE IN RETURN ON NET WORTH

Sl. No	Particulars	FY21	FY20	% Change
1	Return on Net Worth*	8.42	6.63	27%

\*Return on Net Worth is computed as Net Profit by Average Net Worth. Increase in Return on Net Worth is primarily due to increase in Net Profit from ₹ 5,086.24 million to ₹ 7,228.21 million.

## Management Discussion and Analysis

### Information Technology

In FY21, a new Chief Digital Officer, Hizmy Hassen joined the team at Apollo. His introduction has led to the development of a detailed digital strategy to underpin the business goals focused on driving transformation in customer experience, integrating the global supply chains to deliver target customer service and efficiency gains as well as drive the agenda on Industry 4.0. The digital strategy will also support the back-office optimisation project by facilitating the creation of Centres of Excellence (CoEs).

The Company has already started its journey to the cloud. All IT users have migrated to the cloud for their mail, personal files and collaboration, which also facilitates the 'new way of working' post the pandemic. Cloud technology is also being used to stream data from its production plants to use advanced analytics to drive greater machine efficiency.

The Company recognises that cyber threats have increased significantly during the pandemic owing to perimeter security issues when employees work from home. To address this, a major programme has been implemented to enhance security, upgrade servers and network devices and increase awareness across its IT users, globally.

During this pandemic year, there has been increased digitisation in go-to-market across industries. In tandem with these changing times, the Company launched several digital tools to drive transformation in customer experience. In the APMEA region, it launched a consumer-facing app that enabled online purchase and fitment of tyres in one omni channel experience. It has also extended its B2B portal in India to facilitate export orders. In Europe, the B2B platform was upgraded to provide customers with access to tyre stocks across the supply chain. This increased availability and empowered customers through fulfillment choices.

The Company's supply chain strategy will see an increasing level of inter and intra-regional product movement. To facilitate this, it has been using technology to digitise and integrate supply chains into a single global one. Driving efficiency and agility enabling greater accuracy, this integration will be key to delivering seamless customer service at target working capital levels. An Advanced Supply Chain Management system will be introduced to implement this strategy.

In addition, the Company has implemented several new technologies to improve internal controls, especially in the purchase-to-pay process. Privileged access to the systems have been secured with new tools and added governance. Access control has been implemented with stronger passwords and two-factor authentication.

### Health, Safety and Environment (HSE)

Apollo Tyres is steadily moving forward in its HSE culture transformation journey with strong integration of the practices with business processes. Synergised efforts are introduced in key focus areas across the Company's eco-system to structure HSE risk management along with mechanisms to ensure active participation of members.

During FY21, the Chairman and Vice Chairman and Managing Director (VCMD) conducted periodic engagement sessions to inculcate the HSE culture within the organisation. HSE KPIs were reviewed and monitored at various governance levels and necessary actions were taken to drive the agenda. The impact of this effort was evident in the Company's FY21 Safety performance, where the lost time injury frequency rate (LTIFR) reduced by 31% over the previous year.

Intensive efforts were made to review the Risk Management practices pertaining to the COVID-19 situation. Functional level controls were introduced, new workplace models and guidelines were developed and training and awareness initiatives were conducted periodically. The relevant guidelines undergo regular review and updation based on the latest information about COVID-19 risks and controls.

Safety measures were further consolidated through technology-based interventions. The Virtual Gemba observation and video standard systems were introduced in line with the leadership's vision of re-engineering Apollo. Establishing the foundation of Apollo Tyres Health and Safety mission is underway with the aim to launch in FY22.

With HSE being essential for sustainable progress, several steps were taken to accentuate its importance to the management. The 'Speak Up for Safety' programme was introduced in FY21 to personally reach out to associates as part of a micro-learning programme.







In view of the challenges posed by the ongoing pandemic, the Company published and reviewed weekly status reports to ensure timely interventions were put in place to manage the risk. Proactive changes were introduced to reduce impact. These included changes in the transportation system and manufacturing and non-manufacturing operations and introduction of a remote working model that prioritised the health and safety of the people.

Functional Ownership HSE leading and lagging indicators are defined at a functional level and monitored periodically through safety council meetings. This has led to proactive identification of accident-prevention opportunities through near-miss reporting, unsafe acts and unsafe conditions reporting.

The Company expanded its IRF certification to its CV zones across India. Apollo Road safety month was celebrated with engagement activities across CV zones emphasising on COVID-19 preventive controls, vehicle visibility on road, vehicle health and personnel accident insurance among drivers. Social media campaigns on road safety were rolled out in an effort to promote awareness, including a 'Dim the Lights' campaign focusing on the impact of high beam systems.

The Company's manufacturing plants further strengthened risk-based approach and established the controls on machine safety and introduced additional guards, interlocks and physical barriers. No-go inspection parameters were introduced to minimize critical risk behaviours. Emergency mock drills continued to be conducted to test and upgrade the emergency response system in various scenarios with a focus on the pandemic-laced risk factors.

Structured and timely awareness and communication initiatives played an important role in the precautions and actions undertaken in face of the changing scenario. All communication adhered to the respective country and WHO guidelines.

## Development in Human Resources & Industrial Relations

Human Resources (HR) at Apollo Tyres continued to play a pivotal role in managing, guiding and motivating the Company's workforce. As a strategic partner, the function is aligned with the business needs.

During the pandemic, the Company focussed on Learning and development as a key to future-proof the organization. It launched Apollo Virtual Academy (AVA) for employee engagement and learning and development. Under the umbrella of AVA, 23 in-house and live global webinars were hosted, and 38 virtual online self-paced courses were offered to employees globally on its digital learning platform. In Europe, specialised programme was run for Key Account Managers in Sales to build up their skills. Further in the Enschede plant and due to its specialization various training schemes were put in place to upskill the employees.

In India, the focus was also on organisational behavioural programme titled Apollo ONE. This is a change management programme which aims at building high-performing and high-trust teams. The ADMIRE programme on capability development in sales continued to provide the necessary learning. Multiple L&D initiatives have been carried out at various plants including Knowledge House and ASPIRE in Limda plant. A special Learning Day was celebrated at the Kerala plant to upskill functional knowledge. At Andhra plant, apart from conducting an E-Learning Week, an Internal Capability Building programme was organised. In Chennai, programmes like FLM training and Skill Connect were conducted, wherein under Skill Connect, digitalisation of skill level assessments were done for employees.



## Management Discussion and Analysis



Apollo Tyres believes in providing learning and growth for its employees through lateral opportunities. The approach facilitates the employees' prospects while the organisation can leverage well-inducted candidates with a deep understanding of the business and culture.

Employee engagement became paramount in the year of the pandemic. In India, the Company explored several engagement initiatives in the form of competitions, employee forums and interest groups that proved to be enjoyable and effective.

In an effort to boost morale and motivate employees, the Company runs several recognition programmes. The Chairman's Award 'Employee of the Year' is reserved for high performance in senior management while the coveted 'Roll of Honour' is awarded for excellence in middle management. The long service award 'Apollo Pillars' was introduced to recognise and reward the long-term contribution of the employees towards the growth and success of the organisation.

During FY21, the Company introduced the 'Chairman's Recognition Week 2020' which was celebrated by employees globally. The event recognised the contribution of those who won the Apollo Pillars and Catalysts awards. Winners of 'Roll of Honour' were announced and,



Recognition and Appreciation Badges were given to the colleagues and leaders for their amazing work and out-of-the-box thinking.

With the outbreak of COVID-19, the Company introduced a COVID Helpline, additional insurance covering parents of employees, the Corona Kavach policy, home ergonomics and the Sanjeevani programme to ensure employee health and wellness.

Labour relations remained conducive in all Indian operations. The Company has consistently worked in collaboration with trade unions and other employee bodies to improve the working environment for its people as well as the productivity and cost-effectiveness of operations. In Enschede, the focus remained on specialisation in an effort to significantly improve the future viability.

## Sustainability and CSR

The sustainability journey started in 2010 and has grown from strength to strength over the years. As part of Sustainability Governance, the Company actioned a plan to adopt the ISO 26000, the international guidelines on social responsibility and sustainable development whereby the Standard Operating Procedures (SOPs) of four core of the seven issues - Fair Operating Practices, Consumer Issues, Environment and Community Development - are assured by a third party. The adoption of the fifth core subject on Labour Practices is under progress. Further, across its key regions, the Company continued to focus its CSR activities around its two key themes - 'Environment' and 'Social'. Within Social, there are two sub themes - Health and Community Development.

## ENVIRONMENT

During FY21, the Company continued its efforts in the core areas of Biodiversity Conservation and Waste Management. Local initiatives included activities towards Climate Change Mitigation and Watershed Management.

The Mangrove Conservation initiative was appreciated by the Haritha Kerala Mission of the state government. The mission recognised the ecological restoration initiatives undertaken by the project and its contribution towards the 'Pachathuruth' initiative led by the state.

In Europe, the Company joined hands with Municipality of Enschede on the 'Stadsbeek' project, which aims to address the issues pertaining to rainwater and groundwater to improve the living environment of the area.

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## SOCIAL

Within the health space, the Company continued to ramp up its healthcare programme for the trucking community across 32 centres in 19 Indian states. There was extensive effort to create awareness with the distribution of resources and information about COVID-19 through various mechanisms and platforms across various communities of over a million people.

Apollo has joined the 'Jan Andolan' to contribute to India's National Tuberculosis (TB) Elimination Programme, which aims to eradicate TB from India by 2025. Towards this, the Company has collaborated with the Union and Central TB Division. In the reporting year, two webinars on the theme of Partnership for Action against TB were organised to encourage corporate partnerships for TB elimination. The effort has earned recognition from the Ministry of Health and Family Affairs. The Healthcare Centres continue to provide COVID-19 awareness and first screening to the trucking community.

Under the Community Development theme, the focus has been around aiding the livelihood and income generation of women and farmers to improve farming practices. As part of this initiative, women who received tailoring training contributed to the production of face masks and PPE. Around 100 underprivileged women from various tailoring units across locations stitched over 1 million reusable cloth masks for employees, communities and other stakeholders with earnings over ₹1 million in a month's time.

One of the Company's livelihood initiative for underprivileged, Navya, ran an ongoing campaign in partnership with the French Institute in India to felicitate eight exemplary women beneficiaries for the second consecutive year.



# Board's Report

Dear Member,

Your Directors have pleasure in presenting the 48<sup>th</sup> Annual Report on the business and operations of Apollo Tyres Ltd. ("the Company"), together with the audited financial statements for the financial year ended March 31, 2021.

## FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2021 is summarised below:

Particulars	Year ended		Year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Standalone		Consolidated	
Sales	113,545	108,327	169,546	160,965
Other operating income	3,789	2,356	4,424	2,537
<b>Revenue from operations</b>	<b>117,334</b>	<b>110,683</b>	<b>173,970</b>	<b>163,502</b>
<b>Operating profit (EBITDA excluding other income)</b>	<b>20,343</b>	<b>13,992</b>	<b>27,975</b>	<b>19,386</b>
Other income	1,215	286	1,294	237
Less: Finance costs	3,794	2,257	4,430	2,808
Less: Depreciation & amortization expenses	7,134	6,207	13,150	11,381
<b>Profit before share of profit/ (loss) in associate/ joint venture, exceptional items &amp; tax</b>	<b>10,630</b>	<b>5,814</b>	<b>11,689</b>	<b>5,434</b>
Share of profit/ (loss) in associate/ joint venture	-	-	0	(0)
Exceptional items	(110)	-	(6,077)	-
<b>Profit before tax</b>	<b>10,520</b>	<b>5,814</b>	<b>5,612</b>	<b>5,434</b>
Less: Provision for tax	3,292	728	2,110	670
<b>Profit after tax</b>	<b>7,228</b>	<b>5,086</b>	<b>3,502</b>	<b>4,764</b>

## OPERATIONS

In our key market, India, the tyre industry is closely linked to the automobile industry. FY21 saw lockdowns across the country, wiping out majority of the first quarter of the fiscal. While the sales saw a rebound in the second half of the fiscal, it was not enough to cover the loss of the first half of the year. According to the data released by ATMA for 11-months, the tyre industry declined by around 8% as compared to the 11-months numbers of FY20.

In the Company's other key market, Europe, the tyre industry performed poorly due to multiple reasons. Pandemic along with lull in the economic activity saw adverse impact on sales in the region. A detailed analysis of the tyre industry for India and Europe has been shared in the Management Discussion and Analysis section of the annual report.

The standalone revenue from operations of your Company was ₹ 117,334 million during FY21 as against ₹ 110,683 million during the previous financial year. EBITDA (excluding other income) was at ₹ 20,343 million as compared to ₹ 13,992 million during the previous financial year. The Net Profit for the year under review was ₹ 7,228 million, as against ₹ 5,086 million in the previous fiscal.

The consolidated revenue from operations of your Company was ₹ 173,970 million during FY21, as compared to ₹ 163,502 million in FY20. The consolidated EBITDA (excluding other income) was ₹ 27,975 million for FY21 as compared to ₹ 19,386 million for the previous financial year. On consolidated basis, Apollo Tyres earned a Net Profit of ₹ 3,502 million for FY21 as against ₹ 4,764 million for the previous financial year.

## RAW MATERIALS

The year under review had two distinct themes, the first half of the year saw the impact of COVID-19 induced lockdowns leading to demand contraction and significant fall in the raw material cost. The second half of the year showed a remarkable recovery in automobile production, return of the demand from the aftermarket leading to sharp rise in the raw material cost.

Oil prices moved to USD 25/barrel in April 20 on account of lockdowns in most parts of the world. Increased buying by China led to prices recovering to USD 40/barrel by June. The Crude prices staged a comeback from November 20 onwards on account of vaccine roll out, return of demand and OPEC supply management strategy. The year ended with Crude prices crossing USD 70/bbl. In Q4 FY21 Brent Crude prices were 20% higher than the same period last year.

The USD/ INR exchange rate averaged 74.0 in FY21 as against 70.8 in FY20. The rupee weakened by 5% during the fiscal year.

The weakness in demand due to the lockdowns in Q1 led to Natural Rubber prices touching a level of ₹120/kg. The prices gained momentum from August 20 onwards clocking a level of ₹135/kg and breaching the barrier of ₹160/kg by December 20. The decision to hike the Minimum Support Price of Natural Rubber to ₹170/kg led to prices climbing to this level in March 21. The inverted duty on Natural Rubber at 25% or ₹30/kg whichever is lower continued during the year. The demand supply gap to the tune of 45% in India and lack of availability of suitable grades for radial application led to continued imports of Natural Rubber. The port restriction on imports of Natural Rubber remained in force during the year.

The year saw availability concerns in key raw materials such as Nylon Fabric, Carbon Black, Polyester, Beadwire and Steel Tyre Cord. The Company managed to secure the supplies of raw materials through continued focus on new vendor development, long term contracts and partnership approach with its Raw Material Business Partners. The Company shared its vision and expectation from its partners through a virtual Global Partners' Summit conducted in Sept 20. The partners were also recognized for their best practices during the Summit.

The Customs duty @20% on imports of Nylon Fabric continued during the year. This together with the duty on Natural Rubber points to a continuing inverted duty structure. The antidumping duty on imports of Styrene Butadiene Rubber (SBR) from Korea, Thailand and Europe and on imports of Rubber Chemicals from Europe remained in force during the year.

The global shipping and logistics industry faced shortages of containers, blank sailings, port congestion leading to sharp spike in Ocean Freight rates during the second half of the year adding to the cost push. The Company continued its focus on conserving cash through optimizing the inventory levels.

## DIVIDEND

Your Company has a consistent track record of dividend payment. In compliance with the Dividend Distribution Policy of the Company, the Directors are pleased to recommend a dividend of ₹ 3.50 (350%) per share of Re. 1/- each on Equity Share Capital of the Company for FY21 for your approval.

The dividend, if approved, shall be payable to the Members holding shares as on cut-off date i.e. July 16, 2021.

## RESERVES

The amount available for appropriations, including surplus from previous year amounted to ₹ 45,339 million. Surplus of ₹ 42,116 million has been carried forward to the balance sheet. A general reserve of ₹ 1,000 million has been provided.

## BOARD OF DIRECTORS

### A) Appointment/ Re-appointment of Directors

Mr. Francesco Crispino (DIN: 00935998) was appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 consecutive years with effect from July 3, 2020 to July 2, 2025 by the Members at the AGM held on August 20, 2020.

Mr. Vishal Mahadevia (DIN: 01035771) was appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation with effect from August 21, 2020 by the Members through Postal Ballot dated September 24, 2020.

General Bikram Singh (Retd.) (DIN: 07259060) was re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 consecutive years with effect from August 11, 2020 to August 10, 2023, by the Members at the AGM held on August 20, 2020. The Board noted that his continuous association would be of benefit to the Company.

Mr. Vinod Rai (DIN: 00041867) was re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 consecutive years with effect from February 9, 2021 to February 8, 2026, by the Members through resolution passed by Postal Ballot on September 24, 2020. The Board noted that his continuous association would be of benefit to the Company.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Satish Sharma (DIN: 07527148) and Mr. Francesco Gori (DIN: 07413105), Directors of the Company, are liable to retire by rotation and being eligible offers themselves for re-appointment.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity.

None of the aforesaid Directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

### B) Changes in Directors and Key Managerial Personnel

During the year under review and between the end of the financial year and on the date of this report, except the aforementioned Appointments/ Re-appointments of Directors, there are no other change in Directors and Key Managerial Personnel of the Company.

### C) Declaration by Independent Directors

In terms with Section 149 (7) of the Companies Act, 2013, Independent Directors of the Company have submitted declarations that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have also complied with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013. All our Independent Directors are registered on the Independent Directors Databank.

### D) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board is required to carry out annual evaluation of its own performance and that of its Committees and individual Directors. The Nomination and Remuneration Committee (NRC) of the Board also carries out evaluation of every Director's performance. Accordingly, the Board and NRC of your Company have carried out the performance evaluation during the year under review.

For annual performance evaluation of the Board as a whole, it's Committee(s) and individual Directors including the Chairman of the Board, the Company has formulated a questionnaire to assist in evaluation of the performance. Every Director has to fill the questionnaire related to the performance of the Board, its Committees and individual Directors except himself by rating the performance on each



question on the scale of 1 to 5, 1 being Unacceptable and 5 being Exceptionally Good.

On the basis of the response to the questionnaire, a matrix reflecting the ratings was formulated and placed before the Board for formal annual evaluation by the Board of its own performance and that of its Committees and individual Directors. The Board was satisfied with the evaluation results.

#### E) Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on February 5, 2021.

The Independent Directors at the meeting, inter alia, reviewed the following:-

- Performance of Non- Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### F) Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, laid down a Nomination & Remuneration Policy for selection and appointment of the Directors, Key Managerial Personnel and Senior Management and their remuneration. The extract of the Nomination and Remuneration Policy covering the salient features are provided in the Corporate Governance Report forming part of Board's Report.

The Nomination & Remuneration Policy of the Company is available on the website of the Company and the web link is: <https://corporate.apollotyres.com/investors/corporate-governance/?filter=CodesPolicies>

#### G) Code of Conduct for Directors and Senior Management

The Company has formulated a Code of Conduct for Directors and Senior Management Personnel and has complied with all the requirements mentioned in the aforesaid code. For further details, please refer the Corporate Governance Report.

### PRODUCT & MARKETING

In FY21, the APMEA operations continued its focus on key themes for the Indian market - consolidating its leadership position and expanding market share by introducing new products across segments. During the fiscal, the Company inaugurated its new greenfield plant in Andhra Pradesh, India.

In the Medium and Heavy Commercial Vehicle (M&HCV) category, the Company's truck range registered all time highest numbers and from Q3 onwards peaked at highest ever sales

month after month. In the Truck Bus Bias (TBB) segment, the Company launched its bias rib tyre, Apollo Abhimanyu, which has been tested for more than 2.5 million kms of field and indoor testing. The Company also launched its premium drive tyre, Apollo XT100 HD, the new flagship Bias drive tyre in the TBB range.

In the Pickups and Small Commercial Vehicle (SCV) category, the Company's Endumaxx LT has found fitments in reputed OEMs including Ashok Leyland, Tata Motors and Isuzu, as well as increased market share in the replacement market.

In the Passenger Vehicle category, the Company launched Apterra Cross for the Compact SUV segment, even as its flagship pattern, Apterra HT2, for the SUV segment continued to be one of highest growing pattern.

To cater to the growing and highly profitable luxury car segment, the Company expanded its Aspire 4G portfolio and now has the complete tyre portfolio to cater to luxury car brands.

During the year, the Company inaugurated its motorcycle tyre plant in Vadodara, Gujarat for high end cross ply and steel radial products. The fiscal saw the Company launching a specialized off-road pattern for Royal Enfield motorcycles - actiGRIP R6 and actiGRIP F6.

In Europe, the Company completed its specialization of its plant in Enschede, The Netherlands. This will help it to make the Dutch operations economically viable as it focusses on profitable products like agricultural tires and high value - niche segment passenger car tyres.

During the fiscal, the Company has revamped the product portfolio of Apollo branded tyres in Europe. While the market share of the Vredestein brand remained stable over the fiscal, given the decline in the PV tyres market, the Company inched its market share up in Ultra High Performance (UHP) and Ultra Ultra High Performance (UUHP) segments. In Industrial Construction segment, the Company added new OEM customers including Caterpillar and Liebherr and posted good growth riding on back of a strong replacement volumes.

A detailed analysis of the Company's key initiatives for both regions have been shared in the Management Discussion and Analysis section of the annual report.

### FUTURE OUTLOOK

The second wave of COVID-19 pandemic means bad news for the various economies, including India. International Monetary Fund (IMF) is projecting a global growth at 6% in 2021, moderating to 4.4% in 2022. Of course, high uncertainty surrounds this outlook in relation to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions. In Europe, the economic activities are currently undergoing stress due to COVID-19 induced lockdowns and falling demand. As per the IMF, the European economy is expected to recover by 4.7% in 2021. In its update in April, IMF said it expects India's GDP to grow 12.5% in FY22, the highest among emerging and advanced economies. GDP growth for FY23 is pegged at 6.9%. India is the only country expected to register a double-digit growth this fiscal. However, the rapid spread of the second wave of COVID-19 might temper the bullish outlook.

Against such an outlook, the Company continues to have 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.

For the APMEA region, it has planned key launches in the M&HCV category for FY22 in TBB and TBR categories including some future flagship products to further improve market share. In other categories like LCV/SCV, 2W and OHT, it will continue its efforts to drive radialisation as it offers the best value to customers and maintaining the strong technology position of the Company.

Europe region has been working on refreshing its entire portfolio in last 2 years. The region is confident that these upgraded products will help it to consolidate and grow its position in the market. The region will continue to focus on the all season segment where the Company has been one of the pioneers. The newly introduced high performing products and the widest portfolio of sizes will help consolidate and grow the position in this segment.

Further, the Company has refreshed its summer range with the new Ultrac and upgraded Vorti+. These new products will help build a position in the summer tyre category. It has firmed up plans to accelerate the introduction of 'Apollo' branded TBR tyres and Industrial tyres in key European markets.

### COMMISSIONING OF ANDHRA PRADESH GREENFIELD FACILITY

The Company's 7<sup>th</sup> manufacturing unit globally, and the fifth one in India was commissioned on June 25, 2020 virtually and the first tyre was rolled out from the Andhra Pradesh greenfield facility in the southern part of the country.

Located in Chinnapanduru village in Chittoor district of Andhra Pradesh (AP), this facility of the Company is spread over 256 acres. The Company will invest close to ₹40,000 million in the Phase I of this greenfield facility. While the capacity will be ramped up gradually, as the demand improves, by 2022, this plant will have a capacity to produce 15,000 passenger car tyres and 3,000 truck-bus radials per day. With a modular layout, the capacity at this facility can be increased with minimal engineering efforts and with economies on investments.

This highly automated plant uses IT driven systems and robotics and employs young and skilled associates on the shop floor, mostly hired locally. The deployment of state-of-the-art manufacturing technologies at this facility will enable the Company to target premium OEMs and aftermarket customers in India. This will further consolidate the Company's vision of providing world quality products to global markets.

### INAUGURATION OF A TWO WHEELER MANUFACTURING FACILITY

A dedicated commercial facility to manufacture two wheeler radial and cross ply tyres in Company's Limda Plant was virtually inaugurated on July 15, 2020 by Mr. Onkar Kanwar, Chairman and Managing Director.

This facility, spread over more than 10,000 square meter area, is housed within Company's Limda plant in Vadodara. This facility

has an initial capacity to produce 30,000 motorcycle radials and 60,000 motorcycle cross ply tyres per month and will cater to the premium segment of the two-wheeler industry.

### MATERIAL CHANGES AND COMMITMENTS

Except the impact of COVID-19 as mentioned in this report, no material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

### SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS

No significant material orders have been passed during the year under review by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company during the year under review.

### INTERNAL FINANCIAL CONTROLS

Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has identified and documented key internal financial controls as part of Standard Operating Procedures (SOPs). The SOPs are designed for critical processes across all plants, warehouses and offices wherein financial transactions are undertaken. The SOPs cover the standard processes, risks, key controls and each process is identified to a process owner. In addition, the Company has a well-defined Financial Delegation of Authority (FDoA), which ensures approval of financial transaction by appropriate personnel.

The Company uses SAP-ERP to process financial transactions and maintain its books of accounts. The SAP has been setup to ensure adequacy of financial transactions and integrity & reliability of financial reporting. SAP was implemented in the European operations in year 2016. SAP was also implemented at Company's Greenfield plants in Hungary and Andhra Pradesh.

The financial controls are evaluated for operating effectiveness through management's ongoing monitoring and review process, and independently by Internal Audit. The testing of controls by Internal Audit are divided into three separate categories viz. a) automated controls within SAP, b) segregation of duties within SAP and restricted access to key transactions, c) manual process controls.

In our view, the SOPs, FDoA, SAP-ERP and independent reviews by the Internal Audit help in establishing adequate internal financial controls with reference to its financial statements and such internal financial controls are operating effectively.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

### SUBSIDIARY/ ASSOCIATE COMPANIES

As 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, 2021, your Company had 34 Overseas Subsidiary Companies (including step subsidiaries), 1 wholly owned Subsidiary in India, 1 Associate Company and 1 Joint Venture.

Vredestein Marketing B.V., a wholly owned subsidiary of Apollo Vredestein B.V. was liquidated on September 30, 2020.

Apollo Tyres Centre of Excellence Limited, a wholly owned subsidiary of the Company was incorporated in India on October 10, 2020.

As per the provisions of Section 129 of the Companies Act, 2013, the consolidated financial statements of the Company, its Subsidiaries and Associates are attached in the Annual Report. The annual accounts of Subsidiaries and Associates will be made available to shareholders on request and will also be kept for inspection by any shareholder at the Registered Office and Corporate Office of your Company. A statement in Form AOC-1 containing the salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Venture for the year ended March 31, 2021 is also attached with financial statements.

### MATERIAL SUBSIDIARIES

Your Company has following material unlisted Subsidiaries viz. Apollo Vredestein B.V., Apollo Tyres (Hungary) Kft., Apollo Tyres B.V., Apollo Tyres Cooperatief U.A. and Apollo Tyres Holdings (Singapore) Pte Ltd. as on March 31, 2021.

Pursuant to Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Akshay Chudasama, an Independent Director of the Company was nominated as Director on the Board of Apollo Vredestein B.V., Apollo Tyres (Hungary) Kft., Apollo Tyres Holdings (Singapore) Pte Ltd. and Ms. Pallavi Shroff, an Independent Director of the Company was nominated as Director on the Board of Apollo Tyres B.V. & Apollo Tyres Cooperatief U.A., with effect from April 1, 2019.

#### a) Apollo Vredestein B.V.

Apollo Vredestein B.V. focuses on manufacturing, marketing, sales and distribution of tyres for passenger cars, commercial vehicles, agricultural and industrial vehicles and bicycles. The Company's distribution network extends through Europe.

During the year, the Company has completed specialization of its manufacturing plant in Enschede, The Netherlands. After this reorganization, the plant will primarily produce Ultra-high performance segment of passenger car tyres and continue to focus on premium agricultural tyres and Spacemaster tyres.

Launch of a new visual identity for the Vredestein brand, including an updated logo and a new vibrant colour scheme was a major brand promotion initiative during the year which translated into a complete set of on-line and offline advertising campaigns. Three product introductions for passenger car tyres were launched virtually including the creation of a digital experience centre for the Vredestein brand and live streams with Company's top executives.

FY21 was a landmark year for new product introductions across segments.

#### b) Apollo Tyres (Hungary) Kft.

Apollo Tyres (Hungary) Kft. is one of the latest manufacturing facility within Apollo Tyres group. The Company produces both passenger and commercial vehicle tyres.

During FY21, the Company continued to ramp up its production capacity for both product categories.

#### c) Apollo Tyres Holdings (Singapore) Pte. Ltd.

The principal activities of the Company is of sourcing raw materials for Apollo Tyres manufacturing plants in India and Europe besides the provision of other services to the group. 56% of the raw material procurement is for Natural Rubber for the year FY21. Major sourcing countries are Thailand, Indonesia and China. Company has also started outsourcing finished goods for APMEA and Europe regions for certain specific tyre categories.

Global Supply Chain team based out of Singapore consolidates and manages Global Ocean Freight, Transport Optimization, Offtake activities, Supply Chain Cost Analysis, Mould Management and Certification Projects.

In addition, Corporate HR team, based out of Singapore, is managing and facilitating the effective deployment of HR systems and policies, globally, in key areas such as Talent Acquisition, Rewards & Mobility, Talent Management and core HR processes, which are aligned to the business objectives of Apollo Tyres with the mandate of enhancing organizational effectiveness and human capital utilization.

#### d) Apollo Tyres B.V.

Apollo Tyres B.V. incorporated in Netherlands is a Holding Company with two Subsidiaries, Apollo Vredestein B.V. and Apollo Tyres (Hungary) Kft.

#### e) Apollo Tyres Cooperatief U.A.

Apollo Tyres Cooperatief U.A., a direct Subsidiary of the Company, is incorporated in The Netherlands. The Company is primarily acting as a Holding Company for all overseas operations.

### DEPOSITS

During the year under review, your Company did not accept deposits covered under Chapter V of the Companies Act, 2013.

### AUDITORS

M/s. Walker Chandio & Co LLP, Chartered Accountants, Firm Registration No. 001076N/N500013 (the firm licenses audit software as well as audit methodology from Grant Thornton

International Ltd), had been appointed as Statutory Auditors of your Company for a period of 5 years from FY18 to FY22 at the Annual General Meeting held on July 5, 2017.

## AUDITORS' REPORT

The report given by M/s. Walker Chandiok & Co LLP, Chartered Accountants, Statutory Auditors on financial statements of the Company for FY21 is part of the Annual Report. The comments on statement of accounts referred to in the report of the Auditors are self explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

## COST AUDIT

M/s. N.P. Gopalakrishnan & Co., Cost Accountants, were appointed with the approval of the Board to carry out the cost audit in respect of the Company's plants at Perambra (Kerala), Limda (Gujarat), Chennai (Tamil Nadu) and Chinnapandur (Andhra Pradesh) as well as Company's leased operated plant at Kalamassery (Kerala) for FY21.

Based on the recommendation of the Audit Committee, M/s. N.P. Gopalakrishnan & Co., Cost Accountants, being eligible, have also been appointed by the Board as the Cost Auditors for FY21 subject to Members' approval. The Company has received a letter from them to the effect that their re-appointment would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013. The remuneration to be paid to M/s. N.P. Gopalakrishnan & Co., for FY22 is subject to ratification of the shareholders at the ensuing AGM.

Cost records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 are made and maintained by the Company.

## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had re-appointed M/s. PI & Associates, Company Secretaries as Secretarial Auditor of the Company for FY21 to undertake secretarial audit of the Company.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. Secretarial Audit Report given by Secretarial Auditors is annexed with the report as Annexure I.

## MEETINGS OF THE BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 7 (seven) Board meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of all Board/ Committee meetings held are given in the Corporate Governance Report.

## AUDIT COMMITTEE

The details of the Audit Committee including its composition and terms of reference mentioned in the Corporate Governance Report form part of Board's Report.

The Board, during the year under review, had accepted all recommendations made to it by the Audit Committee.

## VIGIL MECHANISM

The Company has formulated a vigil mechanism through Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected, fraud or violation of Company's code of conduct or ethics policy. The details of the policy are explained in the Corporate Governance Report and also posted on the website of the Company.

## COMMITTEES OF BOARD

Pursuant to requirement under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various Committees of Board such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Business Responsibility Committee, Risk Management Committee and Corporate Social Responsibility Committee. The details of composition and terms of reference of these Committees are mentioned in the Corporate Governance Report.

## SHARE CAPITAL

During the year under review the 108,000,000 Compulsorily Convertible Preference Shares (CCPS) having face value of ₹ 100/- each were issued and allotted to Emerald Sage Investment Ltd on April 22, 2020 and October 7, 2020, the same were converted to 63,050,966 Equity Shares on December 5, 2020. Consequent to the aforesaid conversion, the issued and paid up Equity Share Capital of the Company has increased from 572,049,980 equity shares to 635,100,946 equity shares.

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2021 was 635,100,946 equity shares of Re 1/- each.

- a) **Issue of equity shares with differential rights**  
Your Company has not issued any equity shares with differential rights during the year under review.
- b) **Issue of sweat equity shares**  
Your Company has not issued any sweat equity shares during the year under review.
- c) **Issue of employee stock options**  
Your Company has not issued any employee stock options during the year under review.
- d) **Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees.**  
Your Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.



## CONVERSION OF CCPS TO EQUITY SHARES

During the year under review, the Company had allotted the following Compulsorily Convertible Preference Shares ("CCPS") to Emerald Sage Investment Ltd, an affiliate of Warburg Pincus LLC

- 54,000,000 (Fifty four million) 6.34% CCPS having face value of ₹ 100/-each ("Tranche 1 CCPS"), at par, for cash, for an aggregate amount of ₹ 5,400,000,000 (Rupees five thousand four hundred million only) on April 22, 2020.
- 54,000,000 (Fifty four million) 6.34% CCPS having face value of ₹ 100/- each ("Tranche 2 CCPS") at par, for cash, for an aggregate amount of ₹ 5,400,000,000 (Rupees five thousand four hundred million only) on October 7, 2020.

The aforementioned Tranche 1 and Tranche 2 CCPS were converted to Equity Shares aggregating to 63,050,966 at a conversion price of ₹ 171.29 and the allotment to Emerald Sage Investment Ltd. was made on December 5, 2020.

The aforesaid Equity Shares allotted to Emerald Sage Investment Ltd have been listed on stock exchanges (NSE and BSE) and permitted for trading effective from December 28, 2020.

After the aforementioned allotment of Equity Shares, the cumulative ownership of affiliates of private equity funds managed by Warburg Pincus LLC, including the Allottee, is approximately 18%.

## DEBENTURES

During the year, the following series of Secured Redeemable Non-Convertible Debentures (NCDs) were issued and allotted by the Company on Private Placement basis:-

Sl. No.	Series of NCDs	No. of NCDs @ Face Value ₹ 10,00,000 each	Value (₹ in Million)	Date of Allotment
1	APT 8.75% NCDs 2030	5,000	5,000	April 9, 2020
2	Apollo Tyre 7.70% NCDs 2025	5,000	5,000	May 18, 2020

The aforesaid NCDs are listed on the debt segment of the National Stock Exchange of India Limited (NSE).

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loan or guarantee which is covered under the provisions of Section 186 of the Companies Act, 2013. However, details of investments made during the year are given under notes to the financial statements.

## RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Suitable disclosures as required by the Indian Accounting Standards have been made in the notes to the financial statements. The policy on related party transactions as approved by the Board is uploaded on the Company's website.

## MANAGERIAL REMUNERATION

- The details required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Corporate Governance Report.
- During the year under review, Mr. Neeraj Kanwar (DIN: 00058951), Vice Chairman & Managing Director, also received remuneration from Apollo Tyres (UK) Pvt. Ltd., wholly owned Subsidiary of the Company.

## PARTICULARS OF EMPLOYEES

Particulars of employees as required in terms of the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in Annexure A to the Board's Report.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace and the Company has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Furthermore, there was no pending compliant/ case at the beginning as well as ending of financial year.

## HEALTH, SAFETY & ENVIRONMENT

As a firm commitment to Health, Safety and Environment (HSE), the year saw multiple initiatives to implement and review the HSE plans and achieve the defined KPIs. For details on HSE, please refer to Management Discussion and Analysis Report.

## AWARDS AND RECOGNITIONS

In its constant quest for growth and excellence, your Company was honoured and recognised at various forums. The prominent Awards are listed below for your reference.

Name of the Award	Category	Awarded by
ICQCC 2020	Quality	Bangladesh Society for Total Quality Management
Certificate of Appreciation	Recognition for the efforts and contribution towards ending Tuberculosis	Ministry of Health and Family Welfare

## RISK MANAGEMENT

The Company has constituted a Risk Management Committee (RMC) of the Board comprising of Directors and Senior

Executives of the Company. The RMC has a Risk Management Charter and Policy that is intended to ensure that an effective Risk Management framework is established and implemented within the organisation. The Company has also formed Internal Risk Committees (IRCs), which review risk registers for Asia Pacific Middle East Africa (APMEA) Region including India, Europe region and Corporate Functions including United States (US) Region headed by President (APMEA), President (Europe) and Chief Financial Officer as Chairperson of the respective Committees. The IRCs review each risk on a quarterly basis and evaluate its impact and plans for mitigation. Further details about the RMC including its composition are mentioned in the Corporate Governance Report which forms part of the Board's Report.

## CORPORATE SOCIAL RESPONSIBILITY

The Company initiated its CSR activities way before the Companies Act, 2013 came in existence. The Company has a well-defined CSR policy which is made as per the requirement of Section 135 of the Companies Act, 2013. All the CSR activities are aligned with National and Sustainable Development Goals. The Company has a CSR team, who exclusively works towards achievement of CSR goals of the organisation. All the CSR activities of the Company are routed through registered trust (Apollo Tyres Foundation) and runs under the close monitoring and guidance of CSR committee.

In the reporting year, the organisation has undertaken various initiatives related to Healthcare Programme for Trucking Communities, Solid Waste Management and Sanitation Programme for Communities, Livelihood for Underprivileged Women, Biodiversity Conservation and Philanthropy Initiatives; focussing on eradicating hunger and poverty, preventive health and promoting education.

Corporate Social Responsibility Report, pursuant to clause (o) of sub section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 including salient features mentioned under outline of Company's CSR policy forms part of this Report as Annexure II.

The CSR Policy of the Company is available on the website of the Company and the weblink is: - <https://corporate.apollotyres.com/investors/corporate-governance/?filter=CodesPolicies>

## BUSINESS RESPONSIBILITY REPORT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, mandates the top 1000 Listed Companies by market capitalisation to include Business Responsibility Report ("BR Report") in their Annual Report.

Your Company falls under the top 500 Listed Companies by market capitalisation. Accordingly, a BR Report describing the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Report as Annexure III.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, are given in Annexure IV, forming part of this report.

## ANNUAL RETURN

As per Section 134(3)(a) of the Companies Act, 2013, the Annual Return referred to in Section 92(3) has been placed on the website of the Company [www.apollotyres.com](http://www.apollotyres.com) under the Investors Section (Refer link: <https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=Others>).

## CORPORATE GOVERNANCE REPORT

Your Company always places major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organisation's corporate governance philosophy is directly linked to high performance.

The Company is committed to adopting and adhering to established world-class corporate governance practices. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large, and strives to serve their interests, resulting in creation of value and wealth for all stakeholders.

The compliance report on corporate governance and a certificate from M/s. Walker Chandiok & Co LLP, Chartered Accountants, Statutory Auditors of the Company, regarding compliance of the conditions of corporate governance, as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure V to this report.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;



- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### SECRETARIAL STANDARDS

During the year under review, your Company had complied with all the applicable Secretarial Standards.

#### ACKNOWLEDGEMENT

Your Company's organisational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilisation of the Company's resources for sustainable and profitable growth.

Your Directors wish to place on record their appreciation to the respective State Governments of Kerala, Gujarat, Haryana, Tamil Nadu and Andhra Pradesh and the National Governments of India, Netherlands and Hungary. We also thank our customers, business partners, members, bankers and other stakeholders for their continued support during the year. We place on record our appreciation for the contribution made by all employees towards the growth of your Company.

For and on behalf of the Board of Directors

**ONKAR KANWAR**

Place : London

Chairman & Managing Director

Date : May 12, 2021

DIN: 00058921

## FORM NO. MR - 3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Apollo Tyres Limited**  
(L25111KL1972PLC002449)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Apollo Tyres Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and as applicable to the Company, in the manner and subject to the reporting made hereinafter:

Subject to the limitations given in this report, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; *(Not applicable to the Company during the audit period)*
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable to the Company during the audit period)*
- f. The Securities and Exchange Board of India (Registrars and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client; *(Not applicable to the Company during the audit period)*
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable to the Company during the audit period)*
- h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; *(Not applicable to the Company during the audit period)*
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) We further report that with respect to the compliance of the below mentioned laws, we have relied on the representations made by the Company and its officers for system and mechanism framed by the Company for compliances under the following Specific laws applicable as mentioned hereunder:

- 1. Pneumatic Tyres and Tubes for Automotive Vehicles (Quality Control), Order, 2009;
- 2. Bureau of India Standards Act, 1986 and the Rules made thereunder as applicable to Tyre Industry; and
- 3. Rubber Act, 1947 and Rubber Rules, 1955.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ('Listing Regulations')).

Subject to the limitations given in this report, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc.





**We further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision were carried through and there were no instances where any director expressing any dissenting views.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the following event(s) occurred during the year which have a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc. referred to above.

- i. On February 26, 2020, the Company executed an agreement with Emerald Sage Investment Ltd (an affiliate of Warburg Pincus LLC) to issue 108,000,000 6.34% Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 100 each, at par, for cash, by way of preferential allotment on a private placement basis. The Members of the Company approved the issue of CCPS (Tranche 1) through its Extraordinary General Meeting held on March 23, 2020

and issue of CCPS (Tranche 2) through Postal Ballot held on September 24, 2020. The Company had allotted 54,000,000 CCPS (Tranche 1) and 54,000,000 CCPS (Tranche 2), for cash, for an aggregate amount of ₹ 10,800 Million on April 22, 2020 and October 7, 2020 respectively. Pursuant to the Agreement, one of the conditions for conversion was met and accordingly the Company has issued 63,050,966 equity shares having a face value of Re 1 per share.

## LIMITATIONS

*It is to be noted that due to Covid-19 situation in the Country and in compliance of the Covid-19 norms issued by the Government of India and State Governments from time to time, the Firm had carried out the audit virtually and the documents, registers, forms, etc. were made available to us by the company through electronic medium. Further, wherever possible we have also taken confirmations from the Company but the audit, as conducted, is subject to limitation of availability of documents due to continuous restrictions imposed by governments.*

For **PI & Associates**  
Company Secretaries

Sd/-  
**ANKIT SINGHI**  
Partner  
ACS No.: 20642  
C P No.: 16274  
UDIN: A020642C000282827

Date : 12/05/2021  
Place : Noida

Further, this report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



## ANNEXURE A

To,  
The Members,  
**Apollo Tyres Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Compliance Certificate/Management Representation Letter about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **PI & Associates**  
Company Secretaries

Sd/-  
**ANKIT SINGHI**  
Partner

ACS No.: 20642  
C P No.: 16274

UDIN: A020642C000282827

Date : 12/05/2021  
Place : Noida

# Annual Report on Corporate Social Responsibility (CSR) Activities

## 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Apollo Tyres Ltd being conscious of the triple bottom line coherence (People, Planet, Profit), has developed a CSR framework identifying its key stakeholders. The key stakeholders are - Customer, Employees, Supply Chain Partners and Community. Environment is also considered a crucial stakeholder, hence Biodiversity features as a global initiative with projects ranging in India and Hungary.

The CSR framework clearly revolves around the principle of three I's i.e. to involve, Influence and Impact. The CSR initiatives are delivered through Apollo Tyres Foundation (ATF). ATF has a strong focus on impact, as it delineates the overall influence of its programme.

The programmes are categorised into two broad themes: Environment and Social (which has health and community development). Within the themes there are 4 core areas of work:

1. Healthcare Programme for Trucking Community
2. Solid Waste Management and Sanitation
3. Livelihood for Underprivileged Women
4. Biodiversity Conservation

In addition to above there are few local initiatives around manufacturing locations such as Watershed Management, Renewable Energy Proliferation projects and Computer Literacy.

In continuation to our efforts to serve our stakeholders, the organisation rolled out various initiatives to combat COVID given the world is grappling with the pandemic.

The relief work span from distribution of ration, food packets to local communities to distribution of face masks and PPE Kits. COVID awareness campaigns were organised across project locations making people aware about COVID safety guidelines through various awareness mediums like hoardings, pamphlets distribution, public announcement etc. The organisation developed in house digital training material to sensitise the community.

To provide continued healthcare consultation services to the trucking community, the organisation introduced Tele Medicine Consultation facility across its 31 Healthcare Centres. The facility has an online consultation service with the doctor for the beneficiaries who visit Apollo healthcare centres.

CSR policy of Apollo covered all the activities which are mentioned in Schedule VII of Companies Act, 2013 but does not include the following:

1. Activities undertaken in pursuance of normal course of business of the Company
2. Activities that benefit only the employees of the Company and their families
3. Contribution to any political party

## Programmes proposed to be undertaken

Following are the proposed initiatives which will be undertaken by the Company:

- 1) **Healthcare Programme for trucking community** at 31 transshipment locations (ongoing. Incorporate more health services at the locations and explore partnership for greater outreach).
- 2) **Solid Waste Management and Sanitation Programme (SPARSH)** in different transshipment hubs and communities around manufacturing locations (ongoing). Introduction of up-cycle products from waste. End of Life Tyre Playgrounds at selected locations and toilet construction initiative to promote safe sanitation at Chennai location.
- 3) **Livelihood for underprivileged women:** Income generation trainings, linking more number of beneficiaries with financial institution and local market for business development and involving more number of women in livelihood activities. Expansion at Baroda, Kottayam, Chennai and AP location (ongoing).
- 4) **Biodiversity Conservation:** Mangrove conservation project at Kannur, Kerala. Conservation and maintenance of biodiversity parks in Kochi, Tree plantation with objective of carbon sequestration at Tamil Nadu (ongoing), biogas project at Baroda location (ongoing).
- 5) **Local Initiatives:** Computer literacy projects in the villages around Chennai plant. Watershed management project such as pond conservation and drinking water project around manufacturing units.
- 6) **Philanthropic Initiatives:** Sponsorship of education of underprivileged girls in Dehradun, Uttarakhand (Himjyoti School), medicine support to underprivileged (Delhi Commonwealth Women's Association), education support to visually impaired people (Lifeline Care Foundation), livelihood support underprivileged children (Delhi Sikh Gurudwara Management Committee) and to others during the year.

## 2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Onkar Kanwar	Chairman	2	2
2	Mr. Sunam Sarkar	Member of the Committee	2	2
3	Gen. Bikram Singh (Retd.)	Member of the Committee	2	2
4	Ms. Anjali Bansal	Member of the Committee	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is : <https://staticcdn.apollotyres.com/CMSOriginal/3987/csr-policy.pdf>

Details of the CSR projects approved by the Board can be access on the Company website : <https://corporate.apollotyres.com/en-in/responsibility/overview/>

<https://corporate.apollotyres.com/en-in/responsibility/local-initiatives/>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **(NA, in the reporting year no impact assessment was conducted)**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set

off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ Million)	Amount required to be set-off for the financial year, if any (₹ Million)
		Not Applicable	

6. Average net profit of the Company as per Section 135(5): **₹7,659.49 million**
7. (a) Two percent of average net profit of the Company as per Section 135(5): **₹ 153.19 Million**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
- (c) Amount required to be set off for the financial year, if any: **Nil**
- (d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 153.19 Million**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ Million)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹ Million)	Date of Transfer	Name of the Fund	Amount	Date of transfer
129.91	23.28	28.04.2021	-	-	-

8. (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes/ No)	Location of the project		Project Duration	Amount allocated for the project (₹ Million)	Amount spent in the current financial year (₹ Million)	Amount transferred to unspent CSR account for the project as per Section 135(6) (₹ Million)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through Implementing Agency
				State	District						CSR Registration Number
1	Healthcare programme for trucking community	Promoting Preventive Health	No	Delhi	North West Delhi	2 Years	25.77	13.04	12.73	No	Apollo Tyres Foundation
2	TB awareness & prevention programme for trucking community	Promoting Preventive Health	No	Delhi	North West Delhi	2 Years	2.14	0.44	1.70	No	Apollo Tyres Foundation
3	Healthcare programme for trucking community	Promoting Preventive Health	No	Uttar Pradesh	Kanpur	2 Years	5.21	2.63	2.58	No	Jan Kalyan Maha Samiti
4	Skill building & income generation project for women	Livelihood Enhancement Projects	Yes	Gujarat	Waghodia, Vadodara	2 Years	10.03	3.76	6.27	No	Apollo Tyres Foundation
Total							43.15	19.87	23.28		





8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes/No)	Location of the project		Amount spent for the project (₹ Million)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through Implementing agency	
				State	District			Name	CSR Registration Number
1	Clean My Transport Nagar	Ensuring Environmental Sustainability	No	Uttar Pradesh	Agra	0.51	No	Adarsh Seva Samiti	
2	Clean My Transport Nagar	Ensuring Environmental Sustainability	No	Delhi	North West Delhi	2.85	No	Apollo Tyres Foundation	
3	Clean My Transport Nagar	Ensuring Environmental Sustainability	No	Uttar Pradesh	Kanpur	1.19	No	Adarsh Seva Samiti	
4	Clean My Village	Ensuring Environmental Sustainability	No	Gujarat	Waghodia, Vadodara	4.35	No	Apollo Tyres Foundation	
5	Clean My Village	Ensuring Environmental Sustainability	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	1.97	No	Help Foundation India	
6	Clean My Village	Ensuring Environmental Sustainability	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	3.83	No	World Heritage Trust	
7	Clean My Village	Ensuring Environmental Sustainability	No	Kerala	Kodakara, Thrissur	5.35	No	Plan at Earth	
8	Park development and maintenance	Ensuring Environmental Sustainability	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	0.72	No	Apollo Tyres Foundation	
9	Mangrove Project	Ensuring Environmental Sustainability	No	Kerala	Kannur	0.91	No	Wild Life Trust of India	
10	Mangrove Project	Ensuring Environmental Sustainability	No	Kerala	Kannur	0.55	No	Apollo Tyres Foundation	
11	Park development and maintenance	Ensuring Environmental Sustainability	No	Kerala	Chalaky, Thrissur	0.21	No	Apollo Tyres Foundation	
12	Development and maintenance of End of Life Tyres (ELT) play structure in Govt. schools	Ensuring Environmental Sustainability	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	0.39	No	Apollo Tyres Foundation	
13	Pond Restoration and Maintenance Project	Ensuring Environmental Sustainability	No	Gujarat	Waghodia, Vadodara	0.26	No	Apollo Tyres Foundation	
14	Pond Restoration and Maintenance Project	Ensuring Environmental Sustainability	No	Kerala	Kodakara, Thrissur	0.40	No	Apollo Tyres Foundation	
15	Tree Plantation Project (Afforestation)	Ensuring Environmental Sustainability	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	3.23	No	Apollo Tyres Foundation	
16	COVID-19 Relief Work	Eradication Hunger, Poverty & Malnutrition	No	Gujarat	Waghodia, Vadodara	0.07	No	Apollo Tyres Foundation	
17	COVID-19 Relief Work	Eradication Hunger, Poverty & Malnutrition	No	Tamil Nadu	Sriperumbudur, Chennai	0.34	No	Apollo Tyres Foundation	
18	COVID-19 Relief Work	Eradication Hunger, Poverty & Malnutrition	No	Kerala	Kodakara, Thrissur	1.27	No	Apollo Tyres Foundation	
19	Improved Farming Practices for community	Livelihood Enhancement Projects	No	Gujarat	Waghodia, Vadodara	3.34	No	Apollo Tyres Foundation	



Our ESG Performance		Management Discussion & Analysis		Statutory Reports		Financial Statements			
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes/ No)	Location of the project		Amount spent for the project (₹ Million)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through Implementing agency	
				State	District			Name	CSR Registration Number
20	Improved Farming Practices for community	Livelihood Enhancement Projects	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	0.85	No	National Agro Foundation	
21	Improved Farming Practices for community	Livelihood Enhancement Projects	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	1.10	No	National Agro Foundation	
22	Skill building & income generation project for women	Livelihood Enhancement Projects	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	0.02	No	Apollo Tyres Foundation	
23	Skill building & income generation project for women	Livelihood Enhancement Projects	No	Kerala	Kottayam	2.92	No	Jawaharlal Memorial Social Welfare and Public Co-Operation Centre	
24	Drinking Water Project	Making Available Safe Drinking Water	No	Andhra Pradesh	Chinnapanduru Gram Panchayath	0.31	No	Apollo Tyres Foundation	
25	Education support for 50 under privileged girl child	Promoting Education	No	Uttarakhand	Dehradun	0.75	No	Taru Foundation	
26	Education support for the Visually Impaired people	Promoting Education	No	Haryana	Gurgaon	0.20	No	Taru Foundation	
27	Income generation training to under privileged children	Livelihood Enhancement Projects	No	Delhi	Delhi	0.20	No	Apollo Tyres Foundation	
28	Computer literacy to Govt. School children	Promoting Education	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	0.40	No	Bhumi	
29	Healthcare programme for trucking community	Promoting Preventive Health	No	Tripura	Agartala, West Tripura	1.98	No	Global Organisation for Life Development	
30	Healthcare programme for trucking community	Promoting Preventive Health	No	Uttar Pradesh	Agra	2.81	No	Jan Chetna Sewa Samiti	
31	Healthcare programme for trucking community	Promoting Preventive Health	No	Karnataka	Bangalore Urban District	2.95	No	Society for Peoples Action for Development	
32	Healthcare programme for trucking community	Promoting Preventive Health	No	Tamil Nadu	Chennai	2.12	No	Confederation of Surface Transport Tamil Nadu	
33	Healthcare programme for trucking community	Promoting Preventive Health	No	Madhya Pradesh	Chhindwara	2.02	No	Young Men's Christian Association	
34	Healthcare programme for trucking community	Promoting Preventive Health	No	Orrisa	Cuttack	1.84	No	Utkal Sevak Samaj	
35	Healthcare programme for trucking community	Promoting Preventive Health	No	Delhi	North West Delhi	2.68	No	Nav Srishti	
36	Healthcare programme for trucking community	Promoting Preventive Health	No	West Bengal	Farakka, Murshidabad	1.06	No	Ambuja Cement Foundation	
37	Healthcare programme for trucking community	Promoting Preventive Health	No	Assam	Guwahati, Kamrup Metropolitan district	2.20	No	Global Organisation for Life Development	



Corporate  
Factsheet

From our  
Leadership

Value Creation at  
Apollo Tyres

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes/No)	Location of the project		Amount spent for the project (₹ Million)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through Implementing agency	
				State	District			Name	CSR Registration Number
38	Healthcare programme for trucking community	Promoting Preventive Health	No	Haryana	Gurgaon	2.65	No	Child Survival India	
39	Healthcare programme for trucking community	Promoting Preventive Health	No	Madhya Pradesh	Gwalior	2.27	No	Jan Chetna Sewa Samiti	
40	Healthcare programme for trucking community	Promoting Preventive Health	No	Telangana	Hyderabad	3.11	No	Telugu Network of People Living With HIV/AIDS	
41	Healthcare programme for trucking community	Promoting Preventive Health	No	Madhya Pradesh	Indore	2.37	No	Adarsh Jan Seva Sansthan	
42	Healthcare programme for trucking community	Promoting Preventive Health	No	Rajasthan	Jaipur	2.23	No	Institute for Global Development	
43	Healthcare programme for trucking community	Promoting Preventive Health	No	Punjab	Jalandhar	2.28	No	Pahal	
44	Healthcare programme for trucking community	Promoting Preventive Health	No	Rajasthan	Jodhpur	2.21	No	Institute for Global Development	
45	Healthcare programme for trucking community	Promoting Preventive Health	No	Telangana	KarimNagar	1.71	No	Telugu Network of People Living With HIV/AIDS	
46	Healthcare programme for trucking community	Promoting Preventive Health	No	West Bengal	Howrah	1.34	No	Ambuja Cement Foundation	
47	Healthcare programme for trucking community	Promoting Preventive Health	No	Maharashtra	Navi Mumbai	2.41	No	Alert India	
48	Healthcare programme for trucking community	Promoting Preventive Health	No	Gujarat	Mundra Port, Kutch	2.50	No	Shree Sevanidhi Trust	
49	Healthcare programme for trucking community	Promoting Preventive Health	No	Maharashtra	Nagpur	2.10	No	Young Men's Christian Association	
50	Healthcare programme for trucking community	Promoting Preventive Health	No	Himachal Pradesh	Nalagarh, Solan	1.24	No	Ambuja Cement Foundation	
51	Healthcare programme for trucking community	Promoting Preventive Health	No	Tamil Nadu	Namakkal	1.90	No	Confederation of Surface Transport Tamil Nadu	
52	Healthcare programme for trucking community	Promoting Preventive Health	No	Bihar	Patna	2.60	No	Step Foundation	
53	Healthcare programme for trucking community	Promoting Preventive Health	No	Maharashtra	Pune	2.16	No	Magmo Welfare Sanstha	
54	Healthcare programme for trucking community	Promoting Preventive Health	No	Chhattisgarh	Raipur	1.80	No	Kalyani Social Welfare & Research Organization	
55	Healthcare programme for trucking community	Promoting Preventive Health	No	Gujarat	Surat	0.98	No	Ambuja Cement Foundation	
56	Healthcare programme for trucking community	Promoting Preventive Health	No	Uttar Pradesh	Varanasi	2.14	No	Jan Kalyan Maha Samiti	
57	Healthcare programme for trucking community	Promoting Preventive Health	No	Andhra Pradesh	Vijayawada, Krishna District	2.83	No	Vasavya Mahila Mandali	



Our ESG Performance		Management Discussion & Analysis		Statutory Reports		Financial Statements			
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes/ No)	Location of the project		Amount spent for the project (₹ Million)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through Implementing agency	
				State	District			Name	CSR Registration Number
58	Support provided to Public Health Centre	Promoting Preventive Health	No	Andhra Pradesh	Chinnapanduru, Chittoor District	0.53	No	Apollo Tyres Foundation	
59	TB prevention and awareness for community	Promoting Preventive Health	No	Gujarat	Waghodia, Vadodara	0.03	No	Apollo Tyres Foundation	
60	TB treatment support to under privileged rural community	Promoting Preventive Health	No	Delhi	Delhi	0.20	No	Taru Foundation	
61	Sanitation project-Toilet construction & Geo Tagging	Promoting Preventive Health	No	Tamil Nadu	Sriperumbudur, Kanchipuram, Chennai	2.11	No	Help Foundation India	
Total						103.85			

8. (d) Amount spent in Administrative Overheads: ₹ 6.19 Million
8. (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**
8. (f) Total Amount spent for the financial year (8b+8c+8d+8e): ₹ 129.91 Million
8. (g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ Million)
(i)	Two percent of average net profit of the Company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ Million)	Amount spent in the reporting financial year (₹ Million)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ Million)
				Name of the fund	Amount (₹ Million)	Date of transfer	
				NIL			

9. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ Million)	Amount spent on the project in the reporting financial year (₹ Million)	Cumulative amount spent at the end of reporting financial year (₹ Million)	Status of the project - Completed/ Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): **14.09.2020**
- (b) Amount of CSR spent for creation or acquisition of capital asset: ₹ 30,680.00
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Entity/ Public Authority/ Beneficiary Name	Address
Apollo Tyres Foundation	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042

- (d) Provide details of capital asset(s) created or acquired (including complete address and location of the capital asset)

Details of Capital Assets	Address and location of the capital asset
Binocular Microscope	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042

11. Specify the reason(s), if the Company has failed to spend 2% of the average net profit as per Section 135(5):

During the COVID 19 pandemic in FY21, activities could not be carried out during the first quarter. This resulted in an unspent that has been carried forward to the next year and allocated to ongoing projects.

Place: London  
Date: May 12, 2021

**ONKAR KANWAR**  
Chairman of CSR Committee  
DIN: 00058921

**NEERAJ KANWAR**  
Vice Chairman & Managing Director  
DIN: 00058951



# Business Responsibility Report (BRR)

Business Responsibility Report of the Company for the financial year ended on March 31, 2021, pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:-

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L25111KL1972PLC002449
2	Name of the Company	APOLLO TYRES LTD
3	Registered address	3 <sup>rd</sup> Floor, Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi- 682036 (Kerala)
4	Website	apollo tyres.com
5	E-mail id	investors@apollo tyres.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Tyres manufacturing
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Tyres, Tubes and Flaps
9	Total number of locations where business activity is undertaken by the Company	146 locations
A	Number of International Locations (Provide details of major 5)	Apollo has business activity undertaken in about 110 international locations. The major ones are Netherlands, Hungary, Middle East, Thailand, Singapore and North America. The Company has manufacturing units in Netherlands and Hungary.
B	Number of National Locations	Apollo has business activity carried out in about 36 domestic locations. The manufacturing units are located at Gujarat (Limda), Kerala (Perambra and Kalamassery), Tamil Nadu (SIPCOT Industrial Growth Centre Oragadam, Chennai) and Chinnapandur (Andhra Pradesh).
10	Markets served by the Company – Local/State/National/International	National and International

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) ₹ 635.10 million
2. Total Turnover (INR) ₹ 113,545 million
3. Total profit after taxes (INR) ₹ 7,228 million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) ₹ 129.91 million
5. List of activities in which expenditure in 4 above has been incurred:-

During the year under review, the Company has carried out activities primarily related to promoting preventive healthcare, ensuring environmental sustainability, livelihood enhancement projects, rural development projects, promoting education and eradication of hunger, poverty & malnutrition.

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?  
Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):  
At present, the BR initiatives have been undertaken at parent Company level.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] :-

At present, the BR initiatives have been undertaken at Company level.

## SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
  - a. Details of the Director/Director responsible for implementation of the BR policy/policies
    - i. DIN Number :- 00058859
    - ii. Name :- Mr. Sunam Sarkar
    - iii. Designation :- Director

### 2. Details of the BR head

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Ms. Seema Thapar
3	Designation	Company Secretary
4	Telephone number	0124-2721000
5	E-mail ID	investors@apollo tyres.com

## LIST OF PRINCIPLES

**01 PRINCIPLE**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

**02 PRINCIPLE**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**03 PRINCIPLE**

Businesses should promote the wellbeing of all employees.

**04 PRINCIPLE**

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**05 PRINCIPLE**

Businesses should respect and promote human rights.

**06 PRINCIPLE**

Business should respect, protect, and make efforts to restore the environment.

**07 PRINCIPLE**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**08 PRINCIPLE**

Businesses should support inclusive growth and equitable development.

**09 PRINCIPLE**

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy /policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to any national /international standards? If yes, specify? (50 words) <sup>(1)</sup>	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? <sup>(2)</sup>	Y	Y	Y	Y	Y	Y	Y	Y	Y
5. Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy? <sup>(3)</sup>	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Indicate the link for the policy to be viewed online? <sup>(4)</sup>	Y	Y	Y	Y	Y	Y	Y	Y	Y
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8. Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10. Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

<sup>(1)</sup>The policies are in compliance with applicable national/international laws, rules, regulations, guidelines and standards. The policies are in conformance to the spirit of international standards like ISO 9001, ISO 14001 and ISO 45001.

<sup>(2)</sup>As per Company practice the policies that are approved by the Board are posted on the website of the Company [www.apollotyres.com](http://www.apollotyres.com).

<sup>(3)</sup>The Business Responsibility (BR) Committee shall oversee the implementation of the Policies.

<sup>(4)</sup><https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies>

### 2a. If the answer to S. No.1 against any principle, is 'No', please explain why: (Tick upto 2 options)-Not Applicable

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the Principles									
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The Company does not have financial or manpower resources available for the task									
4. It is planned to be done within next 6 months									
5. It is planned to be done within the next 1 year									
6. Any other reason (please specify)									

## 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Business Responsibility (BR) Committee reviews the business performance annually and as and when required.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes Annual Sustainability Report as a part of the Annual Report. From FY17, the BR Report was also part of the Annual Report. Both BR and Sustainability Report are published on the website <https://corporate.apollotyres.com/en-in/responsibility/policies-documents>.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### 01 PRINCIPLE

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company has designed a global "Code of Conduct Policy" ("Code") to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Company including Associates, Subsidiaries and Joint Ventures.

The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees, other business associates and stakeholders.

The Company has rolled out Code of Conduct mandatory online training for all the employees. The Code of Conduct explicitly guides our people on ethical dealings with external stakeholders.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year under review, there were no cases on the violation of the Company's Code of Conduct. During the past financial year, 11 Shareholders Complaints were received and 1 complaint was pending as on March 31, 2021. No Complaints are pending as on the date of this report. All the Complaints were attended and resolved to the satisfaction of the shareholders.

## 02 PRINCIPLE

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

At Apollo Tyres, we follow state of the art and efficient design & manufacturing practices. Our Passenger Car Radial Tyres and Truck / Bus Radial Tyres are designed to meet all the international norms and are duly certified accordingly. These tyres comply with all the relevant International Regulations such as, Conflict Minerals rule, REACH, PAH, ROHS California Prop65 etc. and also aligned to the requirements of ELV norms. In FY21, Apollo improved fuel efficiency of all TBR and PCR tyres and enhanced its' presence on New BSVI vehicles and Electric vehicles. Range expansion of energy efficient tyre, new fuel efficiency series tyre called nRG continued in TBR with tubeless tyre sizes. New range of PCR / SUV tyres in Amazer XP & Apterra Cross launched to deliver significant saving potential in the fuel bill for the customers. Amazer 4G Life continued to deliver High life to reduce tyre consumption and support sustainability. The indigenously developed products (under Atmanirbhar Bharat), EnduTerraMaxx-A for supplies to Defence dept has enabled Govt of India to reduce import costs of such tyres. Another development targeting fuel efficiency, the Durable Ultra Low Rolling resistance (DULRR) tyre with improved Product durability has been the first of its kind product development in India. Ultra low noise (ULN) tyre was developed with an innovative pattern to reduce interior noise to meet stringent OE requirements. Several developments were aimed to support farming community such as introduction of Farm Plus Haulage tyre (patented) having dual function as a Farming tyre and as well as a Haulage tyre for transporting farm produce to the market. Introduction of Agri tyre with Steel breaker also helped the farmers to get rid of frequent puncture due to stub penetrations to a considerable extend.

Weight reduction journey of Apollo continues to reduce per tyre Raw Material consumption and also the energy consumption for processing to produce the tyre. Increased Recycled material usage effectively supported the sustainability drive practised by the Company. Further to this, our Company ensured consistent supply of tyres in the market to fill the vacuum created due to import restriction of tyres and thereby saving huge foreign exchange for the country.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

**a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Comparative Details for FY21 against reference of FY20 on

- (i) Water consumed per kg of product [Litre/Kg]: PCR --11.46 & TBR 10.53% reduction
- (ii) Progressive reduction of tyre weight in PCR by 5%: which directly corresponds to reduction in the consumption of Hydrocarbon and thereby resulting in the reduced carbon footprint per tyre.
- (iii) Silica based tyre production for PCR category increased by 50% in last year, which thus reduced the consumption of carbon black, a fossil fuel based reinforcing agent.
- (iv) Recycled material usage expanded to many components beyond Inner liner to reduce virgin material consumption by 10%.
- (v) A new process- "Gas Circulation Unit" employed for ensuring uniform cure across the tyre resulting in consistent durability and energy saving.
- (vi) Apollo Mixing Technology (AMT) concept was developed for increased efficiency in manufacturing by 15%, Extrusion Efficiency was also improved by 20%, thereby resulting in substantial savings in energy.
- (vii) Nitrogen curing technology has been implemented in the new plant to reduce water consumption.

**b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The rolling resistance of the PCR tyres is reduced through the year from 8.0 Kg/T to 7.0Kg/T. This translates into reduction of rolling loss and reduced fuel consumption without compromising any other performance.

Usage of efficient techniques for Retreading of Truck tyres to provide Extended life cycle of the tyre body material to 2-3 times, thus avoiding the need for frequent replacement. Retreading is also a green process as it extends the usage life of the tyre significantly.

Improvement of wear life for all tyres ensures improved re-use of the non consumable part of tyres to a longer period.

Product failure rate is reduced by almost 14%, thus enhancing the application life of tyres and improve full utilization of tyres till end of life.

Apart from nRG series fuel efficient series in TBR, we are reducing the RRc of all major SKUs by around 4%, which can reduce the fuel consumption of vehicles especially for the fastest growing compact SUV segment .



All steel radial tyres (14.00R20 & 16.00R20) exclusively used for Defence have been developed indigenously and thereby reducing logistics cost and foreign exchange.

### 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

#### a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Apollo Tyres' Sustainable Procurement Vision is to work towards minimizing the environmental and social impacts to its business by adopting sustainable procurement policies and in this regard ensure the partners' participation in promoting sustainable practices in the raw material supply chain.

In this regard, the organisation further strives to continuously enhance customer satisfaction by providing cost effective and quality materials on a timely basis, while working together with supply chain partners on environmental, economic and social aspects to enable sustainable business practices.

In-line with its efforts towards sustainability, the organisation is also working with the Global Platform for Sustainable Natural Rubber [GPSNR] promoted by the World Business Council on Sustainable Development [WBCSD] to contribute to the improvement of Socio-Economic factors in Natural Rubber supply chain.

The Company believes that supply chain is a key contributor to the development and implementation of its Corporate Social Responsibility Programme. As a leading responsible corporate, the Company expects its Business Partners to consider social and environmental impacts of their actions as they conduct their businesses. The focus in the upstream supply chain extends to sourcing of raw materials, their processing, and their use in the manufacture of intermediate and final products.

In order to drive the implementation of the Sustainable Supply Chain Policy in its upstream supply chain, Apollo's Partnership Pact (APP) has been rolled-out to its business partners in the upstream supply chain. Business Partners are expected to ensure their operations and the products supplied to Apollo Tyres comply with all national and other applicable laws and regulations.

The Raw Material supplier partners are expected to comply with Apollo's Partnership Pact (APP) and integrate environmental, occupational health & safety, ethical practices, human rights and labour policies into their business and decision-making processes.

The organisation is committed to work jointly with its Partners to promote and encourage compliance. Till date, more than 80% of the upstream supplier base has signed the Apollo Partnership Pact to pledge their compliance. The compliances to APP are verified during on-site supplier audits. The scope of audits covers various elements like quality management system, environment standards, occupational health and safety

standards as well as others as per Apollo's Sustainability standards and Apollo's Partnership Pact. The supplier audit is conducted by Apollo's certified professionals as per the Company's audit criteria and plan.

The Company encourages its suppliers to implement Apollo's Partnership Pact not only in their business but also to promote this initiative to the next tier suppliers within their respective supply chains. In this regard, the supplier partners are expected to gather information from the upstream supply chain regarding the source of raw material that are used in their manufacturing process to ensure the full traceability of the source of product as a part of Apollo Raw Material Supply Chain Risk mapping.

Apollo Tyres mandates from its partners to develop their environmental systems in compliance with the requirements of ISO14001 and to get their systems certified by an accredited third party. The organisation works together with the partners to promote the use of sustainable practices at its supplier partners' manufacturing plants, offices and urges them to be eco-conscious. Partners must comply with all applicable environmental laws, regulations and standards, such as requirements regarding chemical and waste management and disposal, recycling, industrial wastewater treatment and discharge, air emissions controls, environmental permits and environmental reporting. Currently, most of its suppliers are ISO 14001 certified, complying with local government laws and regulations.

The Company is continuously working on optimizing transportation, logistics and packaging in order to reduce carbon footprint and other environmental impacts. The Company also emphasises on usage of environment friendly, re-usable, recyclable packing material like returnable pallets, returnable metal boxes, returnable metallic spools for the supply of raw material to its manufacturing plant locations globally. The packaging of raw material should be "wood-free". It also ensures that the raw material sourced is free from chemicals impacting environment and complying with international norms.

Along with the guidelines to safeguard the environment, the Company has set-up natural rubber processing units to support the community nearby and empower women. Furthermore, health check-up facilities were provided by the Company to promote socially responsible practices amongst partners in the region.

### 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

#### a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company promotes a policy towards encouraging local procurement from domestic suppliers in the respective regions as a purchasing principle and in this regard, all other things being equal, the organisation prefers domestic suppliers because of benefits like

proximity to Apollo's plants, lower transit lead times, need to maintain lower inventory and lower carbon footprint.

The Company has initiated and established natural rubber collection centres near its plants and provides employment opportunities to the nearby communities. The Company has also been providing training to the employees in aforesaid centres to enhance their skills and capability. These centres have employed women and trained them in NR grading and provided them livelihood. In this way, the domestic NR is made suitable for critical applications and helps the Company in import substitution.

The Company has initiated partnership program with select suppliers for training and development activities towards promotion of safe work culture and practices at the supplier plant premises. The Company aims to develop & upgrade its raw material suppliers by educating and encouraging them on measures, to reduce and ultimately eliminate incidents at its workplace which may lead to human injury and illness. The supplier assessment for safety culture at workplace includes on-site assessment of the selected suppliers in a region for safety culture at workplace.

- 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.**

Yes, Apollo encourages its Raw Material vendors towards reduce, reuse and recycle concepts in their operations and expects that its vendors to run their manufacturing operations in a manner that is protective of the environment.

In this regard, recycled material usage stands at 1-2 % to replace virgin rubber in various applications of tyre manufacturing.

### 03 PRINCIPLE

- Please Indicate Total number of employees-** 15,821
- Please indicate the Total number of employees hired on temporary / contractual / casual basis-** 8,394
- Please indicate the Number of permanent women employees-** 54
- Please indicate the Number of permanent employees with disabilities-** 50
- Do you have an employee association that is recognized by management?**  
Yes
- What percentage of your permanent employees is members of this recognized employee association?**  
 Limda - 54%  
 Perambra - 92%  
 Chennai - 78%  
 Kalamassery - 88%

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No complaints relating to child labour, forced labour, involuntary labour, sexual harassment has been received during the last financial year ending on March 31, 2021.

- 8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Permanent employees	88%
Permanent women employees	Not Captured
Casual/Temporary/Contractual Employees	100%
Employees with Disabilities	Not Captured

### 04 PRINCIPLE

- 1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes. The organisation has mapped its key stakeholders across its value chain. These are stated below -

- Employees
- Customers (OEM & Replacement)
- Dealers & suppliers
- Investors & analysts
- Shareholders
- Regulatory bodies and
- Community

Continuous engagement with the stakeholder groups is crucial to the organisation's growth and sustainability.

- 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Out of the stakeholder groups, women and children forming a part of the community stakeholder group have been identified as disadvantaged, vulnerable & marginalised. Another group identified under this classification are the truck drivers - which comprise of a significant part amongst the customers. Because of their nomadic lifestyle, they experience vulnerability and fall under this category.

- 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes, the organisation lays special emphasis to address the needs of these identified stakeholders. Care for society, one of the core values at Apollo Tyres, is a guiding practice. The organisation's vision is to create value for its stakeholders by bringing about positive change in their lives through its CSR initiatives. Some of the Company's community engagement programmes addressing these marginalised groups is listed below -

1. Healthcare for Trucking Community
2. Sanitation Programme in Chennai & transshipment locations
3. Livelihood and income generation for underprivileged women
4. Improved / Organic farming practices for farmers

In addition, the organisation also undertakes philanthropic work through Taru Foundation like –

- 1) Supporting education for underprivileged girls
- 2) Monthly ration support to the underprivileged
- 3) Education support for differently abled children
- 4) Medicine support to underprivileged section

## 05 PRINCIPLE

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Respect for human rights is fundamental part of the DNA of the Company and the communities in which we operate. In our Company and across our system, we are committed to ensure that people are treated with dignity and respect. The Company promote the awareness and realization of human rights across our value chain and among our stakeholders.

The Company believe in core Apollo Value of "One Family" where every individual is respected and is treated equally, regardless of caste, color, nationality etc.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company did not receive any Stakeholder Complaint during the past financial year regarding Human Rights.

## 06 PRINCIPLE

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Policy related to principle 6 is limited to parent Company. Chennai, Kalamassery, Limda & Perambra manufacturing units are ISO 14001:2015 certified. Environmental indicators are part of vendor assessment criteria for upstream suppliers.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company has strategies to address global environmental issues. The Company also has a sustainability statement that covers the aspects of environment conservation and community development. Various sustainability initiatives taken by the Company includes energy management, waste reduction, emission reduction, water management, and biodiversity conservation. Below are the projects to mitigate climate change:-

### a) Tree plantation and Livelihood Generation Programme

Our afforestation project has a two pronged focus on carbon sequestration and livelihood generation for farmers in the water starved areas of Tamil Nadu. This project is being carried out in Kanchipuram, Tiruvannamalai and Tiruvallur districts in Tamil Nadu. Through this project, a total of 350,000 trees have been planted since the inception of this project in 2013. We have been able to sequester over 24,500 tonnes of CO<sub>2</sub> from the plantation project.

### b) Renewable Energy: Use of Biogas

Within the Climate change mitigation strategy, we are promoting the use of biogas in villages near our manufacturing location in Limda, Gujarat. Apart from providing an eco-friendly alternative source of energy, the programme offers additional benefits of organic manure from slurry, utilisation of cow dung (which is a solid waste) and savings accruing from fuel replacement from LPG to Biogas. We provide individual household type Biogas units. Since the inception of the project in 2016, a total of 230 units have been installed.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes, environmental aspects & impacts are assessed and reviewed periodically by the management. Organization strive to minimize impact on environment by developing environmental improvement programs and operational control procedures. Chennai, Kalamassery, Limda & Perambra manufacturing units certified for ISO14001: 2015 and environmental risk and controls reviewed by third party auditors.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

Yes, combining effective strategy with practical measures is key to achieving successful energy management. We focus on reducing our energy consumption by being energy efficient. There are several initiatives that were undertaken during the reporting period in the Indian Operations which resulted in energy savings of 26,356 GJ. We are continuously making efforts to achieve energy efficiency through improvements in our process design, conversion and retrofitting of equipment and use of energy efficient equipments.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Emissions concentration across all our operating units are under prescribed limit.



**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There were no show cause notices issued or pending in the reporting period.

**07 PRINCIPLE**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

Yes. The Company actively engages with Industry bodies. The major bodies in which the Company is a member are listed below –

- a. Confederation of Indian Industry [CII]
- b. Federation of Indian Chamber of Commerce and Industry [FICCI]
- c. PHD Chamber of Commerce and Industry
- d. Society of Indian Automobile Manufacturers
- e. Automotive Tyre Manufacturers' Association

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, the Company through various Industry associations, participates in advocating matters for the advancement of the Industry and Public Good. As a member of the Automotive Tyre Manufacturers Association (ATMA), the Company strives to be an active participant in policy making process of ATMA and also is a frequent participant in the meetings with the Government departments to discuss the challenges being faced by the industry in the ever-changing economic environment. Mr. Satish Sharma, President (APMEA) and Whole-time Director of the Company, was the past Chairman of ATMA.

The Company has a Public and Regulatory Policy to ensure that the highest standards of business conduct are followed while engaging with aforesaid Trade associations/ Industry bodies.

**08 PRINCIPLE**

**1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

The main aim of the CSR activities is to create a positive impact on the everyday lives of our stakeholders. Environment is also considered as a crucial stakeholder, hence Biodiversity features as a global initiative with projects ranging in India and Hungary.

The CSR initiatives are delivered through Apollo Tyres Foundation (ATF) registered in 2008 as a Trust. All the CSR initiatives of the organisation are aligned with National Goals and Sustainable Development Goals (SDGs).

Apart from mapping the core initiatives with SDGs, the organisation emphasises on linking the initiative with SDG 17: Partnership for Goals. Our focus is on collaborating with like-minded organisations for project implementation and a wider outreach. Our ethos is to work in collaboration not in silos.

The organisation has categorised its CSR initiatives in 4 core thematic areas:

1. Healthcare for Trucking Community;
2. Solid Waste Management and Sanitation;
3. Livelihood for underprivileged Women ;
4. Biodiversity Conservation.

In addition to the above there are a few Local Initiatives around our manufacturing locations. These are Watershed Management and Renewable Energy Proliferation projects.

Further, the organisation also undertakes philanthropic initiatives through Taru Foundation.

In continuation to our efforts to serve our stakeholders, the organisation rolled out various initiatives to combat COVID given the world is grappling with the pandemic. The relief work span from distribution of ration, food packets to local communities to distribution of face masks and PPE Kits. COVID awareness campaigns were organised across project locations making people aware about COVID safety guidelines through various awareness mediums like hoardings, pamphlets distribution, public announcement etc. The organisation developed in house digital training material to sensitise the community.

**1. Healthcare Programme for Trucking Community**

Linked with Sustainable Development Goal (SDG) - 3: Good health and wellbeing, preventive healthcare initiative for the truck driver community is a pioneer programme run by the organisation. Because of their mobile nature of work, truck drivers spend maximum time on the roads and lack access to quality healthcare facilities.

To provide quality healthcare services to the mobile population, the organisation operates 31 Healthcare Centres in the transshipment hubs spanning across 19 Indian states. The programme provides healthcare services such as Prevention and Awareness of HIV-AIDS, Vision Care, Integration of Tuberculosis and other Non-Communicable diseases such as Diabetes, High Blood Pressure and General Treatment facility.

**Services Under Healthcare Programme:**

**a. HIV-AIDS Awareness and Prevention service:**

Among India's millions of truckers, nearly half drive on long distance routes and have been found to be at high risk of HIV and other STIs. Inadequate access to treatment of STI aggravates the risk of contracting and transmitting the virus.

Under this initiative spectrum of services are offered i.e. Behaviour Change Communication (BCC), Sexually Transmitted Infection Treatment (STI), Counselling,



Awareness through Peer Educators (PE), Condom Promotion, Integrated Counselling and Testing Centre (ICTC) support.

We deliver this service through staff and Peer Educators (PE) or volunteers. PEs are a vital connect between the organisation and the beneficiaries. They play an important role in creating awareness about health services and referring the beneficiaries to healthcare centres for availing the treatment facilities. Due to their local connect, PEs are able to reach more number of truck drivers through awareness activities and motivate them to avail healthcare services.

PEs are drawn upon from small restaurant ('dhaba') owners, mechanics, barber shop and street vendors etc. who are based at transshipment hubs and remain in close contact with truck drivers.

So far, the programme has mobilised about 1021 active PEs across its locations. They run awareness activities independently. The organisation invests in building the capacity of the peer educators. Periodic training and capacity building workshops are organised with peer educators to cascade the health awareness message within trucking community. During COVID times, virtual training were organised to push the awareness messages related to protocols to follow.

They actively help in reaching out to the target audience at most opportune time, thereby becoming effective messengers of healthcare programme and services.

Total 26,822 people were tested for HIV during FY21 out of which 49 people were identified as HIV positive. Of these positive cases, 19 were linked with ART centres for HIV treatment service.

- b. **Vision Care service** is targeted towards addressing the vision related problems faced by the trucking community.

Globally, an estimated 253 million people live with vision impairment, out of these nearly 14% are blind, and rest have moderate to severe vision impairment. Most of the visually impaired people are aged 50 years and above. The burden of visual impairment in India is estimated at 62 million; which is about 24% of the global burden.

Identifying vision impairment as a major health threat to the trucking community, Apollo Tyres initiated its vision care initiative in the year 2015. The programme provides doorstep solution for vision care problems. All healthcare centres have specialised vision testing facility and periodic vision testing camps are also organised in the transshipment hubs. The organisation has partnered with Essilor India Pvt Ltd (2.5 NVG) for providing affordable and sustainable vision care services to the trucking community. Essilor India has established customised vision care facilities at 6 Apollo Healthcare Centres.

Beneficiaries identified with refractive error issues are provided with low-cost spectacles and cataract

patients are linked with the nearby government hospital for further treatment.

In the reporting year 32,611 people availed vision screening facility out of which 17,082 people were identified with refractive error issue and 2,361 spectacles were distributed.

#### c. **Tuberculosis Awareness and Treatment**

Over the recent years, India had been on its way to towards achieving the target of End TB by 2025, declared by WHO. Nationally, the unprecedented COVID-19 has slowed down the momentum gained by the TB programme. The routine TB related services were adversely affected due to COVID containment measures.

Apollo Tyres has joined the '*Jan Andolan*' for Tuberculosis (TB) free India to contribute to India's National TB Elimination Programme (NTEP) to meet the ambitious goal of eradication of TB from India by 2025. The organisation has partnered with USAID, The Union and Central TB Division for TB initiative. In the reporting year two webinars on the theme of **Partnership for Action against Tuberculosis (PACT)** were organised. The main aim of the webinar was to invite more corporates to join the partnership for TB elimination. The work in this domain has earned a recognition certificate by the Ministry of Health and Family Affairs (MoHFW).

Company's TB initiative primarily aims at awareness generation, early diagnosis, and treatment adherence, to reduce morbidity and mortality due to TB amongst the trucking community. Apollo Tyres has opened Designated Microscopy Centre (DMC) in Public Private Model at Agra, Gwalior, Guwahati, Mundra Port, Delhi, Kanpur and Agartala location (seven centres). Out of the total 7 DMRC centres 02 (Agartala and Mundra Port) were inaugurated in the reporting year.

Even though at national level TB eradication programme was impacted due to COVID-19, however at Apollo we were able to achieve significant result under TB eradication initiative. Total 3,659 people were screened for TB testing and total 170 positive TB cases were identified. Out of these 151 positive cases were linked to DOTS centre for TB treatment.

#### d. **Diabetes and Hypertension:**

Non communicable disease like diabetes, cardiovascular disease and cancer are the leading global cause of death and are responsible for 70% deaths worldwide. In India 61% of deaths are from non-communicable diseases. Diabetes and hypertension are identified as 2 types of non-communicable diseases which affect the health of the trucking community.

Due to lifestyle issues, lack of awareness and access to medical facilities, trucking community is more vulnerable and at higher risk of getting non-communicable diseases. During our OPDs an increase in diabetes and high blood pressure cases amongst trucking community was an alarming sign and therefore the organisation

started screening of diabetes and hypertension. At all the HCC diabetes screening and blood pressure check-ups are conducted.

In the reporting year total 33,114 people have availed diabetes testing facility. Out of these 7,174 people were identified at risk of diabetes.

Also, there are other generic treatment facilities provided at each healthcare centre for ailments such as fever, cough, cold, flu and other basic first aid features.

- e. **Mobile Medical Units (Apollo Tyres Healthcare Express)** have been started to provide healthcare services to long-distance truck drivers who do not get the opportunity to visit the healthcare centres. The mobile medical unit provides its services at the highways, district borders and trucking halt points. The main objective of this service is to provide doorstep healthcare facility for the trucking community. There are five (5) mobile medical units (Apollo Tyres Healthcare Express) currently operational.

The Company also organises health camps (**Sakushal Saarthi**) for the benefit of the employees of its fleet owners.

- f. **Oral Hygiene** service was introduced in FY 19-20. The major factors that cause oral diseases include irregular brushing habits, tobacco and alcohol consumption, lack of awareness, etc.

During the field engagement with truck drivers, majority of them reported addictions like tobacco consumption (smoking and chewing) and other substance abuse due to various reasons. Poor oral hygiene was identified as the health risk for this category, as poor dental health increases the risk of oral cancer.

Due to COVID pandemic and oral hygiene service was kept on hold in the reporting year.

- g. **Tele Medicine Consultation Service** was introduced during COVID lockdown period to provide uninterrupted medical consultation facilities to the trucking community while keeping in view social distancing requirements. ATF has introduced tele medicine consultation facilities at all the 31 healthcare centres with technical support of Telerad Foundation. The facility has an online consultation service with the doctor for the beneficiaries who visit Apollo healthcare centres.

Total 8,569 people were benefitted through tele consultation facility in the reporting period.

In the reporting year total 597,921 people were outreached from awareness activities which was 18% more from 2019-20. The major reason for increased outreach has been the focused 15 days TB awareness and testing campaigns organised across locations twice in the year.

Total 104,422 people availed treatment facility at the healthcare centres, which recorded a 40% decline in comparison to the previous year. Due to nationwide

lockdown and fear of COVID infection, lesser number of people visited the healthcare centres for treatment.

## 2. Solid Waste Management and Sanitation

India faces major environmental challenges associated with waste generation and inadequate waste collection, transport, treatment, and disposal. To address the issue of Solid Waste Management and supporting the Clean India campaign, the Company launched SPARSH programme in 2013. This initiative is linked with SDG 6: Clean Water & Sanitation, SDG 11: Sustainable Cities and Communities, SDG 12: Responsible Consumption and Production.

SPARSH stands for –

**S** – Segregate Waste; **P** – Practise Composting; **A** – Awareness Generation; **R** – Reduce, Reuse & Recycle; **S** – Safe Sanitation; **H** – Hygiene for All. The strategy of SPARSH remains to engage with its stakeholders create awareness on the 3 R's, i.e., Reduce, Reuse and Recycle.

SPARSH programme comprises of four initiatives: Clean My Transport Nagar (CMTN), Clean my Village (CMV), Sanitation Management and End of Life Tyres Playground (ELT).

The organisation started Clean My Transport Nagar (CMTN) and Clean My Village (CMV) initiatives with the objective to improve the conditions of waste management and cleanliness of identified trans-shipment hubs and villages in India. Under this initiative basic services like door-to-door waste collection, cleaning of roads/lanes, segregation of waste, composting from wet waste and awareness generation are provided to the community. During COVID crisis also our waste workers (Nirmal brigade) were in the forefront and continued their services.

In the reporting period total 1,300 metric ton (MT) waste was collected. Out of which 95 MT was biodegradable waste and 1,205 MT was non-biodegradable waste. Total 10,503 touch points were covered through door to door waste collection. Over 2,500 people were outreached through awareness activities.

With a view to provide access to sanitation, the Company has constructed toilet cum bathing space for the underprivileged communities around Chennai manufacturing location. The organisation constructed 50 toilets cum bathing space in Chennai in the reporting period. Around 200 people have been directly benefitted from these constructed toilets.

ATF has also constructed community toilets for the trucking community at Agra and Delhi transshipment hubs. Total 4 toilets have been constructed and maintained by ATF. Over 3,000 people have benefitted directly from the community toilets.

The organisation is also conscious about the perils of irresponsible disposal of used tyres. To reuse the used tyres, organisation has initiated End of Life Tyre

Playgrounds project. Various play structures like swings, climb walk etc. have been put up in these playgrounds for the children. In the reporting year 01 End of Life Tyre playground was constructed at Karanja Maharashtra location. Total 75 waste tyres were used and 350 children shall be benefitted.

### 3. Livelihood for Underprivileged Women

The livelihood initiative addresses the Sustainable Development Goals (SDGs) SDG 5-Gender Equality and SDG 1: Poverty. This is a key area of our focus, given that India still has the highest percentage of people living in poverty when compared to the world. This initiative is also aligned with SDG8: Decent work and Economic Growth. As it provides income generation opportunity to the women at their doorsteps.

COVID pandemic has worsened the condition of rural women, as lockdown restrictions has negatively impacted businesses & agriculture value chain.

In the reporting year total 263 women were outreached through Self Help Group (SHGs) formation and strengthening activity. Our livelihood programme (Navya) was also impacted due to the COVID crisis. However, we focused on creating livelihood opportunity for rural women in their vicinity. 2,557 women were trained in different livelihood activities and 897 women started income generation activities to support their families.

The programme also came up with the innovative idea of digital engagement with community stakeholders by providing them virtual trainings over whatsapp and video calls. Over 6,500 women received trainings on SHG management, government welfare schemes, agriculture related trainings among others.

We also ensured linking more women beneficiaries to various government schemes for livelihood generation. Total 3,133 women were linked to government welfare schemes while 9 income generation units were linked with government schemes (Kudumbashree, MGNREGA, Government e-marketplace etc.) for product marketing and subsidy purpose. Total 108 SHG were linked with banks for loan purpose.

Additionally, the programme also supports male farmers by providing them technical knowledge in improved farming practises and livestock care and management. The farmers are trained in improved farming practises like fodder management, seed selection, organic farming, cattle rearing and others. Farmers are also linked with various Government agriculture schemes. Over 721 male farmers were benefitted through such activities in the reporting period.

### 4. Biodiversity Conservation

The organisation has mapped this initiative with SDG 13: Climate Action and Goal 14: Life below Water. Biodiversity conservation is the global theme for the Company, wherein various projects are undertaken at Hungary and Netherlands location. In India, Mangrove

Conservation is the main initiative, implemented at Kannur district of Kerala.

Mangroves are remarkably diverse and important ecosystems that keep coastal zone healthy and habitat friendly.

Our initiative focuses on conservation of mangroves and restoration of endangered species. The actual site of the mangrove conservation project is in Kunhimangalam village in Kannur district, which is the largest mangrove village in Kerala. The organisation has partnered with Wildlife Trust of India (WTI) for the implementation of mangrove conservation initiative in Kerala region.

In the reporting year, mangrove restoration activities were conducted in seven locations in association with various panchayats and Haritha Kerala Mission, Govt. of Kerala. Around 2,600 saplings were planted. Due to COVID pandemic Mangrove restoration activities were impacted.

To engage with the stakeholders the project had organised series of webinars related to biodiversity awareness and mangrove conservation. Total 08 webinars were organised reaching out to over 580 people.

To commemorate the International Mangrove Day, a mangrove photography competition was organised. 79 participants submitted their entries under 3 different categories i.e (1. Mangrove Habitat, 2. Mangrove Flora and Fauna, 3. Mangrove and humans).

An inter State Environment and Nature Quiz for college students was also organised, with the objective of creating awareness on mangrove, environment, and nature conservation. Following the COVID protocol, the quiz was conducted online. 46 Students from 23 colleges of four different coastal states viz, Kerala, Maharashtra, Andhra Pradesh, and Tamil Nadu competed in the quiz.

Over 2,000 people were outreached from various awareness activities in the reporting year.

Our Mangrove Conservation initiative received an appreciation from the Haritha Kerala Mission of state government of Kerala. This was given for the model ecological restoration initiatives undertaken by the project and for being a partner in the 'pachathuruth' project of the Mission.

The organisation also works on climate change mitigation. Apollo Tyres has planted 350,000 teak trees and red sandal trees in Tamil Nadu region. As per the estimation 24,500 tonnes of CO<sub>2</sub> has been sequestered till March 2021. The project also engages with the farmers for providing agriculture interventions for soil productivity enhancement.

With a view to promote use of renewable energy, the organisation has also installed 231 household biogas units in various villages of Waghodia Taluka, Vadodara. This initiative has not only helped in addressing the climate adaptation, but has also helped the

beneficiaries in saving costs associated with purchasing of conventional fuel. Beneficiaries have also received additional benefits as they utilise the slurry of the biogas as compost in their agriculture field which has helped in improving the soil quality and cost saving on fertiliser purchase. Women gets more time to spend with family or engage themselves in income generation activity, as they do not need to go out for collecting firewood.

**Local Initiatives:** In addition to the above four core themes, within the radius of 25-30 kms of our manufacturing locations, various local initiatives are implemented which are based on local stakeholder requirement. Details of such initiatives are:

**Access to purified drinking water:** The organisation has set up a RO drinking water plant at Orgadam village, Chennai Tamil Nadu and Chinnapanduru village, Chittoor Andhra Pradesh. Through this initiative beneficiaries have access to purified drinking water. Around 1,100 households and over 4,400 people are availing the drinking water facility.

**Eco restoration of Ponds:** The organisation has mapped the condition of water bodies through research study in the communities around the manufacturing locations. Based on the findings the organisation has restored few ponds in Chennai, Limda and Perambra locations. The main objective of this initiative is improving the condition of water bodies, restoring and enhancing the aqua biodiversity. Total 10 ponds, covering area of 3 lakh square feet have been restored by the organisation through pond deepening, desilting, bunding and maintenance activity.

At Baroda location, the organisation also supports government's pond deepening initiative under Sujalaf Sufalam Jal Sanchay Abhiyan (SSJA). SSJA is a Gujarat state government's water conservation programme to deepen water bodies in the state before monsoon. The scheme focuses on deepening of lakes, pond, check dams and rivers by removing silt through public participation utilising the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Under this same scheme, ATF has restored 01 pond in Tarasva village of Waghodia block in Baroda district. This pond deepening project has provided livelihood opportunity to 180 beneficiaries under the MGNREGA scheme. The monetary value for the MGNREGA work done by 180 beneficiaries is estimated to be around ₹ 255,556.

**Support to Anganwadi & Public Health Centre (PHC) :** The organisation provided equipment support like water filter, medicine rack, furniture etc. to the local PHC at Chinnapandur village for the better infrastructure facility and smooth functioning of the PHC. The material is provided after assessing the need and requirement of the local PHC. Additionally, to provide mid-day meal service to children below 5 years, some kitchen equipment and utensils were also provided to the local anganwadi centre at Chinnapandur village, Chittoor Andhra Pradesh.

**Philanthropic Initiatives:** The organisation also supports the underprivileged and deprived communities by undertaking philanthropic initiatives through Taru Foundation. The initiative ranges from providing education support to underprivileged girls to providing healthcare facilities to rural people and distributing food items to eradicate hunger and poverty.

## 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company's CSR initiatives are implemented through Apollo Tyres Foundation (ATF) which was registered in 2008. Apollo Tyres Foundation has in-house team of experts and field staff to undertake the CSR activities.

The organisation focuses on building partnership for implementation of CSR activities wherever it is possible. The idea is to maximise outreach through strategic partnerships to avoid duplication of efforts, thereby ensuring optimum utilisation of the available resources.

We work with partner organisations which have similar interests and respect our organisation's core CSR values. ATF has established key linkages with government and other support agencies to ensure stronger stakeholder engagement for a sustained value through the programmes.

The organisation has adopted Public Private Partnership (PPP) model, to explore synergies for realising shared goals effectively. Partnerships have augmented wider outreach with enhanced services. For instance, Technical partnership with USAID, The Union & Central TB Division for eradication of TB in Healthcare programme; partnership with Essilor Vision Pvt Ltd for setting up the vision testing facility and affordable spectacles for the trucking community. For tele medicine consultation, ATF has partnered with Telerad Foundation and has introduced teleconsultation facility at 31 Healthcare centres. Other partnerships such as Ashok Leyland, Ambuja Cement Foundation have led to pooling of funds for better services to the beneficiaries.

Under community development, linkages have been developed with National Rural Livelihood Mission for credit linkage, NABARD for livelihood training and setting up rural mart for underprivileged women, Agriculture Universities and Agriculture Training Management Agency (ATMA) for agriculture and livestock development related trainings and others. Apart from these, linkages with District Rural Development Authority (DRDA) and Kudumbshree for creating livelihood opportunities for rural women have been developed. Other partnerships with the French Institute in India and NGO Box were introduced to enhance livelihood for women in the rural sector.

## 3. Have you done any impact assessment of your initiative?

No impact assessment was conducted in the reporting year.





**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Broad Areas of CSR Programs	₹ Million
Ensuring environmental sustainability	26.72
Eradication hunger, poverty & malnutrition	1.68
Livelihood enhancement projects	12.19
Promoting Education	1.35
Making Available Safe Drinking Water	0.31
Promoting Preventive Health	81.47
<b>Total</b>	<b>123.72</b>
Administrative Cost (5% over total expense)	6.19
<b>Grand Total</b>	<b>129.91</b>

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so**

Yes, Community is our key stakeholder, and the Company believes that development of the community is possible only through continuous engagement and follow ups.

Under livelihood initiative across locations, women who received tailoring training were involved in face masks and PPE production activity. Around 100 underprivileged women from various tailoring units across locations stitched over 1 million reusable cloth masks for employees, community and other stakeholders and earned over ₹1 million in a month's time.

**09 PRINCIPLE**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

The Company has a robust system for addressing customer complaints. As on March 31, 2021, there are no customer complaint pending. The total number of legal cases pending are 220 at Pan India level.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)**

The Company adheres to all legal requirements with respect to product labelling and display of product information. All data as per current laws are available on the tyre sidewall. Product labels are available on PCR Tyres as of now basis current laws in India.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

In various Consumer cases complainants allege about unfair trade practice by Apollo on warranty policies. No indent of such complaint in Competition Commission except a pending CCI case initiated on the complaint of a dealers' federation i.e. AITDF.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company regularly engages with customers through call center to get their feedback on the resolution provided for complaints registered through various channels to gauge their satisfaction levels. The Company has also empowered dealers with AQS (Apollo Quick Service) App for on the Spot complaint disposition resulting in quick turn around and enhanced satisfaction trends for year under review. The Company expanded its footprint for better and quick customer complaint resolution by empowering partially to selected Tractor OE Dealerships (M&M and TAFE). The findings of the feedback study are used to improve existing systems & processes in alignment to organizational goals.

For and on behalf of the Board of Directors

**ONKAR KANWAR**

Place : London

Chairman & Managing Director

Date : May 12, 2021

DIN: 00058921

# Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

## A) CONSERVATION OF ENERGY

### (i) The steps taken or impact on conservation of energy

Practicing Energy Management Standard (ISO :50001) all across Apollo Plants, which helped to improve & sustain energy performance at Work Centre and also certified for improved version of ISO 50001: 2018 from the year 2021.

The Energy Saving Projects (energy consumption reduction, improving utility generation efficiency, heat recovery projects, alternated method and automated process) identified in the process of practicing ISO:50001 are implemented across locations.

Internal and External Energy Audits are conducted to improve the Energy performance.

Energy Projects & Activities strengthened up:-

- New Improvement opportunity identified in Utility system (Chilled water, Steam & HVAC) and study of Distribution network to identify gap & opportunities for improvement.
- Energy Efficient LED Light deployment/replacement activities continues across all plants to reduce fixed consumption.
- Forward planning for optimized usage of energy sources (Direct & In-Direct) to control cost.
- Implementation of SCADA system to Monitor, Analyze & control process side specific consumption.
- Horizontal deployment of identified energy saving projects analyzed & reviewed for improving group's energy foot prints.
- Improvement carried out at coal fired boilers to reduce the in-house steam consumption of power boiler.
- Strengthened up training to identify the energy efficiency improvement projects.
- Focused Energy review meetings by Management.
- Interplant Energy efficiency comparison and review by all the plants.

### (ii) Steps taken by the Company for utilizing alternate sources of energy

As per Apollo's vision to increase the percentage of renewable power contribution & reduce the carbon emission reduction, this year 13 MW on site solar power plant has been initiated and additional 16 MW on site solar Power plant is being evaluated in different manufacturing locations.

In addition, off-site Solar Power Plant of 30MW also has been initiated for implementation during this year.

### (iii) Additional investment and proposal for reduction of energy usage: (Investment in Energy front to reduce cost & consumption)

This year also continued to identify energy saving projects

which can be implemented horizontally all across the location that will improve sustainability and profitability.

- Deployment of energy efficient products to reduce fixed consumption.
- Energy saving projects identified for more efficient usage of utilities.
- Replacing old energy inefficient equipment's with more energy efficient equipment with quick & attractive payback period along with proper life-cycle assessment done.
- Power Generation by installing back pressure steam turbine generator.
- Energy saving projects related to Heat conservation identified.
- Alternate method for curing being looked into to reduce the water consumption.
- Pilot of Project implementation of Automatic On Line condenser tube cleaning system to improve the chiller Energy efficiency.
- Pilot Project Implementation of Energy Efficient vacuum Pump to improve the energy efficiency.
- Coal fired Boiler reliability improvement to reduce the Hot standby of FO Boiler to reduce the FO consumption.
- Pilot Project Implementation of Energy Efficient AHU with EC Fan and Sub colling system to improve the Energy efficiency improvement.

## B) TECHNOLOGY ABSORPTION:

### (i) Efforts made towards Technology absorption

Technology leadership is at the core of all Research & Development activities of the Company. Multidisciplinary teams of scientists & technologists with a synergistic blend of knowledge, experience & hard work are actively engaged in retaining Company's technological leadership in India as well as in overseas locations. It has made vital contributions in product development, manufacturing and also improved the productivity & efficiency of the Company. Despite the hindrances caused by COVID 19 pandemic, Global R&D centre Asia has undertaken and completed many projects in key areas of technology that have a direct bearing on business growth for the Company. Membership with Centire research center of Virginia tech., USA, is giving access for our Company to many new avenues in research. PhD students have been sponsored for research work with various IITs and universities in India such as; IIT Madras, IIT Kharagpur, BITS Goa, SRM University, Chennai & MG University, Kottayam. Global R&D centre having recognized by Anna University as an approved R&D Centre is giving opportunity to some of our employees to enroll for the PhD programmes with the

University. Collaborative research projects are ongoing with IIT Bombay, Simulation software providers and also with major steel cord manufacturers such as Bekaert.

Collaborative work with multiple partners & suppliers of the raw materials used across the tyre manufacturing, secures the competitive advantage for our Company and increases the engagement in knowledge, expertise, and resource sharing to make better products. Intense research on filler technology lead to enhanced longevity of the tyres without sacrificing the fuel efficiency characteristics. Functionally active chemicals were explored to improve the interaction between rubber and filler aiming to meet the critical electrical vehicle tyre performance. The use of new generation process aids to assist in improving the rubber filler interactions is being explored to get the maximum benefit out of the compound without any compromise on the productivity/processability. Unconventional and innovative techniques have been employed to increase the usage of recycled and regenerative materials in the compound as a move towards sustainability to preserve the environment. Attempts were made to develop environment friendly materials for a greener and safer environment. New generation reinforcement (steel cord and fabric) material is utilized to realize the benefit of RRC and Traction in Commercial vehicle segment. New test methods have been developed for the characterization of rubber chemicals used in tyres and this has given the Company an additional competitive advantage by way of know-how and tyre property enhancement through synergistic effect by different chemicals. The study of modified performance resins has been a focal point in the development of high-performance compounds. All these compound developments ensured strict compliance of global regulatory requirements like REACH, PAH, ROHS, California Prop65, etc.

Recent advancements in simulation include method development for predicting the influence of tyre tread patterns on wet grip performance of tyres. An exclusive wear code developed in-house is being implemented in design process. This will reduce the cost of testing significantly. In the vehicle-level simulation, F-tire model establishment for Truck Bus Radial tyres enabled to providing necessary input files to OEMs. This also facilitated realistic full vehicle model simulations to improve durability and vehicle ride comfort. New simulation methodology developed for prediction and analysis of pass-by-noise emitted by tyres at the accelerated condition helped in tyre noise reduction to comply with new legislation. Automation of layout design process for TBR have been done to reduce development time. Simulation time reduction and its process optimization has been a major requirement and we have been successful in establishing a simulation automation tool for Truck Bus Radials. All these developments will significantly increase the speed to market for the products. Employing these techniques has led to the development of many key products such as Ultra Low Noise (ULN) tyre with new pattern concepts to reduce interior noise to meet stringent OE requirements. Durable Ultra Low Rolling Resistance (DULRR) tyre with improved Product durability has been first of its kind product development in India.

## (ii) Benefits derived like product improvement, cost reduction, product development or import substitution

Company has emerged as a leader in the Passenger car tyre segment in India Apterra Cross (5 sizes) series of tyres was developed for the fast-growing compact SUV (CSUV) segment in India. This product line has an aggressive design that performs well in all conditions, offering a quiet and comfortable ride as well as extra durability for driving on rough roads. In order to cater to the fast emerging segment of Eco-friendly and Fuel-efficient passenger vehicles, Apollo Amazer XP tyres (10 sizes) was introduced which is a new age product offering excellent comfort and is Eco-friendly. This product is also BS-VI compliant and electric vehicle ready. These products have very low rolling resistance coefficient (RRc) with superior comfort and silent ride, without compromising the tyre wear life Export to EU continues to be a major focus area for the Company. This year Company started production of 7 product lines covering the summer, winter and all season product requirement of EU region. To meet the internal demand arising out of import restriction, Company swiftly introduced a full range of products in the UHP range under the name of Apollo Aspire 4G+. Company also entered the premium luxury segment with the introduction of Ultrac Vorti and Vorti under Vredestein brand. Company also introduced a latest and high performing range of product in SUV category as Apollo Apterra HT2 and Apollo Apterra AT2. These products have been introduced in the US market as Vredestein Pinza

To cater to the requirements of the fast growing SCV segment, Company introduced a new range of tyres under the name of Altrust Grip.

The Company's leadership in the Truck & Bus Radial category has continued in the year to deliver superior value to stakeholders. This includes commercialization of large All Steel Radial Defense Tyres. The indigenously developed products (under Atmanirbhar Bharat), 14.00R20 and 16.00R20 EnduTerraMaxx-A have been commercialized for supplies to Defense and OEMs post approval from the respective agencies. This also opens opportunities for collaboration across globe for Defence supplies on a large scale.

Apollo also joined the elite group of global companies making large All Steel Radial tyres and is the first Indian player in this category. This year we were able to develop a popular basket of products for entry into the US market and commercial production started in the new premium product name "EnduCombi". Phase I of the development, completed with 22 SKUs cover 35% of the market and Phase 2 development of another 20 SKUs to increase the coverage to 60% is in progress. Range expansion of energy-efficient tyre series continued with the introduction of nRG tubeless tyre in 295/80R22.5 size, with significant saving potential in the fuel bill for heavy commercial vehicles. Actions taken to upgrade existing products to retain a competitive edge in the changing scenario post Axle load norms and BSVI implementation have paid well.



Under the Motorcycle tyre category, the Company developed a range of products in with an aim to establishing a strong foothold in the high-value, highly profitable premium motorcycle tyre market, which caters to top 20% of the motorcycle market in India, entire markets in Europe and Americas. We now have a global portfolio of high-end bias and steel radial tyres for the two-wheeler segment. Further to this, Company has made a strategy to focus more on premium OEMs such as Royal Enfield, KTM, Bajaj, HMCL & Harley-Davidson. Apollo was approved by Royal Enfield UK Tech center for their new Classic model. Other OEM samples evaluation are in progress. Also the focus continues on the growth of EV segment and market expectations of the energy-efficient tyre in 2W category. Initial development jointly with an emerging EV OEM is in progress to meet the performance targets in terms of low power consumptions, handling and grip characteristics.

In continuation to previous year, high-power sport-touring motorcycle tyre was on high priority and our Company has extended the range to cover the entire market with "Zero-Degree technology" under the Vredestein brand. Being a sport-touring category, all the SKUs were evaluated for Wet/Dry tests in track conditions. Also, Company has decided to introduce high-performance motorcycle tyres to the Indian market soon.. Centauro tubeless 17" Sizes were developed to cater to the Europe and US markets. In order to satisfy the long hauling requirements of the Indian motorcycle enthusiast, a new adventure series platform was developed with good Off-road handling and durability characteristics. 1st phase SKUs of product ActiGRIP F6/R6 were introduced for premium motorcycles. This will cover the multiple Royal Enfield high potential models.

Development of new products in 24.00-35 completed for cement mines with an aim to establishing leadership in Cost Per Hour (CPH) performance. Successful introduction of haulage special radial tyre for tractor application in size 380/85R28 was completed as well.

With the commissioning of the multi-featured R&D skid trailer, despite the challenges during the period of pandemic, we are now able to indigenize tests that were previously outsourced from international test centres. Labelling/Certification tests like Wet grip index test was approved by RDW in European Union, Traction & Handling characterization tests like Mu-Slip and Force & Moment were all acknowledged by OEMs as great strides in capability building by the Company. These capability building efforts have resulted in Significant savings in development cost and time. Increased simulation capability for tyre modeling and validation has also helped the Company to be considered as the Preferred partner of OEMs with the quick submission of tyre characteristic data in real world usage pattern.

The new generation Rib tyre, ABHIMANYU was developed with the latest tread technology delivering 15% extra mileage with better durability and best in class casing value, proven after conducting extensive field evaluation in complex market conditions. This outstanding performance

was achieved with innovative cavity design & carcass architecture along with the development of cooler running compounds. Also introduced XT-100HD, the most advanced cross-ply lug tyre that offers the best of both worlds in load-carrying capacity and mileage, at the same time ensuring an extremely durable casing. Complementing with this was the new high NSD lug tyre, XT100HD capable of delivering higher mileage along with better loading capacity which ably blends two highly successful products of Apollo, the high mileage product XT100K & the high loading tyre XT7 Gold HD, into one. This product is launched as 295/95D20 size. New generation ply skim with heat aging resistant properties, developed on HEART platform has delivered 30% improvement in durability.

Newly commenced Global function of Process Technology Development has made significant contributions over the last two years since its inception. High Energy Electron Beam radiation technology has been successfully evaluated and with the implementation, ~200 gm weight reduction can be achieved and can contribute towards improvement in Rolling resistance. New process of Steam-Nitrogen circulation technology was developed to reduce bladder surface temperature variation within 2°C ensuring uniform cure across the tyre and ensure consistent durability. Apollo Mixing Technology (AMT) concept was developed for increased efficiency in manufacturing by 15%, concept proven after series of trials conducted at Chennai plant and is planned to be implemented in Andhra plant in the next expansion phase. Extrusion Efficiency was improved by 20% by devising a method to utilize third extruder in TBR triplex extruder. Similarly, effective utilization of quadruplex extruder is achieved to improve the extrusion speed at least by 15%. Perennial problem of TBR tyre stuck-up in top mould and damage to top bladder ring has been completely eliminated by introduction of dynamic drain time during the end of the cure cycle. Single Pass Mixing Technology Concept is developed and implemented for soft Compounds at Tandem Mixer. 15% Energy efficiency improvement in mixing was successfully achieved. Quality and consistency improvement projects in Mixing, Calendering, and extrusion were undertaken and achieved best in class quality consistency in all the areas and is being horizontally deployed across all Apollo plants.

**(iii) In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year)**

- a) **Details of technology imported-** No Technology was imported during this financial year.
- b) **Year of import-** Not Applicable.
- c) **Whether the technology been fully absorbed-** We are focusing on the development of our own technology through in house R&D efforts.
- d) **If not fully absorbed, areas where absorption has not taken place and reasons therefore-** The present technology is based on our own R&D efforts.



**(iv) Expenditure incurred on Research and Development**

	<b>(₹ Million)</b>
a) Capital	403.89
b) Deferred Revenue Expenditure	-
c) Revenue	1,415.31
d) Total	1,819.20
e) Total R&D expenditure as a % turnover	1.60%

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

<b>(i) Foreign Exchange Earnings</b>	<b>₹ Million</b>
On account of direct - export sales from Apollo Tyres Ltd (FOB value)	10,132.43
On account of royalty from Foreign Subsidiary Companies	51.31
On account of Cross Charge of Management Expenses from Foreign Subsidiary Companies	298.96
On account of Reimbursement of Expenses from Foreign Subsidiary Companies	495.76
<b>(ii) Foreign Exchange outgo (other than CIF value of imports) -</b>	<b>3,888.37</b>

For and on behalf of the Board of Directors

**ONKAR KANWAR**

Place : London

Chairman &amp; Managing Director

Date : May 12, 2021

DIN : 00058921

# Corporate Governance Report

Apollo Tyres' governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders. It continues to focus on good corporate governance, in line with emerging local and global standards. It understands and respects its fiduciary role in the corporate world. Besides adhering to the prescribed corporate governance practices as per Regulation 4(2) read with Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company voluntarily governs itself as per highest standards of ethical and responsible conduct of business in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, consumers, lenders and the community at large.

The prime focus of Companies Act, 2013 (the "Act"), is on shareholders' democracy, higher transparency and more disclosures, E-Governance, investor protection/minority shareholders and on Professionals' enhanced role & accountability. The current annual report of your Company contains all the information and disclosures which are required to be given under Companies Act, 2013 / Listing Regulations.

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the details of implementation of the corporate governance code by your Company as contained in the Listing Regulations.

## 1. CORPORATE GOVERNANCE PHILOSOPHY

At Apollo Tyres Ltd ("Apollo"), corporate governance brings direction and control to the affairs of the Company in a fashion that ensures optimum return for stakeholders. Corporate governance is the broad framework which defines the way the Company functions and interacts with its environment. It is in compliance with laws and regulations in each of the markets the Company operates, leading to effective management of the organisation. Moreover, Apollo in its journey towards sustainability is integrating sustainability practices in its corporate governance system which goes beyond compliance.

The Company is guided by a key set of values for all its internal and external interactions.

Simultaneously, in keeping with the best practices, your Company seeks to execute the practices of corporate governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on the following:

- (a) Transparency by classifying and explaining the Company's policies and actions to those towards whom it has responsibilities, including its employees. This implies the maximum possible disclosures without hampering the interests of the Company and those of its stakeholders. The Company believes in promotion of ethical values and setting up exemplary standards of ethical behaviour in our conduct towards our business partners, colleagues, shareholders and general public;

- (b) Accountability is a key pillar, where there cannot be a compromise in any aspect of accountability and full responsibility, even as the management pursues profitable growth for the Company;
- (c) Professionalism ensures that management teams at all levels are qualified for their positions, have a clear understanding of their roles and are capable of exercising their own judgment, keeping in view the Company's interests, without being subject to undue influence from any external or internal pressures;
- (d) Trusteeship brings into focus the fiduciary role of the management to align and direct the actions of the organisation towards creating wealth and shareholder's value in the Company's quest to establish a global network, while abiding with global norms and cultures;
- (e) As part of Corporate Responsibility, the Company believes in working towards sustainable development-environmental and social. Though the journey on sustainability is recent, it is already a key pillar in its next five year growth journey;
- (f) Safeguarding integrity ensures independent verification and truthful presentation of the Company's financial position. For this purpose, the Company has also constituted an Audit Committee which pays particular attention to the financial management process;
- (g) Continuous focus on training and development of employees and workers to achieve the overall corporate objectives while ensuring employee integration across national boundaries.

Your Company is open, accessible and consistent with its communication. Apollo Tyres shares a long term perspective and firmly believes that good corporate governance practices underscore its drive towards competitive strength and sustained performance. Thus, overall corporate governance norms have been institutionalised as an enabling and facilitating business process at the Board, Management and at all operational levels.

## 2. BOARD OF DIRECTORS

At Apollo, we believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. The Board of Directors of Apollo Tyres, being at the core of its Corporate Governance practice, plays the most pivotal role in overseeing how the management serves and protects the long term interests of all our stakeholders.

Apollo's Board consists of an optimal combination of Executive Directors and Independent Directors, representing a judicious mix of professionalism, knowledge and experience. The Directors bring in expertise in the fields of strategy, management, human resource development, legal, finance and economics, among others. The Board provides leadership, strategic guidance, objective and independent

view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

- (a) Composition of Board:** The size and composition of the Board meet the requirements of Regulation 17(1) of Listing Regulations. The Company's Board of Directors consists of 14 Executive and Non-Executive Directors, including leading professionals in their respective fields. The following is the percentage of Executive and Non-Executive Directors of the Company as on March 31, 2021:

Category of Directors	No. of Directors	% of Total no. of Directors
Executive	3	21
Non-Executive (including Independent Directors)	11	79
<b>Total</b>	<b>14</b>	<b>100</b>

The constitution of the Board and attendance record of Directors as on March 31, 2021 are given below:

Name/Designation of Director	Executive/ Non-Executive/ Independent	No. of positions held in Other Companies			Directorship in listed Company(s)		No. of Board Meetings Attended <sup>(3)</sup>	Attendance at last AGM
		Board <sup>(1)</sup>	Committee <sup>(2)</sup>		Name of the Company	Position Held		
			Member	Chairman				
Mr. Onkar Kanwar Chairman & Managing Director	Promoter – Executive	3	-	1	PTL Enterprises Ltd.	Chairman	7	Yes
					Artemis Medicare Services Ltd.	Chairman		
Mr. Neeraj Kanwar Vice Chairman & Managing Director	Executive	2	3	-	PTL Enterprises Ltd.	NED	7	Yes
					Artemis Medicare Services Ltd.	NED		
Mr. Akshay Chudasama	Non-Executive Independent	1	1	-	Bata India Ltd.	ID	7	Yes
Ms. Anjali Bansal	Non-Executive Independent	8	3	-	Bata India Ltd.	ID	7	Yes
					The Tata Power Co. Ltd.	ID		
					Voltas Ltd.	ID		
					Siemens Ltd.	ID		
					Piramal Enterprises Ltd.	ID		
Gen. Bikram Singh (Retd.)	Non-Executive Independent	-	-	-	None	-	7	Yes
Mr. Francesco Gori	Non-Executive Non-Independent	-	-	-	None	-	7	Yes
Mr. Francesco Crispino <sup>(4)</sup> (Appointed w.e.f. July 3, 2020)	Non-Executive Independent	-	-	-	None	-	4	Yes
Ms. Pallavi Shroff	Non-Executive Independent	5	3	-	Trident Ltd.	ID	5	Yes
					Asian Paints Ltd.	ID		
					Inter Globe Aviation Ltd.	ID		
					PVR Ltd.	ID		
Mr. Robert Steinmetz	Non-Executive Non-Independent	-	-	-	None	-	6	Yes
Mr. Satish Sharma	Executive	-	-	-	None	-	7	Yes
Mr. Sunam Sarkar	Non-Executive Non-Independent	-	-	-	None	-	7	Yes
Mr. Vikram S. Mehta	Non-Executive Independent	6	4	1	Colgate Palmolive I Ltd.	ID	7	Yes
					Mahindra & Mahindra Ltd.	ID		
					HT Media Ltd.	ID		
					L & T Ltd.	ID		
					Jubilant Foodworks Ltd.	ID		
Mr. Vinod Rai	Non-Executive Independent	3	3	1	IDFC Ltd.	ID	7	Yes
Mr. Vishal Mahadevia <sup>(5)</sup> (Appointed w.e.f. August 21, 2020)	Non-Executive Non-Independent	2	1	-	IDFC First Bank Ltd.	Non-ID	3	N.A.



<sup>(1)</sup> This includes Directorships held in Public Ltd. Companies and Subsidiaries of Public Ltd. Companies and excludes Directorships in Private Ltd. Companies, Section 8 Companies and Overseas Companies.

<sup>(2)</sup> For the purpose of Committees of Board of Directors, only Audit and Stakeholders' Relationship Committees in other Public Ltd. Companies and Subsidiaries of Public Ltd. Companies are considered.

<sup>(3)</sup> During FY21, 7 (seven) Board Meetings were held.

<sup>(4)</sup> Appointed as an Independent Director w.e.f. July 3, 2020.

<sup>(5)</sup> Appointed as an Non-Independent Director w.e.f. August 21, 2020  
None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than 5 Committees across all the Companies in which he/ she is a Director.

Ms. Pallavi Shroff and Mr. Akshay Chudasama are Managing Partners of M/s. Shardul Amarchand Mangaldas & Co., Solicitors and Advocates on record, to whom the Company has paid fee of ₹ 9.13 million during FY21 for professional advice rendered by the firm in which they are interested. The Board has determined that such payment in the context of overall expenditure by the Company is not significant and does not affect their independence.

As required under Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held on February 5, 2021. The Independent Directors at the meeting, inter alia, reviewed the following:-

- Performance of Non-Independent Directors and Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors to discuss the issues and concerns, if any.

#### (b) Performance evaluation of Independent Directors

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

For annual performance evaluation, the Company has formulated a questionnaire to assist in evaluation of the performance. Every Director has to give rating for each question on the scale of 1 to 5, 1 being Unacceptable and 5 being Exceptionally Good. On the basis of the response to the questionnaire, a matrix reflecting the ratings was formulated.

**(c) Board Functioning & Procedure:** Apollo Tyres' Board is committed to ensure good governance through a style of functioning that is self-governing. The members of the Board always have complete liberty to express

their opinion and decisions are taken on the basis of consensus arrived at after detailed discussions. They are also free to bring up any matter for discussion at the Board Meetings.

Apollo Tyres' Board meets at least once in every quarter to discuss and review the quarterly results and other items of agenda, including the information required to be placed before the Board, as required under Regulation 17(7) read with Part A, Schedule II of the Listing Regulations and additional meetings are held as and when required. The meeting dates are usually finalized well before the beginning of the year. The Chairman/Vice Chairman of the Board, Chief Financial Officer and the Company Secretary discuss the items to be included in the agenda and the detailed agenda, management reports and other explanatory statements are circulated well in advance of the meeting. Senior Management officials are called to provide additional inputs on the matters being discussed by the Board/Committee. Overseas operating subsidiaries are represented through President of respective regions who make detailed presentations about working of their respective Companies.

**Paperless Board Meetings:** With a view to leverage technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board/Committee Agenda. The Directors of the Company receive the Agenda in electronic form through this application, which can be accessed through Browsers or iPads. The application meets high standards of security and integrity that is required for storage and transmission of Board/Committee Agenda in electronic form.

**Post Meeting follow up procedure:** The Board has an effective post meeting follow up procedure. Items arising out of previous Board Meeting and their follow up action report are placed at the immediately succeeding meeting for information of the Board.

#### (d) Information placed before the Board of Directors

The Board has complete access to all the information available within the Company. The following information, inter-alia, is provided periodically by the management to the Board for its review:

- Quarterly/ Half yearly/ Yearly financial results (consolidated & standalone) and items arising out of Annual Accounts.
- Proceedings of various Committees of the Board (on quarterly basis).
- Minutes of the Subsidiaries (on quarterly basis).
- Internal/External Audit findings & recommendations (on quarterly basis).
- Report on Share Capital Audit (on quarterly basis).
- Secretarial Audit Report (on Annual basis).
- Related Parties Transactions (on quarterly basis).
- Information on Cost Audit (on Annual basis).



- Compliance certificates on applicable laws of ATL & its Subsidiaries (on quarterly basis).
- Compliance Reports, Investors Complaints, Corporate Governance, Transfer/Transmission/Demat of shares (on quarterly basis).
- Foreign Exchange exposure & steps taken to limit the risk (on quarterly basis).
- Material legal cases (on quarterly basis).
- Investment/deployment of funds & borrowings (on quarterly basis).
- Annual Report (on Annual basis).
- Capital and Revenue Budgets (on Annual basis).
- Overall business scenario, operations of the Company (on quarterly basis).
- Growth & Expansion plans at various operations, capital spent, business/financial justification and time frame (as and when required).
- Sales Forecast, Margin outlook etc. (on quarterly basis).
- Banking facilities and its utilization (on quarterly basis).
- Review of Material Events and Transactions (on quarterly basis).
- Global growth plans (as and when required).
- Codes and Policies (as and when required).
- Investment in Subsidiary Companies & providing guarantee etc.(as and when required).
- Update on statutory compliance requirements and implementation process (as and when required).
- Details on Labour Relations covering the Plants (on quarterly basis).
- Statement of all significant transactions and arrangements entered into by the Subsidiary Companies (on quarterly basis).
- Noting of Report on Health & Safety (on quarterly basis).
- Disclosure of interest/ declaration of independence/ declaration u/s 164 received from Directors (on Annual Basis).
- Fixation of Statutory Responsibilities/ Grant of Power of Attorney (as and when required).
- Operation of Bank Accounts (as and when required).
- Re-appointment of Secretarial Auditor (on Annual Basis).

The Chairman, Vice Chairman, CFO and Company Secretary keep the members of the Board informed about any material development/business update through various modes viz. emails, letters, telecon etc. from time to time.

#### (e) Core Skills /Expertise/ Competencies available with the Board

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified/ available with the Board for the effective functioning of the Company:

- Leadership / Operational experience.
- Legal Expertise.
- Expertise in Strategy, Human Resource Development and Administration.
- Building effective Sales and Marketing strategies.
- Expertise in International Tyre Business and Technical Operations.
- Expertise in sourcing of Raw Materials, IT and Business Operations.
- Expertise in Auditing, Banking, Finance, Economics and Corporate Governance.
- Expertise in Manufacturing, Projects and R&D.
- Expertise in Investment Banking and Private Equity Investments.

While all the Board members possess the skills identified, their area of core expertise is given below:

S. No.	Name of Director	Expertise/ Skills
1.	Mr. Onkar Kanwar	Leadership/ Operational experience, expert in Strategy, Tyre Business and Management.
2.	Mr. Neeraj Kanwar	Leadership/ Operational experience, expert in Strategy, Tyre Business and Management.
3.	Mr. Akshay Chudasama	A lawyer, specialized in Mergers and Acquisitions, Joint Ventures, Cross Border Investments, Private Equity etc.
4.	Ms. Anjali Bansal	Expert in Strategy, International Finance and Business and Human Resource Development.
5.	Gen. Bikram Singh (Retd.)	Former Chief of Indian Army and an expert in Administration and Strategy.
6.	Mr. Francesco Gori	Expert in the field of International Strategy, Product Development & Management, Sales and Marketing.
7.	Mr. Francesco Crispino	Expert in the field of Investment Banking and Corporate Law.
8.	Ms. Pallavi Shroff	A lawyer, with an expertise in ad-hoc arbitrations and institutional arbitrations and handling legal disputes.
9.	Mr. Robert Steinmetz	Expert in International Tyre Business and Technical Operations.



S. No.	Name of Director	Expertise/ Skills
10.	Mr. Sunam Sarkar	Expert in sourcing of Raw Materials, HR, IT, Sustainability, Business Operations and Corporate Strategy.
11.	Mr. Satish Sharma	Expert in the field of key functions like manufacturing, sales and marketing, projects and R&D.
12.	Mr. Vikram S. Mehta	Expert in the field of Sales/ Marketing, Strategy and Management.
13.	Mr. Vinod Rai	Ex-Comptroller and Auditor General of India. Expert in Audit, Banking, Finance and Corporate Governance.
14.	Mr. Vishal Mahadevia	Expert in the field on Finance, Economics and Private Equity Investments.

**(f) Relationship amongst Directors:** Mr. Neeraj Kanwar, Vice Chairman & Managing Director is the son of Mr. Onkar Kanwar, Chairman & Managing Director. None of the other Directors are related to each other.

**(g) Profile of the Chairman & Managing Director:** As the Chairman of Apollo Tyres Ltd, Mr. Onkar Kanwar is the chief architect of the Company's vision and value-driven business strategy. Under his able leadership, Apollo became a professionally managed and a globally recognised tyre manufacturer. As a visionary entrepreneur, he plays a critical role in the articulation of Company's business philosophy.

Modernisation, excellence and quality are his guiding principles. Registered in 1972, Apollo Tyres under his guidance transformed itself from an Indian manufacturer of commercial vehicle tyres, to a global entity with a full-fledged product portfolio. Mr. Onkar Kanwar is highly regarded for his constant emphasis on bettering the lives of people -- be it employees, customers, business partners, shareholders or any other stakeholder -- and responsiveness to change and continuous learning.

He is the Past President of the Federation of Indian Chambers of Commerce and Industry (FICCI) and a former Chairman of the Automotive Tyre Manufacturers' Association. Currently, he is the Chairman of BRICS Business Council, India.

Mr. Onkar Kanwar has a keen interest in the field of education and health care. Artemis Health Sciences, promoted by him, is an enterprise focusing on state-of-the-art medical care and runs a cutting edge multi-specialty medical facility which focuses on holistic treatment. An initiative close to his heart is Apollo Tyres' HIV-AIDS awareness and prevention programme for the commercial vehicle driver community, implemented through Apollo Tyres Foundation's Health Care centres located in large transshipment hubs across India.

A Science and Administration graduate from the University of California, Mr. Onkar Kanwar is a widely travelled individual. He devotes a large part of his time to reading and is passionate about learning modern

management practices and their successful application in business.

He has been conferred with 'Ernst & Young Entrepreneur of the Year Award – Manufacturing' for the year 2012. He has recently been awarded with Hungarian 'Order of Merit', and Government of Japan's 'Order of Rising Sun, Gold and Silver Star'.

**Profile of the Vice Chairman & Managing Director:** As the Vice Chairman & Managing Director of Apollo Tyres, Mr. Neeraj Kanwar plays a pivotal role in Apollo's journey towards becoming one of the most admired automotive tyre brands. Mr. Neeraj Kanwar has pioneered key initiatives in enhancing the competitiveness of the Company's Operations and Products across the Board. He is responsible for crafting Apollo's growth story taking the Company from US\$450 million to US\$2 billion within a 5-year time span. Under his able leadership, Apollo acquired Dunlop Tyres International in South Africa and Zimbabwe in 2006, Vredestein Banden B V in the Netherlands in 2009, and the setting up of a Greenfield facility in Hungary, thereby transforming itself into a Company with operations across geographies.

Mr. Neeraj Kanwar began his career with Apollo Tyres as Manager, Product & Strategic Planning, where he played a crucial role in creating a bridge between the two key functions of Manufacturing and Marketing. In 1998, he joined the Board of Directors and was promoted to Chief, Manufacturing and Strategic Planning. His people management skills helped him bring overarching changes in Industrial Relations, upgradation of technology and benchmarking on product and efficiency parameters.

In 2002, he took over as the Chief Operating Officer of the organisation, wherein he introduced value-driven process improvements in Human Resources and Information Technology. Mr. Neeraj Kanwar was appointed Joint Managing Director in 2006 and elevated to Vice Chairman in 2008, and soon after took over as the Managing Director in 2009 for his initiatives in establishing the Company in the global arena.

As a business leader, Mr. Neeraj Kanwar is associated with leading industry associations and was recently the Chairman of the Automotive Tyre Manufacturer's Association, India.

Mr. Neeraj Kanwar is a people-centric leader and believes in empowering employees to undertake effective and efficient decisions at all times. Within Apollo, he is known for his affable management style, and combine work with liberal doses of fun.

An engineering graduate from Lehigh University in Pennsylvania, USA, Mr. Neeraj Kanwar is an avid sportsperson. He prefers to spend his leisure time with his family or playing tennis, swimming and travelling.

**(h) No. & Dates of Board Meetings held:** During the FY21, 7 (seven) Board Meetings were held on April 17, 2020, April 21, 2020, May 19, 2020, August 5, 2020, November 4, 2020, February 3, 2021 and March 22, 2021. The gap

between any two meetings never exceeded 120 days as per the requirements of Regulation 17(2) of the Listing Regulations.

- (i) **Statutory Compliance of Laws:** The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.
- (j) **Recommendation of Committees:** During the FY21, the Board has accepted all the recommendations of the Committees.
- (k) **Compliance by Independent Directors:** In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.
- (l) **Independent Director Databank Registration:** Pursuant to a notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), all the Independent Directors, subject to the guidelines prescribed by the MCA, were required to register online with the Indian Institute of Corporate Affairs (IICA) within the stipulated time for inclusion of their names in the Independent Directors Databank. Accordingly, all our Independent Directors have completed the registration with the Independent Directors Databank.
- (m) **Resignation by Independent Director:** During the year, no Independent Director has resigned.
- (n) **Total fee paid to Statutory Auditors on consolidated basis:** An amount of ₹ 15.21 million was paid/ payable to Statutory Auditors (excluding out of pocket expenses) for all services provided to the Company and its Subsidiaries during FY21, on a consolidated basis and all entities in the network firm/ network entity of which the Statutory Auditor is a part.

### 3. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

#### (a) Composition & Terms of Reference of Committee

The Board of Directors constituted an Audit Committee in the year 1992. The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under Regulation 18 of Listing Regulations and Section 177 of the Act.

The Audit Committee comprises of four Directors viz. Mr. Vinod Rai, Mr. Akshay Chudasama, Mr. Robert Steinmetz and Ms. Pallavi Shroff, with two-thirds of the members as Independent Directors. Mr. Vinod Rai, Independent Director, acts as the Chairman of the Committee. All the members are financially literate and possess the requisite financial/business acumen to specifically look into the internal controls and audit procedures. Members have discussions with

the Statutory Auditors during the meetings of the Committee and the quarterly/half-yearly and annual audited financials of the Company are reviewed by the Audit Committee before consideration and approval by the Board of Directors. The Committee also reviews Internal Control Systems and IT systems.

As per Regulation 18(3) read with Part C of Schedule II of the Listing Regulations and Section 177 of the Act, the Audit Committee has been entrusted with the following responsibilities:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- Reviewing changes, if any, in accounting policies and practices and reasons for the same;
- Reviewing major accounting entries involving estimates based on the exercise of judgment by management;
- Reviewing significant adjustments made in the financial statements arising out of audit findings;
- Reviewing compliance with listing and other legal requirements relating to financial statements;
- Reviewing disclosure of any related party transactions;
- Reviewing modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review of the functioning of Whistle Blower Mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate;
- Review of investments made by the unlisted Subsidiary;
- Reviewing the utilisation of loans and/or advances from/investment by the Holding Company in the Subsidiary exceeding ₹100 Crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/ advances/investments;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Review of Management Discussion and Analysis of financial condition and results of operations;
- Review statement of significant related party transactions submitted by Management;

- Review of management letters/letters of internal control weaknesses issued by the statutory auditors;
- Review of internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the internal auditor;
- Review of statement of deviations, if any:-
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Chairman of the Audit Committee has confirmed to the Board that the Audit Committee during the year under review has complied with all the roles assigned to it pursuant to the Act and Listing Regulations.

#### (b) Meetings of Audit Committee and attendance of members during the year

During the FY21, 4 (four) Audit Committee Meetings were held on May 18, 2020, August 4, 2020, November 3, 2020 and February 2, 2021.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Vinod Rai	Chairman	Non- Executive Independent	4
Mr. Akshay Chudasama	Member	Non- Executive Independent	4
Ms. Pallavi Shroff	Member	Non- Executive Independent	3
Mr. Robert Steinmetz	Member	Non- Executive Non-Independent	3

In addition to the members of the Audit Committee, these meetings were attended by Vice Chairman & Managing Director, Chief Financial Officer, President (APMEA), President (Europe), Group Head (Corporate Accounts & Taxation), Internal Auditor, Cost Auditor and Statutory Auditor of the Company, wherever necessary, and those executives of the Company who were considered necessary for providing inputs to the Committee.

The Company Secretary acts as Secretary of the Committee.

The Chairman of the Audit Committee, Mr. Vinod Rai, was present at the Annual General Meeting of the Company held on August 20, 2020.

The Committee invites the Directors who are not the members of the Committee, to attend the meeting as an invitee.

#### (c) Role of Internal Auditor

The Company has a well-established and independent Internal Audit function, which provides assurance to the management, on design and operating effectiveness of internal controls and systems, as well as suggest



improvements to systems and processes. Internal Audit assesses and promotes strong ethics and values within the organisation and facilitates maintaining and monitoring the internal control environment. Internal Audit responsibilities encompass all locations, operating entities and geographies of the Company, in which all aspect of business, viz. operational, financial, information systems and regulatory compliances are reviewed periodically.

The Internal Audit has a well laid down internal audit methodology, which emphasis on risk based internal audits using data analytics. The Internal Audit prepares a rolling annual internal audit plan, comprising of operational, financial, compliance and information systems audits, covering all the locations, operations and geographies of the Company. The audit plan for the year is reviewed and approved by the Audit Committee at the beginning of each financial year.

The Internal Auditor reports to both, the Chairman and the Audit Committee of the Company. On quarterly basis, the Internal Auditor reports to the Audit Committee, the key internal audit findings, and action plan agreed with the management, the status of audits vis-à-vis the approved annual audit plan and status of open audit issues. Direct reporting to the Chairman and the Audit Committee establishes Internal Audit as a function independent from the business.

#### (d) Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company. However, the Company has 5 material non-listed overseas Subsidiaries.

The Audit Committee of the Company reviews the financial statements, in particular the investments made by all unlisted overseas Subsidiary Companies. Significant issues pertaining to Subsidiary Companies are also discussed at Audit Committee meetings. A summarised statement of important matters reflecting all significant transactions and arrangements entered into by the Subsidiary Companies, included in the minutes of the above overseas Subsidiary Companies are placed before the Board of Directors of the Company and are duly noted by it. The performance of all its Subsidiaries is also reviewed by the Board periodically.

The Company has a Policy for determining material Subsidiaries and the same is available on website of the Company (Refer link: <https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies>).

three members which are Non-Executive Independent Directors viz. Mr. Vinod Rai, Mr. Akshay Chudasama and Ms. Pallavi Shroff. Mr. Vinod Rai is the Chairman of the Committee.

The Nomination and Remuneration Committee has devised a policy on Board diversity in terms with the requirement under Regulation 19 of Listing Regulations.

The Company Secretary acts as the Secretary of the Committee.

#### (b) Brief description of the Terms of Reference

The Nomination and Remuneration Committee has been entrusted with the responsibilities to review and grant annual increments, vary and/or modify the terms and conditions of appointment/re-appointment including remuneration and perquisites, commission etc. payable to Managing Directors within the overall ceiling of remuneration as approved by the members.

The Committee in its meeting held on May 15, 2014, had noted the following terms of reference pursuant to Section 178 of the Act & Regulation 19(4) read with Part D Schedule II of Listing Regulations:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Other Employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To see that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- To see that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To see that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

## 4. NOMINATION AND REMUNERATION COMMITTEE

### (a) Constitution and Composition of the Committee

The Board of Directors had constituted a Remuneration Committee in the year 2003. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Listing Regulations and Section 178 of the Act. The Nomination and Remuneration Committee comprises of

**(c) Policy for appointment and remuneration**

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The salient features of the aforesaid policy is given as below:

**1. Criteria for Appointment of Director and Senior Management**

The Committee shall consider the following factors for identifying the persons who are qualified to becoming Director and who can be appointed in Senior Management:

- 1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his/her appointment.
- 1.2 A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- 1.3 An Independent Director shall mainly possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- 1.4 The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.
- 1.5 The Company should ensure that the person so appointed as Director/Independent Director/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- 1.6 The Director/Independent Director/Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under Listing Regulations or any other enactment for the time being in force.
- 1.7 Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in Regulation 16(b) & 25 of Listing Regulations.

The term "Senior Management" means the officers/personnel of the Company who are members of its core management team excluding Board of Directors, comprising of all members of management one level below the Chief

Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

**2. Criteria for Determining Positive Attributes & Independence of Directors****Criteria for determining positive attributes:**

The Committee shall consider the following factors for determining positive attributes of Directors (including Independent Directors):

- 2.1 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- 2.2 Actively update their knowledge and skills with the latest developments in the Tyre/ Automobile industry, market conditions and applicable legal provisions.
- 2.3 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- 2.4 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- 2.5 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- 2.6 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

**Criteria for determining Independence:**

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto and in Regulation 16(b) & 25 of Listing Regulations.

**3. Remuneration of Directors, Key Managerial Personnel (KMP) and Other Employees**

On the appointment or re-appointment of Managing Director, Whole-time Director and KMPs, the Committee will recommend to the Board for their approval, the remuneration to be paid to them. The Committee shall recommend to the Board, all remuneration to be paid to the Senior Management Personnel. The remuneration to all other employees shall be as per HR policy of the Company.

The annual increment of remuneration for Managing Director/Whole-time Directors shall be made on the basis of the resolution approved by the shareholders. The annual increment in Salary of KMP (other than Managing Director/Whole-time Directors), Senior Management Personnel shall be recommended by the Committee to the Board. The annual increment in

Salary for all other employees shall be made as per HR policy of the Company.

The level and composition of remuneration as determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully.

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 3.1 General

3.1.1 Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and other Executive Directors. The remuneration shall be subject to the prior/post approval of the shareholders of the Company.

### 3.2 Remuneration to Whole-time/Executive/Managing Director

#### 3.2.1 Fixed pay:

The Whole-time Director shall be eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders.

#### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors and Non-Executive Directors including Independent Directors exclusive of sitting fees, in accordance with the provisions of the Companies Act, 2013 read with Schedule V.

#### Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval required under the Act, he/ she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by special resolution within two years from the date the sum becomes refundable.

### Remuneration to Non- Executive Independent/Non-Independent Director:

#### Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed One lakh per meeting of the Board or Committee. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further, the boarding and lodging expenses shall be reimbursed to the Directors.

#### Commission:

The profit-linked Commission shall be paid within the monetary limit approved by the Board/Shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

#### Stock Options:

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its Subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

Criteria of making payments to Non- Executive Directors is disseminated on the website and same can be viewed at:-<https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies>

### Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

This Remuneration Policy shall apply to all future/ continuing employment/engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

### (d) Meetings of Nomination and Remuneration Committee and Attendance of members during the year

During FY21, 3 (three) Nomination and Remuneration Committee Meetings were held on May 18, 2020, August 4, 2020 and December 18, 2020.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Vinod Rai	Chairman	Non- Executive Independent	3
Mr. Akshay Chudasama	Member	Non- Executive Independent	3
Ms. Pallavi Shroff	Member	Non- Executive Independent	3

**(e) Payment of remuneration/sitting fee to the Directors etc.**

The details of remuneration paid to Directors during FY21 are given below.

**(i) Executive Directors/CFO/Company Secretary:**

Particulars	₹ million		
	Mr. Onkar Kanwar, Managing Director	Mr. Neeraj Kanwar, Managing Director	Mr. Satish Sharma, Whole-time Director
Salary	45.00	39.48	13.08
Contribution to PF/ Superannuation/ Gratuity	14.32	12.56	4.16
Commission/ Performance Bonus	296.38	264.81	21.56
Perquisites	65.12	51.36	29.72
<b>Total Remuneration</b>	<b>420.82</b>	<b>368.21</b>	<b>68.52</b>
Stock Option	NA	NA	NA
Service contracts, notice period, severance fees	NA	NA	NA

As per Section 198 of the Companies Act, 2013, Net Profit of the Company is amounting to ₹ 11,422.95 Million.

Particulars	₹ million	
	Mr. Gaurav Kumar, Chief Financial Officer	Ms. Seema Thapar, Company Secretary
Salary	11.25	1.80
Contribution to PF/ Superannuation/ Gratuity	3.04	0.49
Commission/ Performance Bonus	10.12	1.38
Perquisites	22.70	4.03
<b>Total Remuneration</b>	<b>47.11</b>	<b>7.70</b>
Stock Option	N.A	N.A
Service contracts, notice period, severance fees	N.A	N.A

**Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended:**

- 1) Managing Director(s)/Whole-time Director are entitled to performance linked incentive in the form of commission/ bonus, as a variable component, as approved by the members.
- 2) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY21 is as follows: Mr. Onkar Kanwar-

435, Mr. Neeraj Kanwar- 380 and Mr. Satish Sharma- 71.

- 3) The percentage increase in the remuneration of Mr. Onkar Kanwar and Mr. Neeraj Kanwar for FY21 is 81% over FY20 which is in line with increase in profits. The increase is mainly due to payment of higher commission linked to sharp rise in profits in FY21. The percentage increase in remuneration of Mr. Onkar Kanwar and Mr. Neeraj Kanwar is only 5% when compared with FY19.

The percentage increase in the remuneration of Mr. Satish Sharma is 18% for FY21 over the previous financial year. The increase is mainly due to payment of variable component of performance bonus resulting from higher profits in FY21.

There is no change in the remuneration of Mr. Gaurav Kumar, Chief Financial Officer.

The percentage increase in the remuneration of Ms. Seema Thapar, Company Secretary, is 6% during FY21 over the previous financial year.

The amount of total commission provided to Non-Executive Directors in FY21 is ₹45 million against ₹40 million paid in the FY20.

The ratios of remuneration of Non-Executive Directors to median remuneration of employees are as under:-

Name of Director	Remuneration for FY21 (₹ Million)	% increase in remuneration (commission) during FY21	Ratio to median remuneration of employees
Mr. Akshay Chudasama	5.00	21	5.17
Ms. Anjali Bansal	5.00	21	5.17
Gen. Bikram Singh (Retd.)	5.00	21	5.17
Mr. Francesco Gori	5.00	21	5.17
Ms. Pallavi Shroff	5.00	21	5.17
Mr. Robert Steinmetz	5.00	21	5.17
Mr. Sunam Sarkar	5.00	21	5.17
Mr. Vikram S. Mehta	5.00	21	5.17
Mr. Vinod Rai	5.00	21	5.17

- 4) The percentage increase in the median remuneration of employees is 11.5%.
- 5) The total number of employees of Company as on March 31, 2021, were 15,821 out of which 7,427 were permanent employees on the rolls of the Company.
- 6) The average percentage increase in the salaries of employees other than the managerial personnel is 6% in FY21 over FY20. These figures are not comparable with increase in managerial



remuneration since due to voluntary surrender of partial remuneration, there was a decrease in the remuneration of Managing Directors in FY20.

- 7) Remuneration paid to the Directors is in accordance with the remuneration policy of the Company.

#### (ii) Non-Executive Directors:

Sitting fees and commission paid/to be paid to the Non-Executive Directors is in pursuance of the resolution passed by the Board.

Name of Director	Sitting fee (₹ Million)	Commission provided for FY21 (₹ Million)	No. of Shares held as on March 31, 2021
Mr. Akshay Chudasama	0.83	5.00	-
Ms. Anjali Bansal	0.54	5.00	-
Gen. Bikram Singh (Retd)	0.54	5.00	-
Mr. Francesco Gori	0.57	5.00	-
Mr. Francesco Crispino*	NIL	NIL	-
Ms. Pallavi Shroff	0.59	5.00	-
Mr. Robert Steinmetz	0.64	5.00	-
Mr. Sunam Sarkar	0.69	5.00	-
Mr. Vikram S. Mehta	0.60	5.00	6,000
Mr. Vinod Rai	0.77	5.00	-
Mr. Vishal Mahadevia*	NIL	NIL	-

\* Mr. Francesco Crispino and Mr. Vishal Mahadevia, Directors had surrendered the sitting fees and commission payable to them as Non-Executive Directors during the year.

An amount of ₹45 million be paid and disbursed as commission, amongst the Directors of the Company (other than Managing Directors and Whole-time Director) equally in proportion to their tenure of Directorship for the financial year ended March 31, 2021.

No convertible instruments of the Company were outstanding as on March 31, 2021.

Save as otherwise provided in this report, apart from receiving Directors Remuneration, none of the Non-Executive Directors has any pecuniary relationships or transactions vis-a-vis the Company

#### 4. Directors and Officers Liability Insurance (D&O)

As per the provisions of the Act, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and Investor grievances, transfer/transmission of Shares, non-receipt of dividend declared, dematerialisation/ rematerialisation of shares and other related matters. The roles and responsibilities of the Stakeholders Relationship Committee as prescribed under the Act and Listing Regulations are mentioned under the terms of reference of the Committee.

##### (a) Constitution and Composition of the Committee

The present Stakeholders Relationship Committee comprises of three Directors viz. Mr. Onkar Kanwar, Mr. Sunam Sarkar and Mr. Akshay Chudasama. Mr. Sunam Sarkar, Non-Executive Non-Independent Director, acts as the Chairman of the Committee.

Pursuant to Regulation 6 of Listing Regulations, Ms. Seema Thapar, Company Secretary, acts as the Compliance Officer of the Company and Secretary to the Committee.

##### (b) Terms of reference

This Committee has been formed with a view to undertake the following: -

- Approval of transmission of shares/debentures issued by the Company, issue of duplicate certificates and certificates after split/consolidation/replacement.
- Looking into the redressal of shareholders' and investors' complaints and other areas of investor services.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

##### (c) Meetings of Stakeholders Relationship Committee and attendance of members during the year

During FY20, 1(one) meeting of the Stakeholders Relationship Committee was held on February 3, 2021.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Onkar Kanwar	Member	Executive	1
Mr. Sunam Sarkar	Chairman	Non-Executive Non-Independent	1
Mr. Akshay Chudasama	Member	Non-Executive Independent	1

**(d) No. of shareholders' complaints received**

During FY21, the Company received 11 complaints out of which one complaint was pending as on March 31, 2021, which was received on March 31, 2021 and replied within stipulated time. However, as on date of this report, no complaints are pending other than those, which are under litigation, disputes or court orders. Also there was no pending complaints at the beginning of the FY21.

All other complaints were attended and resolved to the satisfaction of the shareholders.

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE****(a) A brief outline of the Company's CSR Policy**

The Company is committed to incorporating policies, systems and approaches to achieve its positive impact growth objectives. Deeply inherent in our vision statement are the principles of sustainability. The CSR approach stems from our vision statement focusing on "continuously enhancing stakeholder value", which includes the larger society and environment in which the Company operates. The CSR philosophy of the Company rests on the principle of sustainability and self-reliance. It also embeds a dimension of philanthropy. At the core of Apollo's responsibility belief is stakeholder engagement. Consequently, all the projects the Company has link to its stakeholders, the issues they face and the issues organization has identified to support on philanthropy front.

**(b) Composition of CSR Committee**

The Board of Directors had constituted a Corporate Social Responsibility Committee in the year 2014. The present Corporate Social Responsibility Committee comprises of following four Directors viz. Mr. Onkar Kanwar, Ms. Anjali Bansal, Mr. Sunam Sarkar and General Bikram Singh (Retd.). Mr. Onkar Kanwar acts as the Chairman of the Committee.

**(c) Meeting of CSR Committee and attendance of members during the year**

During FY21, 2(two) meetings of CSR Committee were held on May 19, 2020 and February 3, 2021.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Onkar Kanwar	Chairman	Executive	2
Ms. Anjali Bansal	Member	Non-Executive Independent	2
Mr. Sunam Sarkar	Member	Non-Executive Non-Independent	2
Gen. Bikram Singh (Retd.)	Member	Non-Executive Independent	2

Your Company has also laid down a CSR Policy in order to execute its various CSR Initiatives.

The Company Secretary acts as the Secretary to the Committee.

**7. BUSINESS RESPONSIBILITY (BR) COMMITTEE**

The Listing Regulations mandates the top 1000 listed Companies by market capitalisation to provide Business Responsibility Report ("BR Report") in their Annual Report describing the initiatives taken by the Company from an environmental, social and governance perspective in the format specified by the SEBI.

The Company follows following nine core principles as prescribed by SEBI and the entire BR Report is based on actions taken by the Company for the adoption of these principles:

- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Businesses should promote the wellbeing of all employees.
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.
- Business should respect, protect, and make efforts to restore the environment.
- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Businesses should support inclusive growth and equitable development.
- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Board of Directors at the meeting held on May 10, 2016, had constituted a Business Responsibility (BR) Committee.

**(a) Composition of BR Committee**

The BR Committee comprises of four Directors viz. Mr. Onkar Kanwar, Mr. Neeraj Kanwar, Mr. Sunam Sarkar and Mr. Akshay Chudasama. Mr. Onkar Kanwar acts as the Chairman of the Committee.

**(b) Meeting of BR Committee and attendance of members during the year**

During FY21, a meeting of BR Committee was held on May 18, 2020.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Onkar Kanwar	Chairman	Executive	1
Mr. Neeraj Kanwar	Member	Executive	1
Mr. Sunam Sarkar	Member	Non-Executive Non-Independent	1
Mr. Akshay Chudasama	Member	Non-Executive Independent	1

The Company Secretary acts as the Secretary to the Committee.

## 8. RISK MANAGEMENT COMMITTEE

The Board at its meeting held on February 5, 2019, had constituted a Risk Management Committee (RMC) of the Board comprising of Directors and Senior Executives of the Company.

During FY21, 4 (four) meetings of RMC were held on May 18, 2020, August 4, 2020, November 3, 2020 and February 2, 2021.

Name of Director/ Official	Designation	Category of Director/ Official	No. of meetings attended
Mr. Sunam Sarkar	Chairman	Non-Executive Non-Independent	4
Mr. Francesco Gori	Member	Non- Executive Non- Independent	4
Mr. Robert Steinmetz	Member	Non-Executive Non-Independent	3
Mr. Satish Sharma	Member	Executive	4
Mr. Vikram S. Mehta	Member	Non-Executive Independent	4
Mr. Benoit Rivallant	Member	President (Europe)	4
Mr. Gaurav Kumar	Member	Chief Financial Officer	4

Ms. Seema Thapar, Company Secretary, acts as Secretary to the Committee.

The roles and responsibilities of the Risk Management Committee are as follows:-

- Develop and maintain Risk Management charter and policies.
- Advise business units and corporate functions on risk initiatives.

- Spearhead Risk Management initiative within the Company.
- Monitor emerging issues and share best practices.
- Improve Risk Management techniques and enhances awareness.
- Set standards for risk documentation and monitoring.
- Recommend training programs for relevant official with specific Risk Management responsibilities.
- Assess and manage risk for Company as a whole at global level.
- Review and approve the Risk Register prepared by the Chief Risk Officers.
- Any other role or responsibility as may be delegated by the Board of Directors from time to time.

In addition to the above, the Committee also adheres to the roles and responsibilities as specified in Clause C of Part D under Schedule II of Listing Regulations.

The Chairman of the Risk Management Committee makes the presentation before the Board on the major high risks of APMEA, Europe Region and Corporate Functions.

## 9. CEO/CFO CERTIFICATION

The Chairman & Managing Director and CFO have submitted certificate, in terms of Regulation 17(8) read with Part B of Schedule II of Listing Regulations to the Board.

## 10. GENERAL BODY MEETINGS

### (a) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	Special Resolution Passed
2019-20	August 20, 2020	03:10 PM	Through Video Conference	Re-appointment of Gen. Bikram Singh (Retd.) (DIN: 07259060) as an Independent Director.
2018-19	July 31, 2019	10:00 AM	Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi (Kerala)	1) Appointment of Mr. Robert Steinmetz (DIN: 00178792) as a Director. 2) Re-appointment of Mr. Akshay Chudasama (DIN: 00010630) as an Independent Director. 3) Re-appointment of Mr. Vikram S. Mehta (DIN: 00041197) as an Independent Director. 4) Authorization for Private Placement of NCDs
2017-18	August 1, 2018	-do-	-do-	Authorization for Private Placement of NCDs

### (b) Resolutions passed last year through Postal Ballot:

Resolution passed during FY21: Pursuant to Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company had conducted the following voting through Postal Ballot (Including Electronic Voting) and sent the Postal Ballot Notice to members. The following resolutions were passed through Postal Ballot:-

Resolutions passed on September 24, 2020

Last Date of Dispatch of Postal Ballot Notice	Ordinary/ Special Resolution	Item approved by the shareholders
August 25, 2020	Ordinary Resolution	1) Appointment of Mr. Vishal Mahadevia (DIN: 01035771) as a Non-Executive Non-Independent Director.
	Special Resolution	2) Private Placement of Non-Convertible Debentures.
	Special Resolution	3) Amendment in Articles of Association of the Company.
	Special Resolution	4) Issuance of Compulsorily Convertible Preference Shares by way of preferential issue on a private placement basis.
	Special Resolution	5) Revision in remuneration of Mr. Satish Sharma (DIN:07527148), Whole-time Director.
	Special Resolution	6) Re-appointment of Mr. Vinod Rai (DIN:00041867) as an Independent Director.

Voting Pattern of the resolution passed through Postal Ballot, is as follows:

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

Particulars	Remote e-Voting
Total number of Valid Votes	1,558
Votes cast in favour of the Resolution	418,834,889
Votes cast against the Resolution	23,692,679
Number of Invalid Votes	-

- 2) Private Placement of Non-Convertible Debentures

Particulars	Remote e-Voting
Total number of Valid Votes	1,557
Votes cast in favour of the Resolution	452,085,344
Votes cast against the Resolution	24,481
Number of Invalid Votes	-

- 3) Amendment in Articles of Association of the Company

Particulars	Remote e-Voting
Total number of Valid Votes	1,544
Votes cast in favour of the Resolution	334,541,907
Votes cast against the Resolution	69,610,400
Number of Invalid Votes	-

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

Particulars	Remote e-Voting
Total number of Valid Votes	1,551
Votes cast in favour of the Resolution	449,274,793
Votes cast against the Resolution	2,836,374
Number of Invalid Votes	-

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

Particulars	Remote e-Voting
Total number of Valid Votes	1,550
Votes cast in favour of the Resolution	450,649,206
Votes cast against the Resolution	1,461,485
Number of Invalid Votes	-

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

Particulars	Remote e-Voting
Total number of Valid Votes	1,554
Votes cast in favour of the Resolution	435,601,869
Votes cast against the Resolution	6,921,341
Number of Invalid Votes	-

- (i) Mr. P.P. Zibi Jose, Practicing Company Secretary, was appointed as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

- (ii) Procedure for Postal Ballot: Where a Company is required or decides to pass any resolution by way of Postal Ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a Postal Ballot because Postal Ballot means voting by post or through electronic means within a period of thirty days from the date of

dispatch of the notice. However, during FY21, the Company has not send the physical Ballot Paper due to relaxation provided by Ministry of Corporate Affairs. Your Company has followed the aforesaid procedure stipulated in the Companies Act, 2013 and has carried out Postal Ballot for the item mentioned above.

As on date of this report, your Company does not propose to pass any Special Resolution for the time being by way of Postal Ballot.

## 11. DISCLOSURES

### (a) Related Party Transactions

In Compliance with Section 188 of the Companies Act, 2013, Regulation 23 of Listing Regulations and rules as applicable, the Company has framed a Policy on Related Party Transactions including policy on materiality of related party transactions. The policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The policy had become effective from October 1, 2014.

Further, there is no transaction of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company.

During the year, no transaction of material nature has been entered into by the Company with its Promoters, the Directors or the Management, their subsidiary or relatives etc. that may have a potential conflict with the interests of the Company. Related Parties transactions with them as required under Indian Accounting Standard (Ind AS-24) are furnished under Notes on Accounts attached with the financial statements for the year ended March 31, 2021.

### (b) Disclosure of accounting treatment

There has not been any change in accounting policies of the Company during the year.

### (c) Risk Management

The Company has a well laid out Risk Management Policy, covering the process of identifying, assessing, mitigating, reporting and reviewing critical risks impacting the achievement of Company's objectives. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans. During the year under review, the risk assessment and mitigation procedures are periodically updated to the Board through the Audit Committee.

The Company has formed Internal Risk Committees (IRCs), which review risk registers for Asia Pacific Middle East Africa (APMEA) including India, Europe region and Corporate Functions including United States (US) region headed by President (APMEA), President (Europe) and Chief Financial Officer as Chairman of the respective Committees and represented by the functional heads as Chief Risk Officers. The Committees review each risk on a quarterly basis and evaluate its impact and plans



for mitigation. Few cross-functioning teams have been formed to share the common risks between dependent functions to avoid overlap of risks. The risks duly aligned with the organisation objectives, documented in form of risk register are placed before Risk Management Committee. The Risk Management Committee of the Company reviews the risks of APMEA, Europe and US region, corporate functions and provides its directions to the management, if any.

In the opinion of the Board, there has been no identified element of risk that may threaten the existence of the Company.

#### (d) Compliance by the Company

The Company has materially complied with the requirements of the SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or any other statutory authority. The Company has developed an integrated compliance dashboard which provides reasonable assurance to the Management and the Board of Directors regarding effectiveness of timely compliances. All the Compliances applicable to the Company have been captured in the Dashboard and are mapped amongst the respective users. The timelines are fixed based on the legal requirement and the system is aligned in such a manner that it alerts the users on a timely manner.

The Company in order to further strengthen its compliance reporting and management system for its overseas subsidiaries, had also rolled out a Global Regulatory Compliance System ("Compliance Management System/Tool").

The Compliance Dashboard captures the compliances applicable to the Company at Indian level as well as the international laws applicable to the overseas subsidiaries. The Compliance dashboard also covers the compliances relating to the codes and policies.

The dashboard has been documented to provide a comprehensive view of:

- applicable laws to the Company;
- key control points;
- allocation of responsibilities.

#### (e) Transfer of Unclaimed/ Undelivered Shares

In terms with the provisions of Regulation 39(4) read with Schedule VI of Listing Regulations, the unclaimed/undelivered shares lying in the possession of the Company are required to be dematerialised and transferred into a "Unclaimed Suspense Account" held by the Company. The status of unclaimed shares as on March 31, 2021 lying in "Unclaimed Suspense Account"/"Transferred to IEPFA Account" is as under:-

Particulars	No. of Shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year, i.e. April 1, 2020	21	3,130
Number of shareholders who approached to the Company for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Shares transferred to IEPFA Account	21	3,130
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, i.e. March 31, 2021	Nil	Nil

In terms of Section 124(6) of the Companies Act, 2013 ("Act") read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ("Rules"), members whose dividend amount has not been paid or claimed for seven consecutive years or more, shares held by them shall be credited to the DEMAT Account of the Investor Education and Protection Fund Authority (IEPFA). During FY21, 3,130 shares held by aforesaid members, were transferred to the DEMAT Account of IEPFA constituted in accordance with the Rules, on December 28, 2020.

The unclaimed or unpaid dividend which have already been transferred and the shares which are transferred, can be claimed back by the shareholders from IEPFA by following the procedure given on its website i.e. <http://iepf.gov.in/IEPFA/refund.html>.

**Nodal Officer:-** Pursuant to Rule 7(2A) of the IEPF Rules, Ms. Seema Thapar, Company Secretary & Compliance Officer, is appointed as Nodal Officer of the Company.

#### (f) Disclosure in terms of Regulation 34(3) read with Schedule V Part C of Listing Regulations

There are no inter-se relationships between the Board members except Mr. Onkar Kanwar and Mr. Neeraj Kanwar being father and son.

#### 1) Means of Communication

- As per Regulation 47(1)(b) of the Listing Regulations an extract of the detailed format of Quarterly/Annual Financial Results is filed with the Stock Exchanges under Regulation 33 of the Listing Regulations. The results in prescribed format are published in the Newspapers viz. Financial Express (National Daily) and Mangalam/ Kerala Kaumudi (Regional Daily). The Quarterly/Annual Financial Results are also available on the Company's

website and Stock Exchange websites [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

- All material information about the Company is promptly sent to the stock exchanges and the Company regularly updates the media and investor community about its financial as well as other organisational developments.
- The transcript of the Analyst/Investor Conference Call is posted on the website of the Company.
- This year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 (dated April 8, 2020), Circular No.17/2020 (dated April 13, 2020) Circular No. 20/2020 (dated May 5, 2020), and Circular No. 02/2021 (dated January 13, 2021), and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 (dated May 12, 2020) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 (dated January 15, 2021), directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY21 and Notice of the AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars. The Annual Report containing, inter-alia, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Board's Report, Management Discussion and Analysis, Corporate Governance Report, Auditors' Report and other important information are also displayed on the Company's website ([www.apollotyres.com](http://www.apollotyres.com)).
- NSE Electronic Application Processing System (NEAPS)- is a web-based application designed by NSE for Corporates. All periodical and other compliance filings are filed electronically on NEAPS.
- BSE Listing Centre (Listing Centre)- BSE's Listing Centre is a web-based application designed for corporates. All periodical and other compliance related filings are filed electronically on the listing centre.
- SEBI Complaints Redress System (SCORES): The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised database of the complaints and uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.
- Investor Relations (IR)- Your Company continuously strives for excellence in its IR engagement with International and Domestic investors. Structured conference calls and periodic investor/analyst

interactions, quarterly earnings calls and analyst meets were organised during the year. Your Company always believes in leading from the front with emerging best practices in IR and building a relationship of mutual understanding with investor/analysts.

## 2) General Shareholder Information

- (a) **Registered Office** 3<sup>rd</sup> Floor  
Areekal Mansion, Near  
Manorama Junction,  
Panampilly Nagar,  
Kochi- 682036, Kerala, India  
Ph:-91 484 4012046, 4012047  
Fax: 91 484 4012048
- (b) **Annual General Meeting (AGM):**  
The ensuing AGM of the Company will be held on Friday, July 23, 2021, at 3:00 PM through video conferencing or other audio visual means. Notice of the ensuing AGM is separately provided along with the Annual Report.
- (c) **Financial Calendar for FY22**
- | Quarter                        | Period ending      | Date / Period                  |
|--------------------------------|--------------------|--------------------------------|
| First quarter                  | June 30, 2021      | On or before August 14, 2021   |
| Second quarter/<br>half yearly | September 30, 2021 | On or before November 14, 2021 |
| Third quarter                  | December 31, 2021  | On or before February 14, 2022 |
| Fourth quarter/<br>year        | March 31, 2022     | On or before May 30, 2022      |
- (d) **Trading window closure**  
The trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.
- (e) **Dates of Book Closure**  
The dates of the book closure shall be from July 17, 2021 to July 23, 2021 (both days inclusive).
- (f) **Dividend Payment**  
The dividend of ₹3.50 per equity share for the FY21, subject to approval from shareholders, has been recommended by the Board of Directors. The same shall be paid on or before 30 days from the date of AGM.
- (g) **Unclaimed Dividends**  
In terms of Section 124(5) of the Companies Act, 2013 ("Act") if a member does not claim the dividend amount for a consecutive period of seven years or more, the unclaimed amount shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- During the year, the Company had transferred ₹2,592,128/- lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2012-13 to the said Fund on December 22, 2020.



#### (h) Listing at Stock Exchanges

1. National Stock Exchange of India Ltd  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai-400 051  
T: +91 22 26598100-14  
F: +91 22 26598237-38  
E: cmlist@nse.co.in

2. BSE Ltd  
Phiroje Jeejeebhoy Towers, 1st Floor, Dalal Street  
Mumbai 400 001  
T: +91 22 22721233/34  
F: +91 22 22721919/ 3027  
E: corp.relations@bseindia.com

The annual listing fee for FY21 has been paid to all the aforesaid stock exchanges.

#### (i) Stock Code

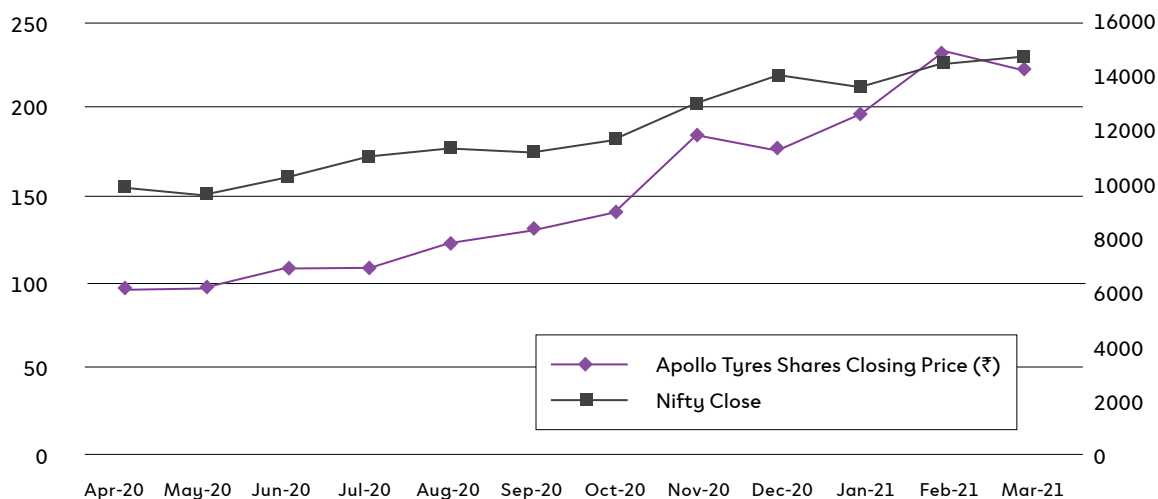
BSE Ltd. 500877  
National Stock Exchange of India Ltd. APOLLOTYRE

#### (j) Stock Market Price Data for FY21:

The Company's share price on NSE and Nifty Index

Month	NSE			Nifty Index	
	High (₹)	Low (₹)	Volume (in million)	High	Low
April, 2020	103.30	76.45	75.87	9889.05	8055.80
May, 2020	100.80	81.05	187.84	9598.85	8806.75
June, 2020	114.95	97.50	236.03	10553.15	9544.35
July, 2020	119.60	105.90	136.69	11341.40	10299.60
August, 2020	139.00	107.55	240.34	11794.25	10882.25
September, 2020	135.55	109.55	172.05	11618.10	10790.20
October, 2020	152.65	124.10	144.72	12025.45	11347.05
November, 2020	185.50	138.75	164.37	13145.85	11557.40
December, 2020	200.00	170.35	202.78	14024.85	12962.80
January, 2021	239.70	174.50	368.47	14753.55	13596.75
February, 2021	256.50	192.40	325.90	15431.75	13661.75
March, 2021	261.25	208.00	168.06	15336.30	14264.50

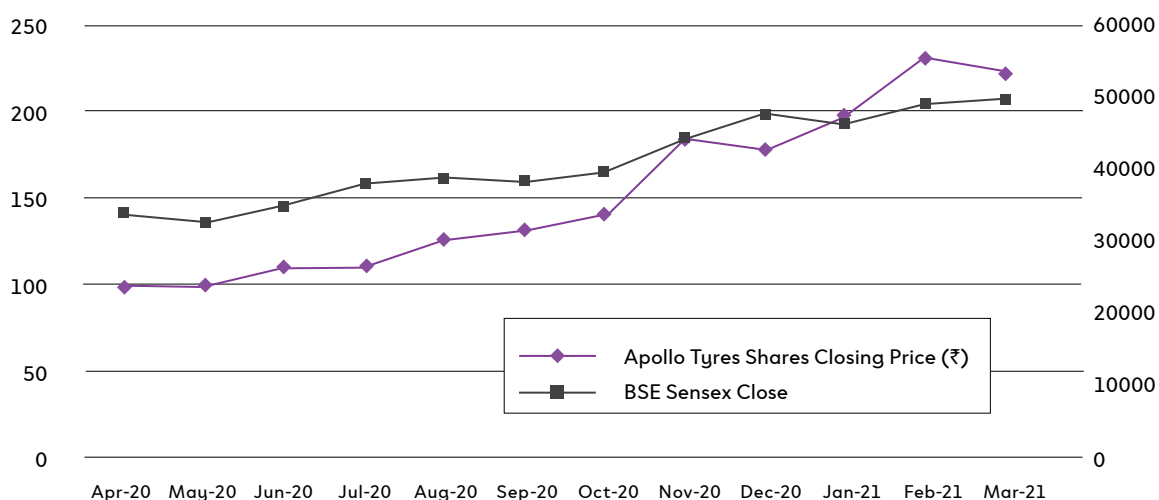
Apollo Tyres Shares Closing Price (₹) vis-à-vis NSE Nifty Close



## The Company's share price on BSE and Sensex

Month	BSE			SENSEX	
	High (₹)	Low (₹)	Volume (in million)	High	Low
April, 2020	104.80	76.80	8.41	33,887.25	27,500.79
May, 2020	100.80	81.60	8.72	32,845.48	29,968.45
June, 2020	114.95	98.00	12.74	35,706.55	32,348.10
July, 2020	119.50	105.90	7.32	38,617.03	34,927.20
August, 2020	138.95	107.60	13.65	40,010.17	36,911.23
September, 2020	135.55	109.60	9.57	39,359.51	36,495.98
October, 2020	152.55	124.10	6.16	41,048.05	38,410.20
November, 2020	185.35	138.75	10.40	44,825.37	39,334.92
December, 2020	200.00	170.25	12.98	47,896.97	44,118.10
January, 2021	239.60	174.65	21.21	50,184.01	46,160.46
February, 2021	256.55	192.30	21.13	52,516.76	46,433.65
March, 2021	261.20	208.10	9.56	51,821.84	48,236.35

## Apollo Tyres Shares Closing Price (₹) vis-à-vis BSE Sensex Close



## (k) Shares Traded during April 1, 2020 to March 31, 2021

Particulars	BSE	NSE
No. of shares traded (in million)	141.85	2,423.21
Highest Share Price (in ₹)	261.20	261.25
Lowest Share Price (in ₹)	76.80	76.45
Closing Share Price (as on March 31, 2021)	223.75	223.70
Market Capitalisation (as on March 31, 2021) (₹ in million)	142,104	142,072

## (l) Elimination of Duplicate Mailing

The shareholders who are holding physical shares in more than one folio in identical name, or in joint holder's name in similar order, may send the Share Certificate(s), along with request for consolidation of holding in one folio, to avoid mailing of multiple annual reports.

## (m) Share Transfer System

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

As per the requirement of Regulation 40(9) & 61 (4) of Listing Regulations the Company has obtained the half yearly certificates from the Company Secretary in practice for due compliance of share transfer formalities.

#### (n) Distribution of Shareholding

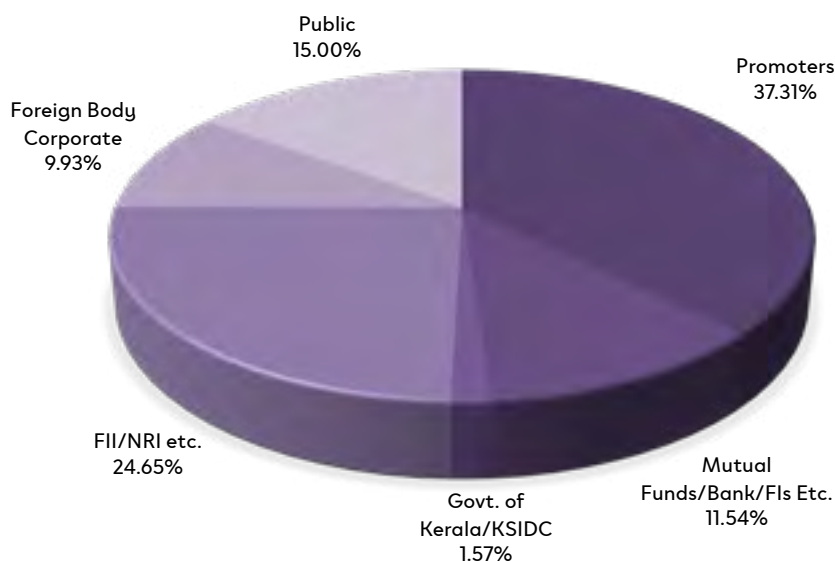
The following is the distribution of shareholding of equity shares of the Company as on March 31, 2021:-

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
UPTO 5000	236,477	99.56	39,422,820	6.21
5001 - 10000	452	0.19	3,404,121	0.54
10001 - 20000	170	0.07	2,504,961	0.39
20001 - 30000	49	0.02	1,206,065	0.19
30001 - 40000	37	0.02	1,293,643	0.20
40001 - 50000	31	0.01	1,410,908	0.22
50001 - 100000	63	0.03	4,539,392	0.72
100001 AND ABOVE	225	0.10	581,319,036	91.53
<b>Grand Total</b>	<b>237,504</b>	<b>100.00</b>	<b>635,100,946</b>	<b>100.00</b>

The Promoter and Promoter group hold 236.98 million shares constituting 37.31% of the share capital of the Company as on March 31, 2021.

Categories of shareholders as on March 31, 2021

Category	No. of shares	%age
Promoters	236,980,831	37.31
Mutual Funds/Bank/FIs Etc.	73,285,493	11.54
Govt. Of Kerala/KSIDC	10,000,000	1.57
FII/NRI etc.	156,527,758	24.65
Foreign Body Corporate	63,050,966	9.93
Public	95,255,898	15.00
<b>Total</b>	<b>635,100,946</b>	<b>100.00</b>



#### (o) Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Company Secretary in practice conducts the Reconciliation of Share Capital Audit of the Company for the purpose of reconciliation of total admitted capital with the depositories, i.e. NSDL and CDSL, and the total issued and listed capital of the Company.

The Company Secretary in practice conducts such audit in every quarter and issues a Reconciliation of Share Capital Audit Certificate to this effect to the Company. A copy of such audit report is submitted to the stock

exchanges, where the Company's shares are listed and also placed before the Board.

#### (p) Dematerialisation of Shares and Liquidity

The equity shares of the Company are being traded under compulsorily demat form as per SEBI notification. The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities



Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE438A01022.

As on March 31, 2021, 98.74% of the share capital stands dematerialised. BSE and NSE have permitted trading of Apollo Tyres' share into future and option (F&O) segment w.e.f. February 19, 2010.

**(q) Share Transfer/Demat Registry work**

All permitted share transfers/demat are being processed in house. The Company has established direct connectivity with NSDL/CDSL for carrying out demat completely in house.

With effect from April 1, 2021, the Company has appointed the following Registrar and Transfer Agent :-

**KFin Technologies Private Limited**

Selenium, Plot No. 31 & 32, Tower-B,  
Serilingampally, Nanakramguda,  
Financial District, Hyderabad-500032,  
State of Telangana  
Tel No. 040 67162222; Fax No. 040 23001153  
Toll Free Number: 1800 309 4001  
Email: einward.ris@kfintech.com  
Website: <https://kfintech.com/>

**(r) Share Transfer Department**

All communications regarding change of address for shares held in physical form, dividend etc. should be sent at the Company's RTA Office at:-

**KFin Technologies Private Limited**

Selenium, Plot No. 31 & 32, Tower-B,  
Serilingampally, Nanakramguda,  
Financial District, Hyderabad-500032,  
State of Telangana  
Tel No. 040 67162222; Fax No. 040 23001153  
Toll Free Number: 1800 309 4001  
Email: einward.ris@kfintech.com  
Website: <https://kfintech.com/>

**(s) ECS Mandate**

All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders.

**(t) Participation & Voting at AGM**

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by SEBI, the 48<sup>th</sup> AGM of the Company will be held through video conferencing and the detailed instructions for participation and voting at the meeting is available in the notice of the 48<sup>th</sup> AGM.

**Register e-mail address**

To contribute towards greener environment, the Company proposes to send documents like shareholders meeting notice/other notices, audited financial statements board's report, auditors' report or any

other document, to members in electronic form at the e-mail address provided by them and/or available to the Company by the Depositories.

Members who have not yet registered their e-mail address (including those who wish to change their already registered e-mail address) may get the same registered/updated either with their depository participants or by writing to the Registrar & Transfer Agent of the Company.

**(u) Plant Location:**

1. Perambra, P O Chalakudy,  
Trichur 680 689, Kerala
2. Limda, Taluka Waghodia,  
Dist. Vadodara 391 760, Gujarat
3. SIPCOT Industrial Growth Centre,  
Oragadam, Chennai, Tamil Nadu
4. Kalamassery,  
Alwaye,  
Kerala - 683 104
5. Chinnapandur Village,  
Varadaiahpalem Mandal, Near Sricity,  
Chittoor District- 517541  
Andhra Pradesh
6. Ir. Schiffstraat 370,  
7547 RD Enschede, The Netherlands
7. H-3212 Gyöngyöshalász,  
Road no.: 3210, Plot no.: 0106, Hungary

**(v) Address for correspondence for share transfer/demat of shares, payment of dividend and any other query relating to shares.**

**KFin Technologies Private Limited**

Selenium, Plot No. 31 & 32, Tower-B,  
Serilingampally, Nanakramguda,  
Financial District, Hyderabad-500032,  
State of Telangana  
Tel No. 040 67162222; Fax No. 040 23001153  
Toll Free Number: 1800 309 4001  
Email: einward.ris@kfintech.com  
Website: <https://kfintech.com/>

**(w) As on March 31, 2021, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.**

**(x) Adoption of mandatory and discretionary requirements of Corporate Governance as specified in Regulations 17 to 27 and Regulation 34(3) read with Schedule V (C) of the Listing Regulations.**

The Company has complied with all mandatory requirements of corporate governance with respect to Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of Listing Regulations.



Furthermore, the Company has complied with the requirements of the Schedule V of SEBI Listing Regulations in connection with disclosures in this report.

### CG Compliances

Particulars	Regulation	Compliance Status (Yes/No/NA)
Independent Director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	YES
Board composition	17(1), 17(1A) & 17(1B)	YES
Meeting of Board of Directors	17(2)	YES
Quorum of Board Meeting	17(2A)	YES
Review of Compliance Reports	17(3)	YES
Plans for orderly succession for appointments	17(4)	YES
Code of Conduct	17(5)	YES
Fees/compensation	17(6)	YES
Minimum Information	17(7)	YES
Compliance Certificate	17(8)	YES
Risk Assessment & Management	17(9)	YES
Performance Evaluation of Independent Directors	17(10)	YES
Recommendation of Board	17(11)	YES
Maximum number of Directorships	17A	YES
Composition of Audit Committee	18(1)	YES
Meeting of Audit Committee	18(2)	YES
Composition of Nomination & Remuneration Committee	19(1) & (2)	YES
Quorum of Nomination and Remuneration Committee meeting	19(2A)	YES
Meeting of Nomination and Remuneration Committee	19(3A)	YES
Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	YES
Meeting of Stakeholders Relationship Committee	20(3A)	YES
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	YES
Meeting of Risk Management Committee	21(3A)	YES
Vigil Mechanism	22	YES
Policy for related party transaction	23(1), (1A), (5), (6), (7) & (8)	YES
Prior or Omnibus approval of Audit Committee for all related party transactions	23 (2) & (3)	YES
Approval for material related party transactions	23(4)	YES
Disclosure of related party transactions on consolidated basis	23(9)	YES
Composition of Board of Directors of unlisted material Subsidiary	24(1)	YES
Other Corporate Governance requirements with respect to Subsidiary of listed entity	24(2),(3),(4),(5) & (6)	YES
Annual Secretarial Compliance Report	24(A)	YES
Alternate Director to Independent Director	25(1)	N.A.
Maximum Tenure	25(2)	YES
Meeting of Independent Directors	25(3) & (4)	YES
Familiarization of Independent Directors	25(7)	YES
Declaration from Independent Director	25(8) & (9)	YES
D & O Insurance for Independent Directors	25(10)	YES
Memberships in Committees	26(1)	YES
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	26(3)	YES
Disclosure of Shareholding by Non-Executive Directors	26(4)	YES
Policy with respect to Obligations of Directors and Senior Management	26(2) & 26(5)	YES

The Company has adopted following discretionary requirements of Regulation 27 read with Schedule II Part E of the Listing Regulations:-

### Modified Opinion(s) in audit report

The Company is in the regime of financial statements with unmodified audit opinion.

### Reporting of internal auditor

The internal auditor is reporting directly to the Audit Committee.

- (y) As on March 31, 2021, our shares were not suspended from trading.
- (z) Commodity price risk or foreign exchange risk and hedging activities during the FY21.

The Company enters into a variety of derivative financial instruments like options, forwards & futures contract and currency & interest rate swaps, to hedge foreign exchange rate risk and interest rate risk. The hedging is done as per the Board approved policy. The Company, at all the times, comply with all the RBI hedging guidelines that are prescribed from time to time.

The Company's exchange rate risk arises mainly from import (of raw material and capital items) and export (of finished goods) and follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, the Company uses the above mentioned derivative instruments to manage its exposure.

The Company's interest rate risk arises as the Company borrows funds at both fixed and floating interest rates. Some amount of this risk is managed by the Company through maintaining an appropriate mix of fixed and floating rate borrowings and also through an appropriate amount of interest rate swaps, especially, to hedge the floating rate borrowings to fixed one.

### 3) Additional Information

#### (a) Investor Relations Section

The Investors Relations Section is located at the Corporate Office of the Company.

Contact person : Ms. Seema Thapar, Compliance Officer  
Time : 10:00 AM to 6:00 PM on all working days of the Company (except Saturdays and Sundays)  
T: : +91 124 2721000  
F: : +91 124 2383351  
E: : investors@apolloyres.com

#### (b) Bankers

Axis Bank Ltd.  
Bank of India  
BNP Paribas  
Canara Bank  
Citibank N.A.  
Federal Bank  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Mizuho Bank Ltd.  
Standard Chartered Bank  
State Bank of India  
Sumitomo Mitsui Banking Corporation  
The Bank of Nova Scotia  
MUFG Bank Ltd.  
The Hongkong and Shanghai Banking Corporation Limited  
Union Bank of India  
RBL Bank Ltd.

#### (c) Credit Rating

During the year, the following rating agencies, rated our bank facilities and other debt programs as under:-

- i) On May 13, 2020, CRISIL has reaffirmed the following rating:

Long-Term Rating: CRISIL AA+/Stable (Includes Loan-Term Loan, Fund Based Banking Facilities like Cash Credit etc.)

Short-Term Rating: CRISIL A1+ (Commercial Paper, Non-Fund Based Banking Facilities like Letter Of Credit etc.)

- ii) On March 3, 2021, India Ratings and Research (Ind-Ra) has affirmed the following rating:

Long-Term Rating: IND AA+/Stable (Includes Loan-Term Loan, Fund Based Banking Facilities like Cash Credit etc.)

Short-Term Rating: IND A1+ (Commercial Paper, Non-Fund Based Banking Facilities like Letter Of Credit etc.)

#### (d) Auditors

M/s. Walker Chandio & Co LLP, Chartered Accountants.

#### (e) Cost Auditors

M/s. N.P. Gopalakrishnan & Co., Cost Accountants.

With reference to the General Circular No. 15/2011 – 52/5/CAB-2011 dated April 11, 2011, issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, following are the details of Cost Auditor and filing of cost audit report with Central Government:

Particulars of the Cost Auditor	Details of Cost Audit Report filed for the period ended March 31, 2020
Mr.N.P.Sukumaran (M No.4503) Apartment No.311, 4 <sup>th</sup> Floor, D.D.Vyapar Bhawan, K.P.Vallon Road, Kadavanthra P O, Kochi - 682 020(Kerala) E-mail : npgco@gmail.com	Filing date: September 8, 2020

#### (f) Code of Conduct for Prevention of Insider Trading

In compliance with the SEBI regulations on prevention of insider trading, the Company has formulated a comprehensive Code of Conduct for 'Prevention of Insider Trading' in the securities of the Company. This Code of Conduct is applicable to Promoters, Directors, Chiefs, Vice Presidents/ Group Heads, Heads and such other employees of the Company and others who are expected to have access to unpublished price sensitive information.

The Board at its meeting held on May 12, 2015, has approved the Code of Conduct for Prevention of Insider Trading, in terms with the SEBI (Prohibition of Insider

Trading) Regulations, 2015, effective from May 15, 2015.

The Code of Conduct lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of the Company, and cautioning them of consequences of violations. The Company Secretary of the Company is the Compliance Officer.

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which was effective from April 1, 2019, the existing Code of Conduct to Regulate, Monitor and Report Trading by Insiders was amended to align with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018.

The Company has put in place, all the systems and procedures to ensure the compliances of Insider Trading Regulations. The Company has an "Insider Trading Tool" which acts as the structured digital database of the designated persons/ insiders.

**(g) Code of Conduct for Directors and Senior Management**

The Board of Directors of Apollo Tyres Ltd. has laid down a code of business conduct called "The Code of Conduct for Directors and Senior Management". The Code envisages that Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Code is applicable to all the Directors and Senior Management of the Company. The Company Secretary of the Company is the Compliance Officer.

**Declaration Affirming Compliance of provisions of the Code of Conduct**

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended March 31, 2021.

**ONKAR KANWAR**  
**Chairman & Managing Director**

**(h) Whistle Blower Policy/Vigil Mechanism**

Apollo Tyres Ltd. believes in the conduct of its business affair in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In order to inculcate accountability and transparency in its business conduct, the Company has been constantly reviewing its existing systems and procedures. Your Company has approved a Whistle Blower Policy which will enable all employees, Directors and other stakeholders to raise their genuine concerns internally in a responsible and effective manner if and when they discover information which they believe

shows serious malpractice or irregularity within the Company and/or to report to the management instances of unethical behavior, actual or suspected, fraud or violation of Company's Code of Conduct or Ethics Policy. The Audit Committee of the Company periodically reviews the functioning of whistle blower mechanism.

In terms with the policy, an Internal Grievance Redressal Committee (IC) has been constituted by the Company, which is headed by the Chairman of the Audit Committee of the Board. Company Secretary of the Company acts as an Ombudsman who, on receipt of complaint, examines the possible intentions and genuineness of the disclosure in advance before referring it to the IC for investigations. The IC, after investigation, submits a report to the Audit Committee.

No personnel of the Company has been denied access to the Audit Committee.

No complaint under whistle blower policy has been received during FY21.

**(i) Code of Practices and Procedures for Fair Disclosure**

The Board at its meeting held on May 12, 2015, has approved the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in terms with the SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from May 15, 2015.

The Code lays down broad standards of compliance and ethics, as required by Listing Regulations and other applicable SEBI regulations. The Code is required to be complied in respect of all corporate disclosures in respect of the Company and/or its Subsidiary Companies, including Overseas Subsidiaries.

The Company Secretary of the Company is the Compliance Officer.

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which was effective from April 1, 2019, the existing Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information was amended to align with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information was approved/ratified by the Board on May 9, 2019.

The Board has also approved/ratified the Policy and Procedure for reporting and inquiry in case of leak or suspected leak of unpublished price sensitive information as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

**(j) Policy to prevent and deal with sexual harassment**

The Company is an equal employment opportunity employer and is committed to creating a healthy and productive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that an

act of sexual harassment results in the violation of the fundamental rights. Such acts violate the right to equality, right to life and to live with dignity and right to practice any profession or to carry on any occupation, trade or business, which also includes a right to have a safe and healthy work environment free from sexual harassment.

In keeping with its belief and in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereof, the Company adopts the policy to prevent and deal with sexual harassment at the workplace. The Company is committed to provide to all employees who are present at the workplace, a work environment free from sexual harassment, intimidation and exploitation.

Status of the Complaint received relating to Sexual harassment during FY21:-

Particulars	No. of Complaints
Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	N.A.
Number of complaints pending as on end of the financial year	N.A.

**(k) Familiarisation Programme for Independent Directors**

The Company has adopted a familiarisation programme for Independent Directors with an objective of making the Independent Directors of the Company accustomed with the business and operations of the Company through various structured oriented programme. The familiarisation programme also intends to update the Directors on a regular basis on any significant changes therein so as to be in a position to take well informed and timely decision.

The details of familiarisation programme imparted to Independent Directors during FY21 are available on the website of the Company. The weblink is <https://staticcdn.apollotyres.com/CMSOriginal/3984/details-of-familiarisation-programme-fy21.pdf>

**(l) Succession Policy**

In terms with the Nomination & Remuneration Policy of the Company, the Nomination & Remuneration Committee reviews the succession policy from time to time and assists the Board to ensure that the plans are in place for succession for appointments to the Board and to Senior Management.

**(m) Shareholders Satisfaction Survey**

An online survey is posted on the Company's website at <https://s3.eu-central-1.amazonaws.com/apolloproducts/3985/shareholder-satisfaction-survey.pdf>.

Shareholders who have not yet participated in the survey can go to the above link and take part in the survey and provide us their valuable feedback.

**(n) Integrated Reporting**

The Company being one of the top 500 Companies in the Country in terms of market capitalization, has adopted Integrated Reporting describing initiatives undertaken by the Company for enhancing stakeholders' value in the long term. The report on Integrated Reporting is provided in a separate section forming part of this Annual Report.

**(o) Industrial Relations**

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

**(p) Dividend Distribution Policy**

The Company has formulated a Dividend Distribution Policy in compliance of Regulations 43A of Listing Regulations which inter-alia specifies the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend. Dividend Distribution Policy is available on the website of the Company (Refer link: <https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies>).

The dividend declared in last five years are as follows:

Period	Dividend (%)
FY21*	350
FY20	300
FY19	325
FY18	300
FY17	300
FY16	200

\* The Board of Directors at its meeting held on May 12, 2021 had recommended a Dividend of ₹ 3.50/- (350%) per share of ₹ 1/- each on Equity Share Capital of the Company.

**(q) Global Code of Conduct**

The Company has designed a global "Code of Conduct Policy" ("Code") to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Company including Associates, Subsidiaries and Joint Ventures. The Company has rolled out mandatory online training of all the employees for successful implementation of the Code.

**(r) Governance of Subsidiary Companies**

The Company has a well-established corporate governance framework to create sound governance practices and promote best practices for its various Subsidiaries in multiple jurisdictions across the world. The Company ensures that the governance of Subsidiaries especially the material Subsidiaries reflect



the same values, ethics, controls and processes as being followed at the parent Company level.

The Company maintains close relationship with the Subsidiaries Board and regularly review and encourage regular feedback on the operation of subsidiary governance framework. The Company follows a fair, transparent and ethical governance practices for its overseas Subsidiaries which is essential for achieving long term corporate goals and to enhance stakeholder's value.

**(s) Personal Data Protection And Privacy Program**

We have analysed the regulations, their applicability and impact on our organization and have a roadmap to ensure we address any gaps which require remediation to ensure compliance. We have updated our policies and various processes to ensure compliance to the EU GDPR requirements.

**(v) Web link for various documents**

The following documents/information are linked with the website of the Company, i.e. [www.apollotyres.com](http://www.apollotyres.com):-

Particulars	Web link
Familiarization programme for Independent Directors	<a href="https://corporate.apollotyres.com/en-in/investors/directors-information/?filter=FamiliarisationProgramme">https://corporate.apollotyres.com/en-in/investors/directors-information/?filter=FamiliarisationProgramme</a>
Policy for determining 'material' subsidiaries	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>
Policy on Related Party Transactions	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>
CSR policy	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>
Code of Conduct for Directors and Senior Management	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>
Whistle Blower Policy/Vigil Mechanism	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>
Policy on preservation and archival of documents	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>
Policy on determination of materiality of events or information	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>
Code of Practices and Procedures for Fair Disclosure of UPSI	<a href="https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies">https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies</a>

**(w) Details of Utilisation of funds raised through CCPS**

Particulars of the funds raised through CCPS	(₹ million)
Deposits placed with Banks	10,800

**(x) Certificate from Practicing Company Secretary**

The Company has received a certificate from M/s. PI & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority.

The Certificate is attached as Annexure A to the Corporate Governance Report.

**Declaration Affirming Compliance of Whistle Blower Policy**

To the best of my knowledge and belief, I hereby affirm that no personnel of the Company has been denied access to the Audit committee during FY21.

For and on behalf of the Board of Directors

**ONKAR KANWAR**

Chairman & Managing Director

DIN: 00058921

Place : London

Date : May 12, 2021

# Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of**

**APOLLO TYRES LIMITED.**

3<sup>rd</sup> Floor, Areekal Mansion, Panampilly Nagar

Kochi, Ernakulam, Kerala-682036

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **APOLLO TYRES LIMITED.** having CIN: L25111KL1972PLC002449 and having registered office at Apollo Tyres Limited 3<sup>rd</sup> Floor, Areekal Mansion, Panampilly Nagar, Kochi, Ernakulam, Kerala-682036 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Date of appointment in Company
1.	00010630	Akshaykumar Narendrasinhji Chudasama	11/11/2013
2.	00013580	Pallavi Shardul Shroff	15/05/2014
3.	00041197	Vikram Singh Mehta	06/02/2013
4.	00041867	Vinod Rai	09/02/2016
5.	00058859	Sunam Sarkar	28/01/2004
6.	00058921	Onkar Kanwar	03/06/1982
7.	00058951	Neeraj Singh Kanwar	28/05/1999
8.	00178792	Robert Friedrich Johannes Adolf Steinmetz	10/09/1999
9.	00207746	Anjali Bansal	01/11/2017
10.	00935998	Francesco Crispino	03/07/2020
11.	01035771	Vishal Kashyap Mahadevia	21/08/2020
12.	07259060	Bikram Singh	11/08/2015
13.	07413105	Francesco Gori	09/02/2016
14.	07527148	Satish Sharma	01/04/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PI & Associates,**  
Company Secretaries

Sd/-

**Ankit Singhi**

Partner

ACS No.: 20642

C P No.: 16274

UDIN: A020642C000285489

Date : 12/05/2021

Place : Noida



# Independent Auditor's Certificate on Corporate Governance

## To the Members of Apollo Tyres Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 July 2020.
2. We have examined the compliance of conditions of corporate governance by Apollo Tyres Limited ('the Company') for the year ended on 31 March 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

## AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

## OPINION

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

## RESTRICTION ON USE

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

## For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

Sd/-

**Neeraj Goel**

Partner

Membership No. 099514

UDIN: 21099514AAAACS1870

Place : Gurugram

Date : 12 May 2021

# CEO and CFO Certificate

[Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

May 4, 2021

The Board of Directors  
Apollo Tyres Ltd.  
No. 7, Apollo House,  
Institutional Area, Sector- 32,  
Gurgaon, Haryana -122001

We hereby certify that :-

- a) We have reviewed the financial statements including the cash flow statement of the Company for the year ended as on March 31, 2021 and that to the best of our knowledge and belief :
  - i these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii these statements including cash flow statement present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this report.
- d) During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud found by management or employees having a significant role in the company's internal control system over financial reporting.

For **Apollo Tyres Ltd**

**(Onkar Kanwar)**  
Chairman & Managing Director

**(Gaurav Kumar)**  
Chief Financial Officer

# Independent Auditor's Report

To the Members of Apollo Tyres Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying standalone financial statements of Apollo Tyres Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter
<b>A. Provision for sales related obligations</b> As at 31 March 2021, the Company carries provisions for sales related obligations amounting to ₹ 1,411.91 million (Refer note C6).  Such provision is recognised based on past trends, frequency, expected cost of obligations, management estimates regarding possible future incidences and appropriate discount rates for non-current portion of the obligations.  These estimates require high degree of management judgement with respect to the underlying assumptions, thus giving rise to inherent subjectivity in determining the amounts to be recorded in the financial statements.  Considering the materiality of the above matter to the financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.

### BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

How our audit procedures addressed the key audit matter
Our audit procedures included, but were not limited to the following: <ol style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Company to ensure appropriateness of recognition, measurement and completeness of the sales related obligations;</li> <li>b) Tested the management's computation of sales related obligations by evaluating the reasonability of the key assumptions, reviewing the contractual terms, comparing the assumptions to historical data and analysing the expected costs of incidences;</li> <li>c) Traced the inputs used in the computations, to the relevant accounting records, including discussions with the relevant management personnel and tested the arithmetical accuracy of the computation;</li> <li>d) Compared the amounts recognized as provision in the past years with the corresponding settlements and assessed whether the aggregate provisions recognized as at the current year-end were sufficient to cover expected costs in light of known and expected incidences;</li> <li>e) Performed sensitivity analysis on the management's computation by evaluating the impact of change on the obligation by changing certain key assumptions such as discount rates used; and</li> <li>f) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.</li> </ol>



Key audit matter	How our audit procedures addressed the key audit matter
<p><b>B. Litigations and claims: provisions and contingent liabilities</b></p> <p>As included under Note C15 [contingent liability note] and Note C6 [Provision for contingencies note] to the standalone financial statements, the Company is involved in direct and indirect tax litigations ('litigations') amounting to ₹ 3,695.22 million that are pending with various tax authorities.</p> <p>Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Company.</p> <p>Determining the amount, if any, to be recognised or disclosed in the standalone financial statements, is inherently subjective. The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year</p>	<p>Our procedures included, but were not limited to, the following:</p> <ol style="list-style-type: none"> <li>Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof;</li> <li>Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;</li> <li>Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved;</li> <li>Assessed management's conclusions through discussions held with their in house tax experts and understanding precedents in similar cases;</li> <li>Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities;</li> <li>Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Company, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management; and</li> <li>Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.</li> </ol>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Director's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the financial statements 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 Standards on Auditing 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 these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's 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 Company's ability 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.



17. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 12 May 2021 as per Annexure II expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company, as detailed in note C15 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
- ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company other than INR 4.86 million (31 March 2020: INR 4.30 million) pertaining to amount of dividend which has not been transferred as per the orders/ instructions dated 14 June 2001 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Neeraj Goel**  
Partner  
Membership No.: 99514  
UDIN: 21099514AAAACX6007

Place: Gurugram  
Date: 12 May 2021

## Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment's (including right-of-use assets).
- (b) The Company has a regular program of physical verification of its property, plant and equipment's (including right-of-use assets) under which property, plant and equipment's (including right-of-use assets) are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment's (including right-of-use assets) were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company, except for certain lands included under the head 'Capital work in progress', {admeasuring 8,836,150 square feet and carrying a cost of ₹ 297.70 million}, the title deeds to which, according to the information and explanation given to us, are yet to be transferred in the name of the Company as explained in Note B1 to the financial statements. Immovable properties in the nature of land whose title deeds have been pledged as security for loans are held in the name of the Company, which is verified from confirmations directly received by us from lenders. In respect of immovable properties in the nature of land and building that have been taken on lease and disclosed under the head right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee as per the agreements.

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ million)	Amount paid under Protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act applicable to various states	Sales tax	203.51	85.14	1992-93 to 2020-21	Various appellate authorities/ Revenue board/ High Court
Central Excise Act, 1944/ Customs Act, 1962	Excise duty, Custom duty and additional excise duty	578.16	19.22	2002-03 to 2017-18	Various appellate authorities/ Supreme Court
Finance Act, 1994	Service tax	545.39	37.63	2004-05 to 2017-18	Various appellate authorities
Income-tax Act, 1961	Income tax	2,510.16	232.10	1990-91 to 2015-16	Various appellate authorities/ High Court

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments and guarantees. There are no loans and security given by the Company.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided for by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. During the year, the company did not make preferential allotment or private placement of fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Neeraj Goel**

Partner

Membership No.: 99514

UDIN: 21099514AAAACX6007

Place: Gurugram

Date: 12 May 2021



## Annexure II

### Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Apollo Tyres Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Neeraj Goel**

Partner

Membership No.: 99514

UDIN: 21099514AAAACX6007

Place: Gurugram

Date: 12 May 2021



# Balance Sheet

as on March 31, 2021

		As on March 31, 2021	As on March 31, 2020
	Notes		
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	B1	96,720.48	86,321.83
(b) Capital work-in-progress		10,299.55	12,720.71
(c) Right of use assets	C5	5,244.92	6,209.73
(d) Intangible assets	B1	375.95	320.36
(e) Financial assets			
i. Investments	B2	24,097.21	24,095.19
ii. Other financial assets	B3	3,688.30	2,326.12
(f) Other non-current assets	B4	2,232.35	3,650.49
<b>Total non-current assets</b>		<b>142,658.76</b>	<b>135,644.43</b>
<b>2. Current assets</b>			
(a) Inventories	B5	20,766.00	18,082.51
(b) Financial assets			
i. Investments	B6	900.68	-
ii. Trade receivables	B7	7,320.36	4,450.83
iii. Cash and cash equivalents	B8	2,258.12	2,256.26
iv. Bank balances other than (iii) above	B9	11,744.38	109.58
v. Other financial assets	B10	2,896.99	747.36
(c) Other current assets	B11	3,089.19	3,528.92
<b>Total current assets</b>		<b>48,975.72</b>	<b>29,175.46</b>
<b>TOTAL ASSETS (1+2)</b>		<b>191,634.48</b>	<b>164,819.89</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Share capital	B12	635.10	572.05
(b) Other equity		94,090.51	76,349.42
<b>Total equity</b>		<b>94,725.61</b>	<b>76,921.47</b>
<b>Liabilities</b>			
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	B13	36,604.31	32,083.24
ii. Other financial liabilities	B14	4,682.32	5,319.45
(b) Provisions	B15	494.75	503.32
(c) Deferred tax liabilities (net)	C7(ii)	6,733.74	5,312.69
(d) Other non-current liabilities	B16	5,104.79	3,754.95
<b>Total non-current liabilities</b>		<b>53,619.91</b>	<b>46,973.65</b>
<b>3. Current Liabilities</b>			
(a) Financial liabilities			
i. Borrowings	B17	1,004.85	11,180.69
ii. Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		629.03	170.80
- Total outstanding dues of creditors other than micro enterprises and small enterprises	B18	18,663.55	15,936.37
iii. Other financial liabilities	B19	18,168.87	10,182.59
(b) Other current liabilities	B20	2,191.42	1,092.90
(c) Provisions	B21	1,923.37	1,801.91
(d) Current tax liabilities (net)	B22	707.87	559.51
<b>Total current liabilities</b>		<b>43,288.96</b>	<b>40,924.77</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>		<b>191,634.48</b>	<b>164,819.89</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**ONKAR KANWAR**

Chairman &amp; Managing Director

DIN 00058921

**NEERAJ KANWAR**

Vice Chairman &amp; Managing Director

DIN 00058951

**VINOD RAI**

Director

DIN 00041867

**Neeraj Goel**

Partner

Membership No. 99514

**GAURAV KUMAR**

Chief Financial Officer

**SEEMA THAPAR**

Company Secretary

Membership No - FCS 6690

Gurugram

May 12, 2021

London

May 12, 2021

# Statement of Profit and Loss

for the year ended March 31, 2021

			₹ Million
	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>1. REVENUE FROM OPERATIONS:</b>			
Sales		113,545.12	108,326.97
Other operating income	B23	3,788.89	2,356.21
		<b>117,334.01</b>	<b>110,683.18</b>
<b>2. OTHER INCOME</b>	B24	1,215.23	286.08
<b>3. TOTAL INCOME (1 +2)</b>		<b>118,549.24</b>	<b>110,969.26</b>
<b>4. EXPENSES :</b>			
(a) Cost of materials consumed	B25	62,383.17	60,729.50
(b) Purchase of stock-in-trade	B25	6,948.31	6,517.26
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	B26	69.15	1,128.28
(d) Employee benefits expense	B25	9,109.01	8,261.17
(e) Finance costs	B27	3,794.14	2,256.96
(f) Depreciation and amortisation expense	B1	7,133.77	6,207.05
(g) Other expenses	B25	18,481.14	20,055.19
<b>Total expenses</b>		<b>107,918.69</b>	<b>105,155.41</b>
<b>5. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3 - 4)</b>		10,630.55	5,813.85
<b>6. EXCEPTIONAL ITEMS</b>	C28	110.16	-
<b>7. PROFIT BEFORE TAX (5 - 6)</b>		10,520.39	5,813.85
<b>8. TAX EXPENSE:</b>			
(a) Current tax		1,904.39	1,026.56
(b) Deferred tax	C7(ii)	1,387.79	(298.95)
<b>Total</b>		<b>3,292.18</b>	<b>727.61</b>
<b>9. NET PROFIT FOR THE YEAR (7 - 8)</b>		<b>7,228.21</b>	<b>5,086.24</b>
<b>10. OTHER COMPREHENSIVE INCOME</b>			
I i. Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		69.68	(245.40)
b. Income tax		(24.35)	85.75
		<b>45.33</b>	<b>(159.65)</b>
II i. Items that may be reclassified to profit or loss			
a. Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge		25.51	(163.71)
b. Income tax		(8.91)	57.21
		<b>16.60</b>	<b>(106.50)</b>
<b>Other comprehensive profit/ (loss) (I + II)</b>		61.93	(266.15)
<b>Total comprehensive income for the year (9 + 10)</b>		<b>7,290.14</b>	<b>4,820.09</b>
<b>Earnings per share (of Re 1 each)</b>	C30		
(a) Basic (₹)		11.72	8.89
(b) Diluted (₹)		11.72	8.89

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**ONKAR KANWAR**

Chairman & Managing Director  
DIN 00058921

**NEERAJ KANWAR**

Vice Chairman & Managing Director  
DIN 00058951

**VINOD RAI**

Director  
DIN 00041867

**Neeraj Goel**

Partner

Membership No. 99514

**GAURAV KUMAR**

Chief Financial Officer

**SEEMA THAPAR**

Company Secretary  
Membership No - FCS 6690

Gurugram  
May 12, 2021

London  
May 12, 2021

# Statement of Changes in Equity

for the year ended March 31, 2021

## OTHER EQUITY

Particulars	Reserves and surplus							Items of other comprehensive income			₹ Million
	Securities premium	General reserve	Capital reserve on AMHPL merger	Debtenture redemption reserve	Capital subsidy	Capital redemption reserve	Capital reserve on forfeiture of shares	Retained earnings	Effective portion of cash flow hedge	Revaluation surplus	
Balance as on March 31, 2019	20,866.72	14,006.63	1,383.68	1,039.50	25.50	44.40	0.07	38,449.25	(7.41)	31.22	75,839.56
Profit for the year	-	-	-	-	-	-	-	5,086.24	-	-	5,086.24
Effective portion of cash flow hedge	-	-	-	-	-	-	-	-	(163.71)	-	(163.71)
Income tax on effective portion of cash flow hedge	-	-	-	-	-	-	-	-	57.21	-	57.21
Remeasurements of the defined benefit plans	-	-	-	-	-	-	-	(245.40)	-	-	(245.40)
Income tax on Remeasurements of the defined benefit plans	-	-	-	-	-	-	-	85.75	-	-	85.75
Total comprehensive income for the year	-	-	-	-	-	-	-	4,926.59	(106.50)	-	4,820.09
Payment of dividend (₹ 3.25 per share)	-	-	-	-	-	-	-	(1,859.16)	-	-	(1,859.16)
Payment of interim dividend (₹ 3.00 per share)	-	-	-	-	-	-	-	(1,716.15)	-	-	(1,716.15)
Tax on dividend	-	-	-	-	-	-	-	(734.92)	-	-	(734.92)
Transfer from retained earnings	-	1,000.00	-	-	-	-	-	(1,000.00)	-	-	-
Balance as on March 31, 2020	20,866.72	15,006.63	1,383.68	1,039.50	25.50	44.40	0.07	38,065.61	(113.91)	31.22	76,349.42
Profit for the year	-	-	-	-	-	-	-	7,228.21	-	-	7,228.21
Effective portion of cash flow hedge	-	-	-	-	-	-	-	-	25.51	-	25.51
Income tax on effective portion of cash flow hedge	-	-	-	-	-	-	-	-	(8.91)	-	(8.91)
Remeasurements of the defined benefit plans	-	-	-	-	-	-	-	69.68	-	-	69.68
Income tax on Remeasurements of the defined benefit plans	-	-	-	-	-	-	-	(24.35)	-	-	(24.35)
Total comprehensive income for the year	-	-	-	-	-	-	-	7,273.54	16.60	-	7,290.14
Share premium on issue of shares, net (refer note C27)	10,450.95	-	-	-	-	-	-	-	-	-	10,450.95
Transfer from retained earnings	-	1,000.00	-	-	-	-	-	(1,000.00)	-	-	-
Balance as on March 31, 2021	31,317.67	16,006.63	1,383.68	1,039.50	25.50	44.40	0.07	44,339.15	(97.31)	31.22	94,090.51

In terms of our report attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**Neeraj Goel**

Partner

Membership No. 99514

Gurugram

May 12, 2021

For and on behalf of the Board of Directors

**ONKAR KANWAR**

Chairman & Managing Director

DIN 00058921

**NEERAJ KANWAR**

Vice Chairman & Managing Director

DIN 00058951

**VINOD RAI**

Director

DIN 00041867

**GAURAV KUMAR**

Chief Financial Officer

**SEEMA THAPAR**

Company Secretary

Membership No - FCS 6690





# Cash Flow Statement

for the year ended March 31, 2021

		₹ Million	
		Year ended March 31, 2021	Year ended March 31, 2020
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(i)	Profit before tax	10,520.39	5,813.85
	Add: Adjustments for:		
	Depreciation and amortisation expenses	7,133.77	6,207.05
	(Profit) on sale of property, plant and equipment (net)	(20.34)	(0.32)
	Dividend from non-current and current investments	(2.88)	(2.67)
	Unwinding of deferred income	(1,572.57)	(1,735.41)
	Finance cost	3,794.14	2,256.96
	Interest income	(816.20)	(38.01)
	Unrealised (gain)/ loss on foreign exchange fluctuations	(175.19)	253.54
		8,340.73	6,941.14
(ii)	Operating profit before working capital changes	18,861.12	12,754.99
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(2,683.49)	2,432.28
	Trade receivables	(2,872.41)	3,420.61
	Other financial assets (current and non current)	(3,809.44)	(227.50)
	Other current assets	482.16	(8.23)
		(8,883.18)	5,617.16
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	3,363.49	2,090.54
	Other financial liabilities	2,186.59	1,285.87
	Other liabilities (current and non current)	1,051.99	(1,670.37)
	Provisions (current and non-current)	112.89	146.62
		6,714.96	1,852.66
(iii)	Cash generated from operations	16,692.90	20,224.81
Less:	Direct taxes paid (net of refund)	1,756.03	1,271.07
	Net cash generated from operating activities	14,936.87	18,953.74
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of property, plant and equipment	(9,825.83)	(25,340.32)
	Proceeds from sale of property, plant and equipment	105.93	192.87
	Investments in mutual funds	(900.00)	-
	Non-current investment made, net	(1.24)	(1,769.46)
	Investments in fixed deposits, net	(11,650.00)	-
	Dividends received from current and non-current investments	2.88	2.67
	Interest received	662.46	162.89
	Net cash used in investing activities	(21,605.80)	(26,751.35)



# Cash Flow Statement

for the year ended March 31, 2021

	Year ended March 31, 2021	₹ Million Year ended March 31, 2020
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of compulsory convertible preference shares	10,800.00	-
Proceeds from non-current borrowings	10,750.00	7,318.75
(Repayment) of non-current borrowings	(589.04)	(166.85)
Proceeds from/ (Repayment) of current borrowings (net)	(10,180.00)	8,378.10
Payment of dividend (including dividend tax)	-	(4,310.23)
Payment of lease liabilities	(1,269.98)	(1,358.86)
Finance charges paid	(2,844.34)	(1,788.36)
<b>Net cash generated from financing activities</b>	<b>6,666.64</b>	<b>8,072.55</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2.29)</b>	<b>274.94</b>
Cash and cash equivalents as at the beginning of the year	2,256.26	2,103.80
Less: Cash credits as at the beginning of the year	0.69	123.17
<b>Adjusted cash and cash equivalents as at beginning of the year</b>	<b>2,255.57</b>	<b>1,980.63</b>
Cash and cash equivalents as at the end of the year	2,258.12	2,256.26
Less: Cash credits as at the end of the year	4.85	0.69
	<b>2,253.27</b>	<b>2,255.57</b>
(Gain)/loss on re-statement of foreign currency cash and cash equivalents	0.01	-
<b>Adjusted cash and cash equivalents as at the end of the year</b>	<b>2,253.28</b>	<b>2,255.57</b>

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**ONKAR KANWAR**

Chairman &amp; Managing Director

DIN 00058921

**Neeraj Goel**

Partner

Membership No. 99514

Gurugram

May 12, 2021

London

May 12, 2021

**NEERAJ KANWAR**

Vice Chairman &amp; Managing Director

DIN 00058951

**GAURAV KUMAR**

Chief Financial Officer

**VINOD RAI**

Director

DIN 00041867

**SEEMA THAPAR**

Company Secretary

Membership No - FCS 6690

For and on behalf of the Board of Directors

# A. Notes

forming Part of the Financial Statements

## 1 CORPORATE INFORMATION

The principal business activity of Apollo Tyres Limited ('the Company') is manufacturing and sale of automotive tyres. The Company started its operations in 1972 with its first manufacturing plant at Perambra in Kerala.

The Company's largest operations are in India and comprises five tyre manufacturing plants, two located in Cochin and one each at Vadodara, Chennai and Andhra Pradesh and various sales and marketing offices spread across the country. The Company's European subsidiaries Apollo Vredestein BV ('AVBV') and Apollo Tyres (Hungary) Kft. have a manufacturing plant in the Netherlands and Hungary respectively and has sales and marketing subsidiaries all over Europe. The Company also has sales and marketing subsidiaries in Middle East, Africa and ASEAN region.

### 2.1 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

### 2.2 Amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Covid-19 related concessions - amendments to Ind AS 116

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future periods.

## 3 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

### 3.1 Statement of Compliance

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Company.

The financial statements for the year ended March 31, 2021 were authorised and approved for issue by the Board of Directors on May 12, 2021.

### 3.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes

into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on above basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share Based Payment, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**The principal accounting policies are set out below:**

### 3.3 Business Combinations

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a Company.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

### 3.4 Inventories

Inventories are valued at the lower of cost and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

In case of raw materials, stores and spares and traded goods, cost (net of tax credits wherever applicable) is determined on a moving weighted average basis, and, in case of work in progress and finished goods, cost is determined on a First In First Out basis.

### 3.5 Taxation

Income tax expense recognised in Standalone Statement of Profit and Loss comprised the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

#### Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of India. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and

liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset is created by way of a credit to the Standalone Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and Deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.6 Property, plant and equipment ('PPE')

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other

property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of tax credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalized. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Assets held under leases are depreciated over their expected lease term on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated average useful life considered for the assets are as under.

Category of assets	No. of years
Building	5 - 60
Plant and equipment	3 - 25
Electrical installations	1 - 10
Furniture and fixtures	4 - 10
Vehicles	4 - 10
Office equipment	4 - 10

Leasehold land / Improvements thereon are amortized over the primary period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item



of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### 3.7 Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

#### Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

The useful life considered for the intangible assets are as under:

Category of Assets	No. of Years
Computer Software	3-6

### 3.8 Revenue recognition

In accordance with Ind AS 115, the Company recognises the amount as revenue from contracts with customers, which is received for the transfer of promised goods to customers in exchange for those goods. The relevant point in time or period of time is the transfer of control of the goods (control approach). The Company recognises revenue at point in time. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances. To determine when to recognise revenue and at

what amount, the five-step model is applied. By applying the five-step model distinct performance obligations are identified. The transaction price is determined and allocated to the performance obligations according to the requirements of Ind AS 115. Performance obligations are deemed to have been met when the control of goods is transferred to the customer, i.e., generally when the goods have been delivered to the customer.

Revenues for services are recognised when the service rendered has been completed.

### 3.9 Other income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Royalty income is recognised on accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### 3.10 Employee benefits

Employee benefits include wages and salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

#### Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net

defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### Other current and non-current employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 3.11 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss on a systematic basis over the expected useful life of the related assets.

Government grants related to the income are deferred and recognized in the Statement of Profit and Loss as an income in the period in which related obligations are met.

Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established.

Export incentives earned in the year of exports are netted off from cost of raw material imported.

### 3.12 Foreign currency transactions and translations

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in which they arise except for:

- a. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- b. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- c. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the Statement of Profit and Loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is paid or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction.

### 3.13 Employee share based payments

Stock appreciation rights (Phantom stock units) are granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan).

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the Statement of Profit and Loss.

### 3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are

assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.

### 3.15 Leases

#### The Company as lessee

The Company's lease asset classes primarily consist of leases for Building and Plant and Machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the

present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

The weighted average incremental borrowing rate applied to lease liabilities is 8% p.a.

### 3.16 Earnings per share

**Basic earnings per share** is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

**Diluted earnings per share** is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 3.17 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to

individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 3.18 Provisions and contingencies

A provision is recognized when the Company has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present

obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

### 3.19 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

### 3.20 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 3.20.1 Classification of financial asset

##### a. Loans and receivable

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for investments that are designated as at FVTPL on initial recognition):

- i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the 'Other Income' line item.

**b. Assets available for sale**

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI') (except for investments that are designated as at FVTPL on initial recognition):"

- i. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

**c. Assets held for trading**

*A financial asset is held for trading if:*

- i. it has been acquired principally for the purpose of selling it in the near term; or
- ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- iii. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the right to receive the dividends is established and it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**d. Financial assets at fair value through profit and loss ('FVTPL')**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial

recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**3.20.2 Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financials guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased



significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Credit impaired balances are disclosed under provision for doubtful debts.

### 3.20.3 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and

the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 3.20.4 Foreign Exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in hedging relationship.

## 3.21 Financial liabilities and equity instruments

### 3.21.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 3.21.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### 3.21.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

#### 3.21.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- i. it has been incurred principally for the purpose of repurchasing it in the near term; or
- ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- iii. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- i. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- ii. the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- iii. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 - Financial Instruments permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

#### 3.21.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are

subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### 3.21.3.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at:

- i. amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- ii. amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 115, Revenue from Contracts with Customers.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'Other Income' line item.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

#### 3.21.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### 3.22 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including options, foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

### 3.23 Hedge Accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and

accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the 'Other income'/'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity, i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e., not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to the Statement of Profit and Loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect the Statement of Profit and Loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity, i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect the Statement of Profit and Loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in the Statement of Profit and Loss or to account for this element similar to the time value of an option. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

### 3.24 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Company's cash management. The cash flow statement is prepared using indirect method.

### 3.25 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirements of Schedule III of the Act unless otherwise stated.

### 3.26 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may affect the application of accounting

policies, reported amounts and related disclosures. These judgments and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgements and estimates. All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the financial statements represent as accurately an outlook as possible for the Company. These judgements and estimates only represent the interpretation of the Company as of the dates on which they were prepared. Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

### 3.27 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the Covid 19 pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the management, as at the date of approval of these financial results, has used internal and external sources on the expected future performance of the Company. The management has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, expects that the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainties of the pandemic, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor any material changes to future economic conditions.

## B. Notes

Forming an Integral Part of The Accounts

### B1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS ON MARCH 31, 2021

Description of assets	Gross Block		Accumulated Depreciation / Amortisation		Net Block	
	As on April 1, 2020	Additions Disposals	As on April 1, 2020	Eliminated on disposal of assets	As on March 31, 2021	As on March 31, 2020
<b>A. Property, plant and equipment - owned unless otherwise stated</b>						
Land:						
Freehold land	144.64	-	-	-	144.64	144.64
Leasehold land *	196.09	0.06	2.19	-	169.11	171.24
			(a)			
Buildings	19,751.70	2,528.45	3,779.98	11.64	17,761.72	15,971.72
		(b)			(d)	
Plant and equipment **	94,806.97	13,355.80	28,230.85	13.58	75,320.36	66,576.12
		(b)				
Electrical installations	3,161.18	531.03	1,612.30	-	1,822.70	1,548.88
		(b)				
Furniture and fixtures	2,438.33	67.69	1,535.50	28.32	642.01	902.83
		(b)				
Vehicles	879.07	112.16	311.78	19.66	539.30	567.29
		(b)				
Office equipment	852.96	21.17	413.85	0.12	320.64	439.11
		(b)				
<b>Total tangible assets</b>	<b>122,230.94</b>	<b>16,616.36</b>	<b>35,909.11</b>	<b>73.32</b>	<b>96,720.48</b>	<b>86,321.83</b>
<b>B. Intangible assets:</b>						
Computer software	874.91	158.48	554.55	-	375.95	320.36
		(b)				
<b>TOTAL (A + B)</b>	<b>123,105.85</b>	<b>16,774.84</b>	<b>36,463.66</b>	<b>73.32</b>	<b>97,096.43</b>	<b>86,642.19</b>
		(c)				



# PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS ON MARCH 31, 2020

Description of assets	Gross Block			Accumulated Depreciation / Amortisation		Net Block	
	As on April 1, 2019	Additions	Disposals	As on April 1, 2019	Eliminated on disposal of assets	As on March 31, 2020	As on March 31, 2019
<b>A Property, plant and equipment - owned unless otherwise stated</b>							
Land:							
Freehold land	175.14	-	30.50	-	-	144.64	175.14
Leasehold land *	196.09	-	-	22.66	2.19	171.24	173.43
Buildings	13,332.05	6,445.19	25.54	3,287.70	500.73	15,971.72	10,044.35
Plant and equipment **	75,197.72	19,861.92	252.67	24,758.43	3,703.23	66,576.12	50,439.29
Electrical installations	2,478.06	690.23	7.11	1,394.78	224.37	1,548.88	1,083.28
Furniture and fixtures	2,221.95	224.56	8.18	1,282.64	260.74	902.83	939.31
Vehicles	805.61	271.68	198.22	342.99	114.75	567.29	462.62
Office equipment	601.24	252.22	0.50	237.87	176.33	439.11	363.37
<b>Total tangible assets</b>	<b>95,007.86</b>	<b>27,745.80</b>	<b>522.72</b>	<b>31,327.07</b>	<b>4,982.34</b>	<b>86,321.83</b>	<b>63,680.79</b>
<b>B Intangible assets:</b>							
Computer software	777.47	97.44	-	463.08	91.47	320.36	314.39
<b>TOTAL (A + B)</b>	<b>95,785.33</b>	<b>27,843.24</b>	<b>522.72</b>	<b>31,790.15</b>	<b>5,073.81</b>	<b>86,642.19</b>	<b>63,995.18</b>

## Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment	5,996.57	4,982.34
Right-to-use assets	1,034.31	1,133.24
Other intangible assets	102.89	91.47
<b>Total</b>	<b>7,133.77</b>	<b>6,207.05</b>

\* Leasehold land is net of ₹ 5.39 Million (₹ 5.39 Million) subleased to Classic Auto Tubes Ltd., a Company in which directors are interested since the year ended 2009-10.

\*\* Plant and equipment include jointly owned assets with gross book value of ₹ 311.28 Million (₹ 311.28 Million) and net book value of ₹ 213.09 Million (₹ 225.62 Million) which represents 50% ownership in the asset.

(a) Represents proportionate lease premium ₹ 2.19 Million (₹ 2.19 Million) amortised.

(b) Buildings include ₹ 0.24 Million (₹ 28.03 Million), plant and equipment include ₹ 292.12 Million (₹ 339.78 Million), electrical installations include ₹ 0.05 Million (₹ 4.55 Million), furniture and fixtures include Nil (₹ 1.49 Million), vehicles include ₹ 93.35 Million (₹ 14.53 Million), office equipment include Nil (₹ 0.01 Million) and computer software include ₹ 18.13 Million (₹ 11.78 Million) relating to research and development (refer note C14).

(c) Includes directly attributable expenses capitalised to the extent of ₹ 508.51 Million (₹ 742.72 Million) including ₹ 15.39 Million (₹ 185.30 Million) capitalised from CWIP of previous year and borrowing cost capitalised to the extent of ₹ 922.16 Million (₹ 1,549.06 Million) including ₹ 72.24 Million (₹ 272.04 Million) capitalised from CWIP of previous year.

(d) Buildings include buildings constructed on leasehold land with gross book value of ₹ 13,311.18 Million (₹ 12,717.47 Million) and net book value of ₹ 9,628.78 Million (₹ 9,480.86 Million).

(e) Carrying amount of tangible assets are pledged as security for liabilities (refer note B13 (a)).

(f) Capital work-in-progress includes land of ₹ 297.70 Million (₹ 248.00 Million) acquired by the Company and is in the process of getting the title deeds transferred to its name.

## FINANCIAL ASSETS (NON-CURRENT)

## B2 INVESTMENTS

	As on March 31, 2021	As on March 31, 2020
₹ Million		
<b>I At fair value through profit and loss</b>		
<b>A Quoted investments *</b>		
Investment in equity instruments:		
16,394 (16,394) equity shares of ₹ 10/- each in Bharat Gears Limited - fully paid up	1.20	0.42
<b>B Unquoted investments **</b>		
Investment in equity instruments:		
Other companies:		
312,000 (312,000) equity shares of ₹ 10 each in Green		
Infra Wind Power Projects Limited - fully paid up	3.12	3.12
2,256,000 (2,256,000) equity shares of ₹ 30 each in Suryadev		
Alloys and Power Private Limited - fully paid up	67.68	67.68
284,000 (220,300) equity shares of ₹ 11.50 each in		
OPG Power Generation Private Limited - fully paid up	3.27	2.53
Nil (5,000) equity shares of ₹ 100/- each in Apollo		
Tyres Employees' Multipurpose Co-operative Society Limited - fully paid up	-	0.50
	<b>74.07</b>	<b>73.83</b>
Investments carried at fair value through profit and loss	<b>75.27</b>	<b>74.25</b>
<b>II At cost</b>		
Unquoted investments **		
<b>(a) Investment in equity instruments:</b>		
Subsidiary companies:		
50,001 (50,001) equity shares of EUR 0.72 each in Apollo		
Tyres (Green Field) B. V. - fully paid up	2.74	2.74
1,00,000 (Nil) equity shares of ₹ 10 each in Apollo		
Tyres Centre of Excellence Limited - fully paid up	1.00	-
Associate company:		
3,334 (3,334) equity shares of ₹ 10 each in KT		
Telematic Solutions Private Limited - fully paid up	45.01	45.01
<b>(b) Investment in membership interest:</b>		
Apollo Tyres Co-operatief U.A. - wholly owned subsidiary	23,973.19	23,973.19
Investments carried at cost	24,021.94	24,020.94
	<b>24,097.21</b>	<b>24,095.19</b>
* Aggregate amount of quoted investments at cost	0.36	0.36
Aggregate amount of quoted investments at market value	1.20	0.42
** Aggregate amount of unquoted investments at cost	24,096.01	24,094.77

## B3 OTHER FINANCIAL ASSETS

	As on March 31, 2021	As on March 31, 2020
₹ Million		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Employee advances - salary loan	19.36	25.17
Security deposits	208.52	200.42
Security deposits to related parties (refer note C 20)	278.97	253.33
Security deposits with statutory authorities	394.12	346.87
Investment promotion subsidy receivable (refer note C 8a)	1,811.72	-
Derivative assets measured at fair value (refer note C 10)	975.61	1,500.33
	<b>3,688.30</b>	<b>2,326.12</b>



## NON-FINANCIAL ASSETS (NON-CURRENT)

### B4 OTHER NON - CURRENT ASSETS

	As on March 31, 2021	₹ Million As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital advances	2,050.08	2,981.79
Capital advances to related parties (refer note C 20)	152.44	666.12
	<b>2,202.52</b>	<b>3,647.91</b>
Statutory balances recoverable	2.58	2.58
Others [refer note C 10 {f(1)}]	27.25	-
	<b>2,232.35</b>	<b>3,650.49</b>

## CURRENT ASSETS

### B5 INVENTORIES

	As on March 31, 2021	₹ Million As on March 31, 2020
<b>(valued at lower of cost and net realizable value)</b>		
(i) Raw materials		
- In hand	8,031.27	5,610.22
- In transit	1,090.03	825.97
	<b>9,121.30</b>	<b>6,436.19</b>
(ii) Work-in-progress *	1,663.64	1,252.70
(iii) Finished goods		
- In hand	7,036.10	7,986.38
- In transit	598.21	52.01
	<b>7,634.31</b>	<b>8,038.39</b>
(iv) Stock-in-trade		
- In hand	1,003.69	1,094.69
- In transit	17.40	2.41
	<b>1,021.09</b>	<b>1,097.10</b>
(v) Stores and spares	1,325.66	1,258.13
	<b>20,766.00</b>	<b>18,082.51</b>

\* Work-in-progress consists of only automotive tyres.

### B6 INVESTMENTS

	As on March 31, 2021	₹ Million As on March 31, 2020
<b>At fair value through profit and loss:</b>		
<b>Quoted investments *</b>		
Investment in mutual funds	900.68	-
	<b>900.68</b>	<b>-</b>

* Mutual Funds	Number of Units	Amount in (₹ Million)	Number of Units	Amount in (₹ Million)
Aditya Birla Sun Life Overnight Fund- Growth- Direct plan	359,616.37	400.23	-	-
Axis Overnight Fund- Direct growth	460,008.44	500.45	-	-
	819,624.81	900.68	-	-
Aggregate amount of quoted investments at cost		900.00		-
Aggregate amount of quoted investments at market value		900.68		-

**B7 TRADE RECEIVABLES**

	As on March 31, 2021	₹ Million As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Considered good*	7,320.36	4,450.83
Considered doubtful	24.40	24.40
	7,344.76	4,475.23
Provision for loss allowance	(24.40)	(24.40)
	<b>7,320.36</b>	<b>4,450.83</b>

\* Includes balances with related parties (refer note C 20)

**B8 CASH AND CASH EQUIVALENTS**

	As on March 31, 2021	₹ Million As on March 31, 2020
(i) Balances with banks:		
Current accounts	904.19	1,376.43
Other deposit accounts		
- original maturity of 3 months or less	500.99	600.00
(ii) Cheques on hand / remittances in transit	851.13	277.51
(iii) Cash on hand	1.81	2.32
	<b>2,258.12</b>	<b>2,256.26</b>

**B9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As on March 31, 2021	₹ Million As on March 31, 2020
Unpaid dividend accounts *	94.37	109.57
Deposits with maturity exceeding 3 months but less than 12 months	11,650.01	0.01
	<b>11,744.38</b>	<b>109.58</b>

**B10 OTHER FINANCIAL ASSETS**

	As on March 31, 2021	₹ Million As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Employee advances	70.94	46.32
Derivative assets measured at fair value (refer note C 10)	31.75	53.25
Investment promotion subsidy receivable	2,640.56	647.79
Interest accrued on deposits	153.74	-
	<b>2,896.99</b>	<b>747.36</b>



## NON-FINANCIAL ASSETS (CURRENT)

### B11 OTHER CURRENT ASSETS

	As on March 31, 2021	As on March 31, 2020
₹ Million		
<b>(Unsecured, considered good unless otherwise stated)</b>		
a. Advances given to related parties (refer note C 20)	564.69	493.82
b. Trade advances- considered good	491.83	508.14
Doubtful advances	20.56	20.56
Provision for doubtful advances	(20.56)	(20.56)
c. Employee advances	<b>52.32</b>	<b>48.89</b>
d. Export obligations - advance licence benefit	304.73	252.06
e. Export incentives recoverable	109.93	455.59
f. Balance with statutory authorities	1,290.36	1,241.36
g. Gratuity (refer note C 9)	-	199.27
h. Prepaid expenses	275.33	329.79
	<b>3,089.19</b>	<b>3,528.92</b>

### B12 SHARE CAPITAL

	As on March 31, 2021	As on March 31, 2020
₹ Million		
<b>(a) Authorised</b>		
750,000,000 Nos. (750,000,000 Nos.) equity shares of Re.1 each	750.00	750.00
150,000,000 Nos. (150,000,000 Nos.) cumulative redeemable preference shares of ₹100 each	15,000.00	15,000.00
	<b>15,750.00</b>	<b>15,750.00</b>
<b>(b) Issued, subscribed, called and fully paid up</b>		
<b>Equity shares of Re 1 each:</b>		
635,100,946 Nos. (572,049,980 Nos.) equity shares	635.10	572.05
	<b>635.10</b>	<b>572.05</b>

#### (c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year

Particulars	As on March 31, 2021		As on March 31, 2020	
	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million
<b>Opening balance</b>	<b>572,049,980</b>	<b>572.05</b>	<b>572,049,980</b>	<b>572.05</b>
Add: Conversion of compulsory convertible preference shares into equity shares (refer note C27)	63,050,966	63.05	-	-
<b>Closing balance</b>	<b>635,100,946</b>	<b>635.10</b>	<b>572,049,980</b>	<b>572.05</b>

#### (d) Details of shareholders holding more than 5% of the paid up equity share capital of the Company with voting rights \*

Name of the Shareholder	As on March 31, 2021		As on March 31, 2020	
	Number of shares	%age	Number of shares	%age
Sunrays Properties and Investment Company Private Limited	128,393,784	20.22%	36,307,648	6.35%
Emerald Sage Investment Ltd.	63,050,966	9.93%	-	-
White IRIS Investment Ltd.	51,054,445	8.04%	51,054,445	8.92%
HDFC Trustee Company Ltd. - A/C its various Fund	42,931,147	6.76%	41,273,025	7.21%
Osiatic Consultants & Investments Pvt.Ltd.	39,041,880	6.15%	-	-
Apollo Finance Limited	37,528,872	5.91%	39,778,872	6.95%
Neeraj Consultants Private Limited	-	-	73,827,161	12.91%

\* As per the records of the Company including its register of member.



**(e) The rights, preferences and restrictions attached to equity shares of the Company**

The Company has only one class of issued shares referred to as equity shares having a par value of Re. 1 each. The holder of equity shares are entitled to one vote per share.

**(f)** In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(g)** Over the period of five years immediately preceding March 31, 2021 and March 31, 2020, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

**NON - CURRENT LIABILITIES****B13 BORROWINGS**

	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>Measured at amortised cost</b>		
<b>Secured *</b>		
<b>(i) Debentures</b>	19,661.18	10,742.62
<b>(ii) Term loans</b>		
<b>From banks:</b>		
External commercial borrowings (ECB)	6,920.67	10,913.99
Foreign currency non-resident term loan	462.72	1,143.80
Rupee term loan	9,528.57	9,246.85
Deferred payment liabilities		
<b>(iii) Deferred payment credit I</b>		
Deferred payment credit I	31.17	35.98
<b>Total borrowings</b>	<b>36,604.31</b>	<b>32,083.24</b>

\* For details regarding repayment terms, interest rate and nature of security on non current borrowings (Note B13 (a)).



## B13 (A) BORROWINGS

Particulars	Amount outstanding as on March 31, 2021 (₹ Million)		Amount outstanding as on March 31, 2020 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non current borrowings	Current maturities of non current borrowings	Non current borrowings	Current maturities of non current borrowings			
<b>Non-convertible debentures</b>							
1,150 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,150.00	-	1,150.00	-	8.65%	Bullet payment on April 30, 2026	Refer note below
1,050 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	8.65%	Bullet payment on April 30, 2025	Refer note below
1,050 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	8.65%	Bullet payment on April 30, 2024	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,498.34	-	1,497.54	-	7.80%	Bullet payment on April 30, 2024	Refer note below
900 - 7.50 % Non-convertible debentures of ₹ 1 Million each	900.00	-	900.00	-	7.50%	Bullet payment on October 20, 2023	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,498.34	-	1,497.54	-	7.80%	Bullet payment on April 28, 2023	Refer note below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	7.50%	Bullet payment on October 21, 2022	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,498.34	-	1,497.54	-	7.80%	Bullet payment on April 29, 2022	Refer note below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	-	1,050.00	1,050.00	-	7.50%	Bullet payment on October 21, 2021	Refer note below
5,000 - 8.75 % Non convertible debentures of ₹ 1 Million each	4,983.08	-	-	-	8.75%	Bullet payment on April 09, 2030	Refer note below
5,000 - 7.70 % Non convertible debentures of ₹ 1 Million each	4,983.08	-	-	-	7.70%	₹1,250 Million payable on May 17, 2024 and ₹3,750 Million payable on May 16, 2025.	Refer note below
<b>Total</b>	<b>19,661.18</b>	<b>1,050.00</b>	<b>10,742.62</b>	<b>-</b>			
<b>External commercial borrowings (ECB) from banks</b>							
Bank 1 - ECB I	1,821.31	-	1,880.27	-	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 2 - ECB I	1,821.08	-	1,879.97	-	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 3 - ECB I	1,821.75	-	1,880.91	-	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 4 - ECB I	1,456.54	-	1,503.55	-	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 5 - ECB I	-	3,646.08	3,769.29	-	0-1% above USD-LIBOR	Bullet payment on March 21, 2022	Refer note below
<b>Total</b>	<b>6,920.67</b>	<b>3,646.08</b>	<b>10,913.99</b>	<b>-</b>			
<b>Foreign currency non-resident (FCNR) term loan</b>							
Bank 1 - FCNR I	90.28	180.53	279.93	186.62	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from December 31, 2019	Refer note below
Bank 1 - FCNR II	90.80	181.61	281.59	187.73	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from January 15, 2020	Refer note below
Bank 1 - FCNR III	281.65	281.64	582.28	291.14	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from September 30, 2020	Refer note below
<b>Total</b>	<b>462.73</b>	<b>643.78</b>	<b>1,143.80</b>	<b>665.49</b>			



Particulars	Amount outstanding as on March 31, 2021 (₹ Million)		Amount outstanding as on March 31, 2020 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non current borrowings	Current maturities of non current borrowings	Non current borrowings	Current maturities of non current borrowings			
<b>Rupee term loans</b>							
Bank 1 - Rupee Term Loan	2,996.85	-	2,964.92	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 2 - Rupee Term Loan	2,474.49	-	2,469.86	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 3 - Rupee Term Loan	1,973.22	-	1,968.75	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 4 - Rupee Term Loan	500.00	-	-	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 5 - Rupee Term Loan	985.77	11.25	996.60	-	6 months MCLR	32 structured quarterly instalments after moratorium of 2 years from the date of first disbursement	Refer note below
Bank 6 - Rupee Term Loan	148.24	-	146.72	-	0-2% above one year T-bill	Bullet payment on June 27, 2022	Refer note below
Bank 7 - Rupee Term Loan	200.00	-	200.00	-	0-2% above one year T-bill	Bullet payment on March 27, 2023	Refer note below
Bank 8 - Rupee Term Loan	-	500.00	500.00	-	0-2% above one year T-bill	Bullet payment on March 29, 2022	Refer note below
Bank 9 - Rupee Term Loan	250.00	-	-	-	0-2% above one year T-bill	Bullet payment on December 29, 2023	Refer note below
<b>Total</b>	<b>9,528.57</b>	<b>511.25</b>	<b>9,246.85</b>	<b>-</b>			
<b>Deferred payment liabilities</b>							
Deferred payment credit I	31.17	4.82	35.98	4.46	7-8%	Repayment along with interest in 240 consecutive monthly instalments started from May 15, 2007	Wind Mills purchased under the deferred consideration payment plan
Deferred payment credit II	-	0.21	-	1.47	8-9%	Repayment along with Interest in 20 equal quarterly instalments started from January 31, 2011	Engineering materials purchased under the Parts Management Agreement (PMA) scheme
<b>Total</b>	<b>31.17</b>	<b>5.03</b>	<b>35.98</b>	<b>5.93</b>			

#### Details of securities offered to existing lenders

**Note:** All the long-term loans are secured by pari-passu charge on the movable fixed assets of the company. Along with this security an exclusive charge on the immovable property of the Company's registered office in Kochi has also been created for one of the NCD issuances aggregating to ₹ 5,000 Million at 8.75% p.a.

## NON - CURRENT LIABILITIES

### B14 OTHER FINANCIAL LIABILITIES

	As on March 31, 2021	As on March 31, 2020
Derivative liabilities measured at fair value (refer note C 10)	30.72	26.59
Lease liability (refer note C 5)	4,651.60	5,292.86
	<b>4,682.32</b>	<b>5,319.45</b>

### B15 PROVISIONS

	As on March 31, 2021	As on March 31, 2020
Provision for constructive liability (refer note C 6)	181.12	184.29
Provision for sales related obligations (refer note C 6)	313.63	319.03
	<b>494.75</b>	<b>503.32</b>

### B16 OTHER NON CURRENT LIABILITIES

	As on March 31, 2021	As on March 31, 2020
Deferred revenue arising from government grant	4,949.94	3,557.06
Security deposits received from dealers	68.03	85.92
Security deposits received from vendors	86.82	61.75
Others [refer note C 10 {f(1)}]	-	50.22
	<b>5,104.79</b>	<b>3,754.95</b>

## CURRENT LIABILITIES

### B 17 BORROWINGS \*

	As on March 31, 2021	As on March 31, 2020
<b>At amortised cost</b>		
<b>Secured **</b>		
From banks - cash credit	4.85	0.69
- working capital demand loan	-	2,330.00
<b>Unsecured</b>		
From banks - packing credit	1,000.00	-
- working capital demand loan	-	8,850.00
	<b>1,004.85</b>	<b>11,180.69</b>

\* Cash credits, packing credits and working capital demand loans are repayable on demand. The interest rate on these loans are in the range of 3.00 % p.a. to 9.00 % p.a. (6.00% p.a. to 9.00 % p.a)

\*\* Secured by a first charge on raw materials, work-in-progress, stocks, stores and book debts and by a second charge on the Company's land at village Kodakara in Kerala, at Oragadam and Mathur village in Tamil Nadu and at head office in Gurgaon, Haryana together with the factory buildings, plant and machinery and equipment, both present and future.

### B18 TRADE PAYABLES \*

	As on March 31, 2021	As on March 31, 2020
Trade payables (other than micro and small enterprises)	13,149.05	10,098.26
Employee related payable	1,380.44	1,173.51
Payable to related parties (refer note C 20)	4,134.06	4,664.60
	<b>18,663.55</b>	<b>15,936.37</b>

\* Trade payables include commission on net profits payable to whole-time directors ₹ 561.19 Million (₹ 217.26 Million).

**CURRENT LIABILITIES****B19 OTHER FINANCIAL LIABILITIES**

	As on March 31, 2021	As on March 31, 2020
₹ Million		
<b>Current maturities of non current borrowings *</b>		
<b>Secured</b>		
(a) <b>Debentures</b>	1,050.00	-
(b) <b>Term loans:</b>		
Foreign currency non-resident term loan	643.78	665.49
External commercial borrowings (ECB)	3,646.08	-
Rupee term loans	511.25	-
(c) <b>Deferred payment liabilities</b>		
Deferred payment credit I	4.82	4.46
Deferred payment credit II	0.21	1.47
	<b>5.03</b>	<b>5.93</b>
Interest accrued but not due on borrowings	1,465.67	694.58
Unclaimed dividends #	94.37	109.57
Accounts payable - capital	3,649.02	3,667.56
Payable to micro, small and medium Enterprises - capital (refer note C 18)	186.28	76.65
Interest payable to micro, small and medium Enterprises (refer note C 18)	10.58	10.58
Payable to related parties (refer note C 20)	455.13	316.92
Security deposits - vendors	384.66	385.23
Advances received / credit balance from customers	5,350.81	3,404.70
Derivative liabilities measured at fair value (refer note C 10)	16.74	0.44
Lease liability (refer note C 5)	699.47	844.94
	<b>18,168.87</b>	<b>10,182.59</b>

\* For nature of security on current maturity of non current borrowings (refer note B13 (a))

# Includes ₹ 4.86 Million (₹ 4.30 Million) which has not been transferred to the Investor Education and Protection Fund under Section 124 of the Companies Act, 2013, as per the orders/ instructions of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.

**B20 OTHER CURRENT LIABILITIES**

	As on March 31, 2021	As on March 31, 2020
₹ Million		
Deferred revenue arising from government grant (refer note C 8(a))	135.65	-
Statutory dues payable	1,941.80	1,001.00
Others	113.97	91.90
	<b>2,191.42</b>	<b>1,092.90</b>

**B21 PROVISIONS**

	As on March 31, 2021	As on March 31, 2020
₹ Million		
Provision for constructive liability (refer note C 6)	53.93	51.99
Provision for compensated absences (refer note C 6)	233.32	227.02
Provision for superannuation (refer note C 6)	31.37	28.02
Provision for contingencies (refer note C 6)	425.00	425.00
Provision for gratuity (refer note C 9)	81.47	-
Provision for sales related obligations (refer note C 6)	1,098.28	1,069.88
	<b>1,923.37</b>	<b>1,801.91</b>



## B22 CURRENT TAX LIABILITIES (NET)

	As on March 31, 2021	As on March 31, 2020
Provision for taxation	23,245.35	21,340.96
Advance tax	(22,537.48)	(20,781.45)
	<b>707.87</b>	<b>559.51</b>

## B23 OTHER OPERATING INCOME

	As on March 31, 2021	As on March 31, 2020
Investment promotion subsidy {refer note C 8(a)}	1,765.71	87.15
Unwinding of deferred income {refer note C 8(b)}	1,572.57	1,735.41
Sale of raw material scrap	376.28	396.67
Others	74.33	136.98
	<b>3,788.89</b>	<b>2,356.21</b>

## B24 OTHER INCOME

	As on March 31, 2021	As on March 31, 2020
<b>(a) Interest income</b>		
- Bank deposits	624.63	1.87
- Other financial assets measured at amortised cost*	191.42	28.71
- Others	0.15	7.43
	<b>816.20</b>	<b>38.01</b>
<b>(b) Dividend income from investments - Fair value through profit and loss</b>		
Mutual funds	2.88	2.67
	<b>2.88</b>	<b>2.67</b>
<b>(c) Others</b>		
Profit on sale of property, plant and equipment (net)	20.34	0.32
Gain on foreign currency transactions and translations (net)	213.79	112.41
Miscellaneous	162.02	132.67
	<b>396.15</b>	<b>245.40</b>
	<b>1,215.23</b>	<b>286.08</b>

\* This includes Government grant. Refer note (C 8 (a))

## B25 MANUFACTURING AND OTHER EXPENSES

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cost of materials consumed *</b>		
Opening stock	5,610.22	7,404.73
Add: Purchases	64,804.22	58,934.99
Less: Closing stock	8,031.27	5,610.22
	<b>62,383.17</b>	<b>60,729.50</b>
<b>Purchase of stock-in-trade:</b>		
Purchase of finished goods - tyres, tubes and flaps	6,948.31	6,517.26
<b>Employee benefits expense: *</b>		
Salaries and wages	7,581.40	6,819.60
Contribution to provident and other funds	499.38	411.88
Staff welfare expenses	1,028.23	1,029.69
	<b>9,109.01</b>	<b>8,261.17</b>

	Year ended March 31, 2021	Year ended March 31, 2020
₹ Million		
<b>Other expenses: *</b>		
Consumption of stores and spare parts	837.94	900.98
Power and fuel	3,801.97	3,469.33
Conversion charges	723.76	632.55
Repairs and maintenance		
- Machinery	226.00	259.54
- Buildings	38.39	8.85
- Others	1,662.79	1,609.00
Rent (refer note C 5)	18.17	22.69
Insurance	272.89	292.06
Rates and taxes	72.01	64.51
Sitting fees to non-executive directors (refer note C 20)	5.77	8.05
Commission to non-executive directors (refer note C 20)	45.00	40.00
Travelling, conveyance and vehicle expenses	584.76	1,553.87
Postage, telephone and stationery	80.54	98.31
Conference	15.59	173.26
Royalty (refer note C 20)	41.22	47.83
Freight and forwarding	4,254.00	3,923.68
Commission on sales	104.38	130.08
Sales promotion	367.94	537.17
Advertisement and publicity	1,759.22	2,513.84
Corporate social responsibility (refer note C 19)	129.91	183.70
Bank charges	31.92	37.51
Statutory auditors' remuneration (refer note C 13)	12.49	13.00
Legal and professional	947.69	1,074.13
Miscellaneous #	2,446.79	2,461.25
	<b>18,481.14</b>	<b>20,055.19</b>
	<b>96,921.63</b>	<b>95,563.12</b>

\* Includes expense towards research and development.

# Includes donation to electoral trust ₹ Nil (₹300 Million)

## B26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended March 31, 2021	Year ended March 31, 2020
₹ Million		
<b>OPENING STOCK</b>		
Work in progress	1,252.70	1,415.13
Finished goods	8,038.39	8,862.30
Stock-in-trade	1,097.10	1,239.04
	<b>10,388.19</b>	<b>11,516.47</b>
<b>Less:</b>		
<b>CLOSING STOCK</b>		
Work in progress	1,663.64	1,252.70
Finished goods	7,634.31	8,038.39
Stock-in-trade	1,021.09	1,097.10
	<b>10,319.04</b>	<b>10,388.19</b>
	<b>69.15</b>	<b>1,128.28</b>

## B27 FINANCE COSTS

	Year ended March 31, 2021	Year ended March 31, 2020
₹ Million		
<b>(a) Interest expense:</b>		
Interest on fixed-term loans	1,095.93	159.91
Interest on debentures	1,217.34	575.22
Interest on current loans	388.97	430.04
Others *	1,046.14	1,048.13
<b>(b) Other borrowing costs</b>	<b>45.76</b>	<b>43.66</b>
	<b>3,794.14</b>	<b>2,256.96</b>

\* Includes interest expense pertaining to leasing arrangements. Refer note C5

## C. OTHER NOTES

forming Part of the Consolidated Financial Statements

### 1 DIRECTLY ATTRIBUTABLE EXPENSES CAPITALIZED / INCLUDED IN CAPITAL WORK IN PROGRESS

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Raw material consumed	61.39	22.95
Salaries, wages and bonus	219.17	352.22
Welfare expenses	41.17	22.61
Rent	1.49	11.18
Travelling, conveyance and vehicle expenses	7.16	36.22
Postage, telephone and stationery	1.30	6.66
Power and fuel	106.15	22.77
Insurance	12.71	7.37
Legal and professional	4.77	64.80
Miscellaneous.	51.13	26.02
<b>Total</b>	<b>506.44</b>	<b>572.80</b>

- 2 Borrowing costs capitalized / transferred to capital work in progress during the year is ₹ **849.92 Million** (₹ 1,349.26 Million) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case **7.93% p.a.** (7.38% p.a.).

### 3 INVENTORIES

- Out of the total inventories ₹ **20,766.00 Million** (₹ 18,082.51 Million), the carrying amount of inventories carried at fair value less costs to sell amounted to ₹ **654.46 Million** (₹ 140.06 Million).
- The amount of write-down of inventories to net realizable value recognized as an expense was ₹ **144.56 Million** (₹ 124.72 Million).
- The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **70,238.57 Million** (₹ 69,276.02 Million).

### 4 DESCRIPTION OF NATURE AND PURPOSE OF EACH RESERVE

- Securities premium reserve**  
Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.
- General reserve**  
General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.
- Capital reserve on Apollo (Mauritius) Holdings Private Limited ("AMHPL") merger**  
AMHPL erstwhile (subsidiary company) was merged with the Company resulting in a capital reserve.
- Debenture redemption reserve**  
The Company is required to create a debenture redemption reserve out of the profits which are available for redemption of debentures.

### v. Capital subsidy

This balance represents subsidy received under New Industrial Policy 2007 of the Government of Tamil Nadu for expansion and employment generation within SIPCOT Industrial park.

### vi. Capital redemption reserve

This balance has been created in accordance with provision of the Act for the buy back of equity shares from the market.

### vii. Capital reserve on forfeiture of shares

This reserve was created on forfeiture of shares by the Company. The reserve is not available for the distribution to the shareholders.

### viii. Retained earnings

Retained earnings are created from the profit of the Company, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plan, etc.

### 5 LEASES

#### i Nature of leasing activities

The Company has entered into lease arrangements for various warehouses, plant and equipments, and offices that are renewable on a periodic basis with approval of both lessor and lessee.

- The Company does not have any lease commitments towards variable rent as per the contract.
- Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

**iv Lease liabilities are presented in the statement of financial position as follows:**

₹ Million

Particulars	As on March 31, 2021	As on March 31, 2020
Non current	4,651.60	5,292.86
Current	699.47	844.94
<b>Total</b>	<b>5,351.07</b>	<b>6,137.80</b>

**v Future minimum lease payments are as follows:**

₹ Million

Particulars	As on March 31, 2021			As on March 31, 2020		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
Minimum lease payments due						
Within 1 year	1,093.54	(394.07)	699.47	1,289.84	(444.90)	844.94
1-2 years	966.26	(341.28)	624.98	1,102.25	(384.14)	718.11
2-3 years	866.82	(294.86)	571.96	966.22	(330.74)	635.48
3-4 years	785.49	(249.97)	535.52	854.93	(283.48)	571.45
4-5 years	738.71	(207.56)	531.15	759.00	(240.06)	518.94
After 5 years	2,780.13	(392.14)	2,387.99	3,416.61	(567.73)	2,848.88
<b>Total</b>	<b>7,230.95</b>	<b>(1,879.88)</b>	<b>5,351.07</b>	<b>8,388.85</b>	<b>(2,251.05)</b>	<b>6,137.80</b>

**vi Lease payments not recognised as a liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

₹ Million

Particulars	As on March 31, 2021	As on March 31, 2020
Short term leases	18.17	22.69
Leases of low value assets	-	-
Variable lease payments	-	-
<b>Total</b>	<b>18.17</b>	<b>22.69</b>

**vii Changes in the carrying value of right-of-use assets by class of assets is as follows:**

₹ Million

	Building	Plant and equipment	Total
<b>Gross carrying value</b>			
As on April 01, 2020	7,150.59	155.42	7,306.01
Additions	195.97	-	195.97
Disposals	492.68	-	492.68
As on March 31, 2021	<b>6,853.88</b>	<b>155.42</b>	<b>7,009.30</b>
<b>Accumulated depreciation</b>			
As on April 01, 2020	1,056.36	39.92	1,096.28
Depreciation expense	985.22	49.09	1,034.31
Eliminated on disposal	366.21	-	366.21
As on March 31, 2021	<b>1,675.37</b>	<b>89.01</b>	<b>1,764.38</b>
<b>Net carrying value</b>			
As on March 31, 2021	<b>5,178.51</b>	<b>66.41</b>	<b>5,244.92</b>

₹ Million

	Building	Plant and equipment	Total
<b>Gross carrying value</b>			
As on April 01, 2019	-	-	-
Additions	7,289.80	155.42	7,445.22
Disposals	139.21	-	139.21
As on March 31, 2020	<b>7,150.59</b>	<b>155.42</b>	<b>7,306.01</b>
<b>Accumulated depreciation</b>			
As on April 01, 2019	-	-	-
Depreciation expense	1,093.32	39.92	1,133.24
Eliminated on disposal	36.96	-	36.96
As on March 31, 2020	<b>1,056.36</b>	<b>39.92</b>	<b>1,096.28</b>
<b>Net carrying value</b>			
As on March 31, 2020	<b>6,094.23</b>	<b>115.50</b>	<b>6,209.73</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

### viii The following are the amounts recognised in statement of profit and loss

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	1,034.31	1,133.24
Interest expense on lease liabilities	442.99	499.75
COVID 19 related rent concessions	(11.00)	-
Interest income on fair value of security deposit	(28.64)	(28.71)
Expense relating to short-term leases (included in other expenses)	18.17	22.69
<b>Total</b>	<b>1,455.83</b>	<b>1,626.97</b>

ix Total Cash outflow pertaining to leases during the year ended March 31, 2021 is ₹ 1,269.98 Million (₹ 1,358.86 Million).

x As on March 31, 2021 Company has committed short term leases and total commitment at that date is ₹ 1.34 Million (₹7.79 Million).

## 6 PROVISIONS - NON CURRENT / CURRENT

Particulars	Non current		Current					₹ Million
	Provision for sales related obligation *	Provision for constructive liability**	Provision for compensated absences	Provision for sales related obligation *	Provision for constructive liability**	Provision for contingencies	Provision for superannuation	
<b>As on March 31, 2019</b>	<b>329.53</b>	<b>169.29</b>	<b>208.59</b>	<b>950.78</b>	<b>50.42</b>	<b>425.00</b>	<b>25.00</b>	
Addition during the year	-	15.00	227.02	1,069.88	51.99	-	103.69	
Utilisation/ reversal during the year	10.50	-	208.59	950.78	50.42	-	100.67	
<b>As on March 31, 2020</b>	<b>319.03</b>	<b>184.29</b>	<b>227.02</b>	<b>1,069.88</b>	<b>51.99</b>	<b>425.00</b>	<b>28.02</b>	
Addition during the year	-	-	233.32	1,098.28	53.93	-	117.83	
Utilisation/ reversal during the year	5.40	3.17	227.02	1,069.88	51.99	-	114.48	
<b>As on March 31, 2021</b>	<b>313.63</b>	<b>181.12</b>	<b>233.32</b>	<b>1,098.28</b>	<b>53.93</b>	<b>425.00</b>	<b>31.37</b>	

\* Represents estimates for payments to be made in future for sales related obligations (including warranties).

\*\* Includes post-employment benefit obligation for the employees of related party engaged at its Kalamassery plant taken on lease.

## 7 INCOME TAXES

### i. Reconciliation between average effective tax rate and applicable tax rate

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ Million	Rate (%)	₹ Million	Rate (%)
<b>Profit before tax</b>	<b>10,520.39</b>		<b>5,813.85</b>	
Income tax using the Company's domestic tax rate	3,676.25	34.94%	2,031.36	34.94%
<b>Tax effect of:</b>				
Non deductible expenses	172.57	1.64%	228.52	3.93%
Tax exempt income	(556.64)	-5.29%	(608.06)	-10.46%
Tax incentives and concessions	-	0.00%	(924.21)	-15.90%
<b>Income tax expenses recognised in the statement of profit and loss</b>	<b>3,292.18</b>	<b>31.29%</b>	<b>727.61</b>	<b>12.52%</b>



## ii. Components of deferred tax liability (net)

₹ Million

Particulars	As on March 31, 2021				As on March 31, 2020			
	Opening Balance	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance	Opening Balance	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>								
Employee benefits	26.62	-	24.35	50.97	26.62	-	-	26.62
Depreciation and amortisation	10,081.87	2,384.32	-	12,466.19	8,188.16	1,893.71	-	10,081.87
Others	676.48	29.08	8.91	714.47	514.28	162.20	-	676.48
<b>Gross deferred tax liabilities (a)</b>	<b>10,784.97</b>	<b>2,413.40</b>	<b>33.26</b>	<b>13,231.63</b>	<b>8,729.06</b>	<b>2,055.91</b>	<b>-</b>	<b>10,784.97</b>
<b>Tax effect of items constituting deferred tax assets</b>								
Employee benefits	298.12	28.60	-	326.72	203.72	8.65	85.75	298.12
Provision for doubtful debts / advances	141.89	-	-	141.89	141.89	-	-	141.89
Minimum alternate tax entitlement	3,179.33	1,905.21	-	5,084.54	2,152.77	1,026.56	-	3,179.33
Carry forward of losses	1,135.68	(1,119.71)	-	15.97	-	1,135.68	-	1,135.68
Others	717.26	211.51	-	928.77	476.08	183.97	57.21	717.26
<b>Gross deferred tax assets (b)</b>	<b>5,472.28</b>	<b>1,025.61</b>	<b>-</b>	<b>6,497.89</b>	<b>2,974.46</b>	<b>2,354.86</b>	<b>142.96</b>	<b>5,472.28</b>
<b>Net deferred tax liability (a - b)</b>	<b>5,312.69</b>	<b>1,387.79</b>	<b>33.26</b>	<b>6,733.74</b>	<b>5,754.60</b>	<b>(298.95)</b>	<b>(142.96)</b>	<b>5,312.69</b>

- iii. Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for the year ended March 31, 2021 and March 31, 2020.

Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax.

- iv. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the business plans and budgets for the Company.

income of ₹ **1,606.97 Million** (₹ 87.15 Million) as other operating income, being the eligible amount of refund of Net Output (VAT + CST) / SGST paid by the Company to GoTN."

In addition to above, the Company is entitled, for refund of an amount equal to 1% of the capital investment for a period of 12 years to be payable in equal annual instalments in the form of Investment Promotion Capital Subsidy (referred to as Phase II). Accordingly, the Company has recognised grant receivable at its fair value, amounting to ₹ **1,811.72 Million** under non-current financial assets and ₹ **385.80 Million** under current financial assets. Deferred grant income amounting ₹ **1,763.44 Million** is recognised under other non-current liabilities and ₹ **135.65 Million** under other current liabilities. Deferred income will be recognised in the statement of profit or loss on a systematic basis over the useful life of the asset (15 years). During the year, the Company has recorded grant income amounting to ₹ **135.65 Million** (₹ Nil) under Other operating income and accretion of grant recoverable as finance income amounting to ₹ **162.78 million** (₹ Nil) under Other income.

Also, the Government of Andhra Pradesh (GoAP) has sanctioned a structured package of assistance to the Company for setting up of their project in the state of Andhra Pradesh, pursuant to which a Memorandum of Understanding (MoU) executed between GoAP and the Company. The Company is entitled, inter alia, for refund of an amount equal to Net SGST paid by the Company to GoAP in the form of Investment Promotion Subsidy. As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of ₹ **23.09 Million** (₹ Nil) as other operating income, being the eligible amount of refund of Net SGST paid by the Company to GoAP.

## 8 GOVERNMENT GRANTS

### (a) Investment promotion subsidy

The Government of Tamil Nadu (GoTN) has sanctioned a structured package of assistance to the Company for setting up/expansion of their project in the state of Tamil Nadu, pursuant to which a Memorandum of Understanding (MoU) executed between GoTN and the Company.

The Company is entitled, inter alia, for refund of an amount equal to Net Output (VAT + CST)/SGST paid by the Company to GoTN in the form of Investment Promotion Subsidy (referred to as Phase I). As the Company has fulfilled the relevant obligations, the Company has recognized subsidy

## (b) Export Promotion Capital Goods

The Company had imported Property, plant and equipment under the Export Promotion Capital Goods (EPCG) scheme wherein the Company is allowed to import capital goods including spares without payment of customs duty, subject to certain export obligations which should be fulfilled within specified time period. During the year, the custom duty benefit received amounts to ₹ **1,202.01 Million** (₹ 2,531.28 Million) with a corresponding increase in the value of property, plant and equipment and Capital Work in Progress. The grant amounting to ₹ **1,572.57 Million** (₹ 1,735.41 Million) where export obligations have been met, have been recognized in Statement of Profit and Loss as other operating income. At the year end, the portion of grant for which the export obligation has not been met is retained in deferred revenue under other non current liabilities.

expense in the year incurred. The amount of contribution paid by the Company to Superannuation Fund is ₹ **117.83 Million** (₹ 103.69 Million).

- b. Provident fund:** Contributions are made to the Company's employees' provident fund trust / regional provident fund in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contributions to the trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate and recognises such obligation as an expense.

The amount of contributions made by the Company to employees' provident fund trust / regional provident fund is ₹ **298.41 Million** (₹308.19 Million).

## 9 EMPLOYEE BENEFIT LIABILITY

### A. Defined contribution plans

- a. Superannuation plan:** The Company contributes a sum equivalent to 15% of the eligible employees' basic salary to a superannuation fund administered and maintained by the Life Insurance Corporation of India (LIC). The Company has no liability for future superannuation fund benefits other than its annual contribution and recognizes such contributions as an

### B. Defined benefit plans

#### Gratuity

The Company operates a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company as per the Payments of Gratuity Act, 1972. The scheme is funded with LIC.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plan:

#### Statement of profit and loss:

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost <sup>^</sup>	363.11	360.25
Interest cost on benefit obligation <sup>*</sup>	102.99	88.92
Actual return on plan assets <sup>*</sup>	(98.73)	(77.31)
<b>Expense recognized in the statement of profit and loss</b>	<b>367.37</b>	<b>371.86</b>

<sup>^</sup> Included in employee benefit expense

<sup>\*</sup> Included in finance cost

#### Other comprehensive income (experience adjustment)

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/loss for the year on defined benefit obligation	(71.35)	230.40
Actuarial loss for the year on plan asset	1.67	15.00
<b>Total</b>	<b>(69.68)</b>	<b>245.40</b>

#### Balance sheet:

##### Net (liability) / asset recognised in the balance sheet

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Fair value of plan assets at the end of the year (a)	2,002.44	1,946.22
Present value of defined benefit obligation at the end of the year (b)	2,083.91	1,746.95
<b>Net (liability) / asset recognized in the balance sheet (a - b)</b>	<b>(81.47)</b>	<b>199.27</b>

**Changes in the present value of the defined benefit obligation**

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Present value of obligations as at the beginning of the year	1,746.95	1,162.30
Interest cost	102.99	88.92
Current service cost	363.11	360.25
Benefits paid	(57.79)	(94.92)
Actuarial (gain)/loss on obligation	(71.35)	230.40
<b>Present value of obligations as at the end of the year</b>	<b>2,083.91</b>	<b>1,746.95</b>

**Changes in the fair value of plan assets**

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Fair value of plan assets at beginning of the year	1,946.22	1,206.66
Actual return on plan assets	98.73	77.31
Contributions	16.95	772.17
Benefits paid	(57.79)	(94.92)
Actuarial loss on plan assets	(1.67)	(15.00)
<b>Fair value of plan assets as at the end of the year</b>	<b>2,002.44</b>	<b>1,946.22</b>

The Company's gratuity funds are managed by the LIC and therefore the composition of the fund assets is not presently ascertained.

**Maturity Profile of Defined Benefit Obligation**

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
0 to 1 year	191.51	179.02
1 to 2 year	62.76	63.86
2 to 3 year	68.88	62.70
3 to 4 year	87.11	65.81
4 to 5 year	86.43	70.90
More than 5 years	1,587.22	1,304.66
<b>Total</b>	<b>2,083.91</b>	<b>1,746.95</b>

**Principal assumptions for gratuity**

Particulars	As on March 31, 2021 Rate (%)		As on March 31, 2020 Rate (%)	
a) Discount rate	6.91		6.88	
b) Future salary increase*	6.00		6.00	
c) Expected rate of return on plan assets	6.95		7.43	
d) Retirement age (years)	58.00		58.00	
e) Mortality table	IALM (2012-2014)		IALM (2012-2014)	
f) Ages (withdrawal rate %)				
Up to 30 Years	3.00		3.00	
From 31 to 44 Years	2.00		2.00	
Above 44 Years	1.00		1.00	

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

Estimated amount of contribution in the immediate next year is ₹ 125.25 Million (₹ 123.32 Million).

### Sensitivity analysis of the defined benefit obligation

₹ Million			
Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2021	2,083.91	2,083.91	2,083.91
Impact due to increase of 0.50%	(72.15)	78.66	0.50
Impact due to decrease of 0.50%	78.34	(73.07)	(0.40)

₹ Million			
Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2020	1,746.95	1,746.95	1,746.95
Impact due to increase of 0.50%	(69.34)	75.62	(9.92)
Impact due to decrease of 0.50%	75.34	(70.21)	10.67

### C. Other long term employee benefits

#### Long term compensated absences

##### Principal assumptions for long term compensated absences

Particulars	As on March 31, 2021 Rate (%)	As on March 31, 2020 Rate (%)
a) Discount rate	6.91	6.88
b) Future salary increase*	6.00	6.00
c) Retirement age (years)	58.00	58.00
d) Mortality table	IALM (2012-2014)	IALM (2012-2014)
e) Ages (withdrawal rate %)		
Up to 30 Years	3.00	3.00
From 31 to 44 Years	2.00	2.00
Above 44 Years	1.00	1.00

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

## 10 FINANCIAL INSTRUMENT

### A. Capital risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

₹ Million		
Particulars	As on March 31, 2021	As on March 31, 2020
Borrowings (refer note B13 and B17)	37,609.16	43,263.93
Current maturities of non current borrowings (refer note B19)	5,856.14	671.42
<b>Sub total (a)</b>	<b>43,465.30</b>	<b>43,935.35</b>
Equity (refer note B12)	635.10	572.05
Other equity	94,090.51	76,349.42
<b>Sub total (b)</b>	<b>94,725.61</b>	<b>76,921.47</b>
<b>Capital gearing ratio ((a) / (b))</b>	<b>0.46</b>	<b>0.57</b>

**B. Financial risk management****a. Market risk**

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and changes in interest rates. The Company enters into a variety of derivative financial instrument to manage its exposure to foreign currency and interest rates. There have been no changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

**i) Currency risk**

The Company's exposure arises mainly on import (of raw material and capital items) and export (of finished goods). The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters.

**Currency wise net exposure of the Company**

Currency	₹ Million					
	As on March 31, 2021	Sensitivity + 1%	Sensitivity -1%	As on March 31, 2020	Sensitivity + 1%	Sensitivity -1%
USD	(13,511.70)	(135.12)	135.12	(14,442.59)	98.73	(98.73)
Euro	(360.64)	(3.61)	3.61	(861.13)	(8.61)	8.61
GBP	(76.49)	(0.76)	0.76	(85.32)	(0.85)	0.85
Others	471.03	4.71	(4.71)	203.21	2.03	(2.03)

**ii) Interest rate risk**

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The use of interest rate swaps are also entered into, especially to hedge the floating rate borrowings or to convert the foreign currency floating interest rates to the domestic currency floating interest rates.

Interest on variable rate borrowings are converted at fixed rate since company has hedged interest rate risk fully and effectively with the hedging instruments.

**b) Credit risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy customers.

In many cases an appropriate advance or letter of credit / bank guarantee is taken from the customers to cover the risk. In other cases credit limit is granted to customer after assessing the credit worthiness based on the information supplied by credit rating agencies, publicly available financial information or its own past trading records and trends.

At the year end, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

**c) Liquidity risk**

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company. The Company has established an appropriate liquidity risk management framework for its short term, medium term and long term funding requirement.

The below tables summarise the maturity profile of the Company's financial assets and financial liabilities

**i. Non derivative financial assets**

Particulars	₹ Million					
	As on March 31, 2021			As on March 31, 2020		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Non-interest bearing	12,784.04	1,188.25	25,621.65	6,262.98	582.01	24,338.97
Fixed interest rate instruments	12,304.74	-	-	600.01	-	-



## ii. Non derivative financial liabilities

Particulars	As on March 31, 2021			As on March 31, 2020		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Non-interest bearing	29,423.43	-	-	24,078.38	-	-
Variable interest rate instruments	7,266.78	10,466.27	6,445.69	1,360.07	14,126.86	7,177.78
Lease liability	699.47	2,263.61	2,387.99	844.95	2,443.98	2,848.87
Fixed interest rate instruments	1,059.88	13,551.55	6,140.80	11,186.61	8,564.33	2,214.26

## iii. Derivative assets / (liabilities)

Particulars	As on March 31, 2021			As on March 31, 2020		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
<b>Net settled:</b>						
Foreign currency forward contracts, futures and options	(16.74)	(30.72)	-	(0.44)	(26.59)	-
Foreign currency forward contracts, futures and options	31.75	3.47	-	53.25	76.82	-
<b>Gross settled:</b>						
Cross currency interest rate swaps	-	972.14	-	-	1,423.51	-
<b>Total</b>	<b>15.01</b>	<b>944.89</b>	<b>-</b>	<b>52.81</b>	<b>1,473.74</b>	<b>-</b>

## d) The below tables summarise the fair value of the financial assets / liabilities

### i. Fair value of derivative instruments carried at fair value

Particulars	As on March 31, 2021	As on March 31, 2020	₹ Million
			Fair value hierarchy (Level 1, 2 or 3) *
<b>Derivative financial assets (a)</b>			
- Foreign currency forward contracts, futures and options	35.22	130.07	2
- Cross currency interest rate swaps	972.14	1,423.51	2
<b>Total</b>	<b>1,007.36</b>	<b>1,553.58</b>	
<b>Derivative financial liabilities (b)</b>			
- Foreign currency forward contracts	47.46	27.03	2
<b>Total</b>	<b>47.46</b>	<b>27.03</b>	
<b>Net derivative financial assets (a - b)</b>	<b>959.90</b>	<b>1,526.55</b>	

### ii. Fair value of financial assets (other than derivative instruments) carried at fair value

Particulars	As on March 31, 2021	As on March 31, 2020	₹ Million
			Fair value hierarchy (Level 1, 2 or 3) *
<b>Financial assets</b>			
- Non current investments - quoted	1.20	0.42	1
- Non current investments - unquoted	74.07	73.83	3
- Current investments - quoted	900.68	-	1
<b>Total</b>	<b>975.95</b>	<b>74.25</b>	

### iii. Fair value of financial assets / liabilities (other than investment in subsidiaries) that are not measured at fair value

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

\* Level 1 - Quoted price in an active market.

\* Level 2 - Inputs other than quoted prices included within liability Level 1 that are observable or the asset or liability, either directly or indirectly.

\* Level 3 - Unobservable inputs for asset or liability.

**e) Details of outstanding contracts #**

Currency pair	Currency	Currency value (Million)	Exchange rate	Nominal value (Million)	Buy/Sell
<b>As on March 31, 2021</b>					
<b>Foreign currency forward contracts</b>					
USD / INR	US Dollar	32.18	73.12	2,352.77	Buy
USD / THB	US Dollar	6.00	31.25	187.47	Buy
USD / ZAR	US Dollar	1.13	14.77	16.62	Buy
EUR / INR	Euro	21.06	85.83	1,807.77	Buy
<b>Futures and options</b>					
USD / INR	US Dollar	39.00	73.12	2,851.49	Buy
<b>Cross currency interest swaps</b>					
USD / INR	US Dollar	160.13	73.12	11,707.90	Buy
<b>As on March 31, 2020</b>					
<b>Foreign currency forward contracts</b>					
USD / INR	US Dollar	25.81	75.58	1,950.65	Buy
USD / THB	US Dollar	6.00	32.84	197.03	Buy
USD / ZAR	US Dollar	2.25	17.89	40.26	Buy
EUR / INR	Euro	30.99	83.14	2,576.16	Buy
<b>Futures and options</b>					
USD / INR	US Dollar	19.00	75.58	1,436.02	Buy
<b>Cross currency interest swaps</b>					
USD / INR	US Dollar	168.94	75.58	12,768.39	Buy

# For fair value of outstanding contracts, refer note C10 (d)(i).

**f) Impact of hedging activities****(1) Disclosures of effects of hedge accounting on balance sheet:**

Type of hedge and risks	Notional amount (Million)	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
As on March 31, 2021								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 160.13	972.14	-	April-2022 to September-2024	1:1	63.95 to 68.60	(987.35)	987.35
Fair value hedge								
Foreign exchange risk								
Foreign currency forward contracts								
EUR / INR	EUR 21.06	0.54	(30.72)	April-2021 to May-2021	1:1	86.36 to 89.16	(30.18)	30.18
USD/INR	USD 16.18	2.93	-	Apr-21	1:1	73.15 to 73.17	2.93	(2.93)

(Carrying value of firm commitments for capital assets is ₹ 27.25 million and is recognised in other non-current assets as others)



Type of hedge and risks	Notional amount (Million)	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
As on March 31, 2020								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 168.94	1,423.51	-	April-2022 to September-2024	1:1	69.17 to 75.24	496.04	(496.04)
Fair value hedge								
Foreign exchange risk								
Foreign currency forward contracts								
EUR / INR	EUR 30.99	37.26	(26.59)	April-2020 to June-2020	1:1	82.20 to 88.90	10.67	(10.67)
USD/INR	USD 20.56	39.56	-	April-2020 to June-2020	1:1	72.25 to 75.04	39.56	(39.56)

(Carrying value of firm commitments for capital assets is ₹ 50.22 million and is recognised in other non-current liabilities as others)

## (2) Disclosure of effects of hedge accounting on statement of profit and loss

				₹ Million
Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2021				
Cash flow hedge				
Foreign exchange and interest rate risk	(987.35)	-	(603.49)	Finance Cost
			(409.37)	Gain on foreign currency transactions and translations
₹ Million				
Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2020				
Cash flow hedge				
Foreign exchange and interest rate risk	496.04	-	(429.43)	Finance Cost
			1,089.18	Gain on foreign currency transactions and translations
Fair value hedge				
Foreign exchange risk	-	0.63	-	Gain on foreign currency transactions and translations

**(3) Movement in cash flow hedging reserve**

		₹ Million
Particulars		Foreign currency and interest rate risk
<b>Cash flow hedge reserve</b>		
<b>Balance as on April 01, 2019</b>		<b>(7.41)</b>
Add: Changes in fair value of cross currency swaps		496.04
Less: Amount reclassified to Profit and loss		(659.75)
Less: Deferred tax relating to above (net)		57.21
<b>Balance as on March 31, 2020</b>		<b>(113.91)</b>
Add: Changes in fair value of cross currency swaps		(987.35)
Less: Amount reclassified to Profit and loss		1,012.86
Less: Deferred tax relating to above (net)		(8.91)
<b>Balance as on March 31, 2021</b>		<b>(97.31)</b>

**11 (A) TURNOVER AND STOCK OF FINISHED GOODS AND STOCK IN TRADE**

						₹ Million
Particulars	Opening Stock		Turnover		Closing Stock	
	As on April 1, 2020	As on April 1, 2019	Year ended March 31, 2021	Year ended March 31, 2020	As on March 31, 2021	As on March 31, 2020
<b>Automobile tyres, tubes and flaps</b>	9,023.32	9,979.13	113,038.34	107,692.18	8,547.70	9,023.32
<b>Others</b>	112.17	122.21	506.78	634.79	107.70	112.17
<b>Total</b>	<b>9,135.49</b>	<b>10,101.34</b>	<b>113,545.12</b>	<b>108,326.97</b>	<b>8,655.40</b>	<b>9,135.49</b>

**(B) Raw materials consumed**

				₹ Million
Particulars		Year ended March 31, 2021	Year ended March 31, 2020	
Fabric		6,024.37	6,657.00	
Rubber		32,001.35	28,769.82	
Chemicals		6,944.22	6,991.80	
Carbon black		8,036.74	9,430.13	
Others		9,376.50	8,880.75	
<b>Total</b>		<b>62,383.17</b>	<b>60,729.50</b>	

**(C) Break-up of consumption**

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	%	₹ Million	%	₹ Million
Raw material - Imported	31.31%	19,530.25	37.00%	22,471.34
- Indigenous	68.69%	42,852.92	63.00%	38,258.16
	<b>100.00%</b>	<b>62,383.17</b>	<b>100.00%</b>	<b>60,729.50</b>
Stores and spares - Imported	8.57%	71.80	7.11%	64.10
- Indigenous	91.43%	766.14	92.89%	836.88
	<b>100.00%</b>	<b>837.94</b>	<b>100.00%</b>	<b>900.98</b>

**(D) C.I.F. value of imports**

				₹ Million
Particulars		Year ended March 31, 2021	Year ended March 31, 2020	
Raw material		20,620.47	21,266.05	
Stores and spares		105.26	111.41	
Capital goods		3,767.74	13,351.81	

## (E) Expenditure in foreign currency (remitted)

(Excluding value of imports)

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest	787.97	831.08
Royalty	28.46	49.28
Others (including cross-charge of research and development expenses and management expenses paid to foreign subsidiary companies)	3,071.94	3,700.94

## 12 EARNINGS IN FOREIGN EXCHANGE (GROSS)

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
FOB value of exports	10,132.43	11,169.91
Royalty received	51.31	62.90
Cross charge of management expenses	298.96	161.02
Reimbursement of expenses received	495.76	516.29

## 13 STATUTORY AUDITORS' REMUNERATION

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
For audits and quarterly reviews	9.50	9.50
For other services	2.99	3.50
<b>Total</b>	<b>12.49</b>	<b>13.00</b>

## 14 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) Revenue expenditure</b>		
Materials	9.45	3.10
Employee benefits expense	413.26	392.76
Travelling, conveyance and vehicle expense	32.21	110.57
Others	960.39	1,047.59
<b>Total</b>	<b>1,415.31</b>	<b>1,554.02</b>
<b>(B) Capital expenditure</b>	<b>403.89</b>	<b>400.17</b>
<b>Total (A+B)</b>	<b>1,819.20</b>	<b>1,954.19</b>

## 15 CONTINGENT LIABILITIES

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Sales tax	118.36	417.30
Income tax #	1,470.70	708.90
Claims against the Company not acknowledged as debts – employee related	167.10	166.31
– others	28.60	29.30
Excise duty, custom duty and service tax *	641.70	626.23

# Excludes amount of ₹ 1,039.46 Million (₹ 1,039.46 Million) in appeals which have been decided by Appellate authorities in the Company's favour but on which the department has gone for further appeal, which in the opinion of the Company, is not sustainable and the probability of cash outflow is considered remote.

\* Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities. In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.



**16 CAPITAL AND OTHER COMMITMENTS**

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>A Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,257.69	19,115.04
<b>B Other commitments</b>		
Corporate guarantee given* (refer note C 24)	6,179.76	5,985.86

\*The company has provided corporate guarantee on behalf of its wholly owned subsidiary Apollo Tyres Cooperatief U.A..

**17** The Company conducts international transactions with associated enterprises. For the current year, the management maintained necessary documents as prescribed by the Income tax Act, 1961 to establish that these international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**18 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	815.31	247.45
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	10.58	10.58
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	10.58	10.58
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	10.58	10.58

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**19 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES -**

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a CSR committee. The details for CSR activities are as follows:

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
i) Gross amount required to be spent by the Company during the year	153.19	183.70
ii) Amount spent during the year on the following:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	129.91	183.70
iii) Amount unspent during the year and deposited in a scheduled bank	23.28	-
<b>Total</b>	<b>153.19</b>	<b>183.70</b>



## 20 DISCLOSURE OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 - RELATED PARTY DISCLOSURES

### Name of the Related Parties

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Subsidiaries	Apollo Tyres Cooperatief U.A., (AT Coop), Netherlands Apollo Tyres (Greenfield) B.V., Netherlands Apollo (South Africa) Holdings (Pty) Ltd. (ASHPL) (Subsidiary through AT Coop) Apollo Tyres Africa (Pty) Ltd. (Subsidiary through ASHPL) Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through AT Coop) Apollo Tyres (Middle East) FZE (ATFZE), Dubai (Subsidiary through AT Coop) Apollo Tyres Holdings (Singapore) Pte. Ltd., (ATHS), Singapore (Subsidiary through AT Coop) Apollo Tyres (Malaysia) SDN. BHD (Subsidiary through ATHS) Apollo Tyres (UK) Pvt. Ltd. (Subsidiary through AT Coop) Apollo Tyres (London) Pvt. Ltd. (Subsidiary through ATUK) Apollo Tyres Global R&D B.V. (Subsidiary through AT Coop) Apollo Tyres (Germany) GmbH (Subsidiary through AT Coop) Apollo Tyres AG, Switzerland (AT AG) (Subsidiary through AT Coop) Apollo Tyres do (Brasil) LTDA (Subsidiary through ATCoop and ATBV) Apollo Tyres B.V. (ATBV), Netherlands (Subsidiary through AT Coop) Apollo Tyres (Hungary) Kft (Subsidiary through ATBV) Reifencom GmbH, Hannover (Subsidiary through AT Coop) Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover) Saturn F1 Pvt Ltd (Subsidiary through AT Coop) N.A. ATL Singapore Pte Limited Apollo Vredestein Tires Inc., USA (Subsidiary through AT Coop) Apollo Vredestein B.V., Netherlands (AVBV) (Subsidiary through ATBV) Apollo Tyres Centre of Excellence Limited (note(a)) <b>Subsidiaries of Apollo Vredestein B.V (AVBV):</b> Apollo Vredestein GmbH, Germany Apollo Vredestein Nordic A.B., Sweden Apollo Vredestein U.K. Limited, United Kingdom Apollo Vredestein SAS, France Apollo Vredestein Belux, Belgium Apollo Vredestein Gesellschaft m.b.H., Austria Apollo Vredestein Schweiz AG, Switzerland Apollo Vredestein Iberica SA, Spain Apollo Vredestein Kft, Hungary N.A. Apollo Vredestein Opony Polska Sp. Zo.o., Poland Vredestein Consulting B.V., Netherlands Finlo B.V. Netherlands Vredestein Marketing B.V., Netherlands (note(b))	Apollo Tyres Cooperatief U.A., (AT Coop), Netherlands Apollo Tyres (Greenfield) B.V., Netherlands Apollo (South Africa) Holdings (Pty) Ltd. (ASHPL) (Subsidiary through AT Coop) Apollo Tyres Africa (Pty) Ltd. (Subsidiary through ASHPL) Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through AT Coop) Apollo Tyres (Middle East) FZE (ATFZE), Dubai (Subsidiary through AT Coop) Apollo Tyres Holdings (Singapore) Pte. Ltd., (ATHS), Singapore (Subsidiary through AT Coop) Apollo Tyres (Malaysia) SDN. BHD (Subsidiary through ATHS) Apollo Tyres (UK) Pvt. Ltd. (Subsidiary through AT Coop) Apollo Tyres (London) Pvt. Ltd. (Subsidiary through ATUK) Apollo Tyres Global R&D B.V. (Subsidiary through AT Coop) Apollo Tyres (Germany) GmbH (Subsidiary through AT Coop) Apollo Tyres AG, Switzerland (AT AG) (Subsidiary through AT Coop) Apollo Tyres do (Brasil) LTDA (Subsidiary through ATCoop and ATBV) Apollo Tyres B.V. (ATBV), Netherlands (Subsidiary through AT Coop) Apollo Tyres (Hungary) Kft (Subsidiary through ATBV) Reifencom GmbH, Hannover (Subsidiary through AT Coop) Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover) Saturn F1 Pvt Ltd (Subsidiary through AT Coop) Rubber Research LLC (Subsidiary through AT Coop) (Note c) ATL Singapore Pte Limited Apollo Vredestein Tires Inc., USA (Subsidiary through AT Coop) Apollo Vredestein B.V., Netherlands (AVBV) (Subsidiary through ATBV) N.A. <b>Subsidiaries of Apollo Vredestein B.V (AVBV):</b> Apollo Vredestein GmbH, Germany Apollo Vredestein Nordic A.B., Sweden Apollo Vredestein U.K. Limited, United Kingdom Apollo Vredestein SAS, France Apollo Vredestein Belux, Belgium Apollo Vredestein Gesellschaft m.b.H., Austria Apollo Vredestein Schweiz AG, Switzerland Apollo Vredestein Iberica SA, Spain Apollo Vredestein Kft, Hungary S.C. Vredesetin R.O. Srl, Romania (Subsidiary through Apollo Vredestein Kft, Hungary) (note(c)) Apollo Vredestein Opony Polska Sp. Zo.o., Poland Vredestein Consulting B.V., Netherlands Finlo B.V. Netherlands Vredestein Marketing B.V., Netherlands



Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Associates	N.A.	Pressurerite (Pty) Limited, South Africa (note (E))
	KT Telematic Solutions Private Limited	KT Telematic Solutions Private Limited
Joint venture	PanAridus LLC, USA (JV through ATHS) (note(d))	PanAridus LLC, USA (JV through ATHS)
Companies in which directors are interested	Apollo International Limited	Apollo International Limited
	Apollo International Trading LLC, Middle East	Apollo International Trading LLC, Middle East
	Apollo International FZC	Apollo International FZC
	Landmark Farms & Housing Pvt. Ltd.	Landmark Farms & Housing Pvt. Ltd.
	SunLife Tradelinks (P) Ltd.	SunLife Tradelinks (P) Ltd.
	Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)
	PTL Enterprises Ltd.	PTL Enterprises Ltd.
	Artemis Medicare Services Ltd.	Artemis Medicare Services Ltd.
	Shardul Amarchand Mangaldas & Co.	Shardul Amarchand Mangaldas & Co.
	Regent Properties	Regent Properties
	Milers Global Pvt. Ltd.	Milers Global Pvt. Ltd.
Key management personnel	Mr. Onkar Kanwar	Mr. Onkar Kanwar
	Mr. Neeraj Kanwar	Mr. Neeraj Kanwar
	Mr. Satish Sharma	Mr. Satish Sharma
	Mr. Akshay Chudasama	Mr. Akshay Chudasama
	Gen. Bikram Singh (Retd.)	Gen. Bikram Singh (Retd.)
	Mr. Francesco Gori	Mr. Francesco Gori
	N.A.	Mr. Nimesh N. Kampani**
	Ms. Pallavi Shroff	Ms. Pallavi Shroff
	Mr. Robert Steinmetz	Mr. Robert Steinmetz
	Mr. Sunam Sarkar	Mr. Sunam Sarkar
	N.A.	Dr. S. Narayan**
	Mr. Vikram S. Mehta	Mr. Vikram S. Mehta
	Mr. Vinod Rai	Mr. Vinod Rai
	Ms. Anjali Bansal	Ms. Anjali Bansal
	Mr Francesco Cripino*	N.A.
	Mr Vishal Kashyap Mahadevia*	N.A.

Notes: Related parties and their relationships are as identified by the management and relied upon by the auditors. All transactions are conducted in the ordinary course of business and at arm's length.

- (a) Incorporated during the year.
- (b) Liquidated during the year
- (c) Liquidated during the previous year
- (d) The investment in Pan Aridus LLC, has been fully impaired in the prior years and the Group discontinued recognizing further losses in accordance with Ind AS 28 Investments in Associates and Joint Ventures. The Group does not have any further obligations to satisfy with regard to this joint venture.
- (e) The investment in Pressurerite (Pty) Ltd, an associate of ASHPL, has been fully impaired in the prior years and the Group discontinued recognizing further losses in accordance with Ind AS 28 Investments in Associates and Joint Ventures. The Group does not have any further obligations to satisfy with regard to this associate.

Apollo (South Africa) Holdings (Pty) Ltd has executed a sale of shares agreement with Tacoma Foods (Pty) Ltd to sell its entire stake in Pressurerite (Pty) Limited effective from May 31, 2019. Pressurerite (Pty) Limited was not an associate of Apollo (South Africa) Holdings (Pty) Ltd as on March 31, 2020.

\* Appointed during the year

\*\* Ceased to be director during the previous year


**Transactions and balances with Related Parties:**
**FY 2020-21**

					₹ Million
Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Description of transactions:</b>					
<b>Sales: Finished goods</b>					
Apollo Vredestein B.V.	2,132.01	-	-	-	2,132.01
Apollo Tyres Middle East Fze.	2,251.26	-	-	-	2,251.26
Apollo Tyres Thailand Ltd.	1,388.83	-	-	-	1,388.83
Apollo Tyres Africa (Pty) Ltd	698.05	-	-	-	698.05
Apollo Tyres (Malaysia) Sdn Bhd	198.05	-	-	-	198.05
Apollo Tyres (Hungary) Kft	74.66	-	-	-	74.66
Apollo International FZC	-	378.02	-	-	378.02
Apollo Tyres Global R&D B.V	1.07	-	-	-	1.07
Apollo Vredestein Tires Inc.	14.62	-	-	-	14.62
	<b>6,758.55</b>	<b>378.02</b>	<b>-</b>	<b>-</b>	<b>7,136.57</b>
<b>Sales: Raw materials</b>					
Classic Industries and Exports Ltd.	-	404.53	-	-	404.53
<b>Investments made:</b>					
Apollo Tyres Centre of Excellence Limited	1.00	-	-	-	1.00
<b>Royalty income:</b>					
Apollo Tyres Middle East Fze.	11.57	-	-	-	11.57
Apollo Tyres Thailand Ltd.	9.67	-	-	-	9.67
Apollo Tyres Africa (Pty) Ltd	29.40	-	-	-	29.40
Apollo Tyres (Malaysia) Sdn Bhd	0.67	-	-	-	0.67
	<b>51.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51.31</b>
<b>Cross charge of management and other expenses received:</b>					
Apollo Vredestein B.V.	112.93	-	-	-	112.93
Apollo Tyres Middle East Fze.	2.48	-	-	-	2.48
Apollo Tyres Global R & D B.V.	3.43	-	-	-	3.43
Apollo Tyres (UK) Pvt. Ltd.	2.57	-	-	-	2.57
Apollo Tyres Thailand Ltd.	2.65	-	-	-	2.65
PTL Enterprises Ltd.	-	0.85	-	-	0.85
Classic Industries and Exports Ltd.	-	1.69	-	-	1.69
Apollo Tyres Africa (Pty) Ltd	2.14	-	-	-	2.14
Artemis Medicare Services Ltd.	-	0.60	-	-	0.60
Apollo Tyres (Hungary) Kft	83.97	-	-	-	83.97
Apollo Tyres Holdings (Singapore) Pte Ltd.	43.84	-	-	-	43.84
Apollo Tyres (Malaysia) Sdn Bhd	1.23	-	-	-	1.23
Apollo Vredestein Tires Inc.	40.58	-	-	-	40.58
	<b>295.82</b>	<b>3.14</b>	<b>-</b>	<b>-</b>	<b>298.96</b>
<b>Rent received:</b>					
PTL Enterprises Ltd.	-	0.39	-	-	0.39
Classic Industries and Exports Ltd.	-	1.06	-	-	1.06
	<b>-</b>	<b>1.45</b>	<b>-</b>	<b>-</b>	<b>1.45</b>
<b>Reimbursement of expenses received:</b>					
Apollo Vredestein B.V.	158.03	-	-	-	158.03
Apollo Tyres Middle East Fze.	2.98	-	-	-	2.98
Apollo Tyres Global R & D B.V.	10.08	-	-	-	10.08
Apollo Tyres Thailand Ltd.	4.00	-	-	-	4.00
Apollo Tyres (UK) Pvt. Ltd.	14.98	-	-	-	14.98
Classic Industries and Exports Ltd.	-	10.61	-	-	10.61
Apollo Tyres Africa (Pty) Ltd	2.16	-	-	-	2.16
Apollo Tyres (Hungary) Kft	58.93	-	-	-	58.93
Apollo Tyres Holdings (Singapore) Pte Ltd.	129.48	-	-	-	129.48
Apollo Tyres AG, Switzerland	98.41	-	-	-	98.41
Apollo Tyres (Malaysia) Sdn Bhd	4.00	-	-	-	4.00
Reifencom GmbH	0.67	-	-	-	0.67
Apollo Vredestein Tires Inc.	1.43	-	-	-	1.43
	<b>485.15</b>	<b>10.61</b>	<b>-</b>	<b>-</b>	<b>495.76</b>

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Freight and insurance recovered:</b>					
Apollo Tyres Middle East Fze.	91.33	-	-	-	91.33
Apollo Tyres Thailand Ltd.	21.03	-	-	-	21.03
Apollo Tyres Africa (Pty) Ltd	43.60	-	-	-	43.60
Apollo Vredestein B.V.	157.01	-	-	-	157.01
Apollo Tyres Global R&D B.V	3.91	-	-	-	3.91
Apollo Tyres (Hungary) Kft	5.79	-	-	-	5.79
Apollo Tyres (Malaysia) Sdn Bhd	2.48	-	-	-	2.48
Apollo Vredestein Tires Inc.	6.72	-	-	-	6.72
	<b>331.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>331.87</b>
<b>Royalty expense:</b>					
Apollo Tyres AG, Switzerland	41.22	-	-	-	41.22
<b>Purchase of raw material</b>					
Apollo Tyres Holdings (Singapore) Pte Ltd.	22,131.38	-	-	-	22,131.38
Apollo Tyres (Hungary) Kft.	7.73	-	-	-	7.73
	<b>22,139.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,139.11</b>
<b>Purchase of stock in trade:</b>					
Classic Industries and Exports Ltd.	-	2,946.00	-	-	2,946.00
Apollo Vredestein B.V.	148.66	-	-	-	148.66
	148.66	2,946.00	-	-	3,094.66
<b>Purchase of asset:</b>					
Classic Industries and Exports Ltd.	-	1,344.05	-	-	1,344.05
Apollo Tyres (UK) Pvt Ltd.	0.61	-	-	-	0.61
Apollo Vredestein B.V.	20.68	-	-	-	20.68
Apollo Tyres (Hungary) Kft	44.88	-	-	-	44.88
	<b>66.17</b>	<b>1,344.05</b>	<b>-</b>	<b>-</b>	<b>1,410.22</b>
<b>Legal and professional charges paid:</b>					
Shardul Amarchand Mangaldas & Co	-	9.13	-	-	9.13
<b>Reimbursement of expenses paid:</b>					
PTL Enterprises Ltd.	-	653.33	-	-	653.33
Classic Industries and Exports Ltd.	-	4.66	-	-	4.66
Apollo Vredestein B.V.	18.80	-	-	-	18.80
Apollo Tyres Thailand Ltd.	47.61	-	-	-	47.61
Apollo Tyres Middle East Fze.	13.96	-	-	-	13.96
Apollo Tyres (UK) Pvt. Ltd.	2.76	-	-	-	2.76
Apollo Tyres Global R & D B.V.	62.05	-	-	-	62.05
Apollo Tyres Holdings (Singapore) Pte Ltd.	2.15	-	-	-	2.15
Apollo Tyres (Malaysia) Sdn Bhd	18.86	-	-	-	18.86
Apollo Tyres (Hungary) Kft	3.16	-	-	-	3.16
Apollo Vredestein Tires Inc.	7.54	-	-	-	7.54
	<b>176.89</b>	<b>657.99</b>	<b>-</b>	<b>-</b>	<b>834.88</b>
<b>Payment for services received:</b>					
Artemis Medicare Services Ltd.	-	22.54	-	-	22.54
Classic Industries and Exports Ltd.	-	7.80	-	-	7.80
	<b>-</b>	<b>30.34</b>	<b>-</b>	<b>-</b>	<b>30.34</b>
<b>Cross charge of R &amp; D expenses paid:</b>					
Apollo Tyres Global R & D B.V.	544.31	-	-	-	544.31
<b>Cross charge of other expenses paid:</b>					
Apollo Tyres (UK) Pvt. Ltd.	774.82	-	-	-	774.82
Apollo Tyres Holdings (Singapore) Pte Ltd.	188.44	-	-	-	188.44
	<b>963.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>963.26</b>





₹ Million					
Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Lease rent paid:</b>					
PTL Enterprises Ltd.	-	600.00	-	-	600.00
<b>Rent paid:</b>					
Sunlife Tradelinks (P) Ltd.	-	30.99	-	-	30.99
Regent Properties	-	23.76	-	-	23.76
Classic Industries and Exports Ltd.	-	0.12	-	-	0.12
	-	<b>54.87</b>	-	-	<b>54.87</b>
<b>Mixing charges paid:</b>					
Classic Industries and Exports Ltd.	-	190.45	-	-	190.45
<b>Commission on sales paid</b>					
Apollo Tyres Thailand Ltd.	49.09	-	-	-	49.09
Apollo Tyres Middle East Fze.	3.36	-	-	-	3.36
	52.45	-	-	-	52.45
<b>Guarantee commission received</b>					
Apollo Tyres Co-Operatief U.A	<b>11.35</b>	-	-	-	<b>11.35</b>
<b>Managerial remuneration:</b>					
Mr. Onkar Kanwar	-	-	-	420.82	420.82
Mr. Neeraj Kanwar	-	-	-	368.21	368.21
Mr. Satish Sharma	-	-	-	68.52	68.52
	-	-	-	<b>857.55</b>	<b>857.55</b>
<b>Sitting fees:</b>					
Non-executive directors	-	-	-	5.77	5.77
<b>Commission:</b>					
Non-executive directors	-	-	-	<b>45.00</b>	<b>45.00</b>

### Amount outstanding as on March 31, 2021

₹ Million					
Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Trade payable:</b>					
Apollo Tyres AG, Switzerland	15.46	-	-	-	15.46
Apollo Vredestein B.V.	55.76	-	-	-	55.76
Apollo Tyres (UK) Pvt. Ltd.	185.16	-	-	-	185.16
Apollo Tyres Global R&D	153.03	-	-	-	153.03
Apollo Tyres Middle East Fze.	42.99	-	-	-	42.99
Classic Industries and Exports Ltd.	-	410.61	-	-	410.61
Apollo Tyres (Thailand) Ltd.	155.47	-	-	-	155.47
Apollo Tyres Africa (Pty) Ltd	3.20	-	-	-	3.20
Artemis Medicare Services Ltd.	-	1.69	-	-	1.69
Apollo Tyres Holdings (Singapore) Pte Ltd.	3,105.88	-	-	-	3,105.88
Apollo Tyres (Malaysia) Sdn Bhd	4.81	-	-	-	4.81
	<b>3,721.76</b>	<b>412.30</b>	-	-	<b>4,134.06</b>
<b>Other current liabilities (financial):</b>					
Apollo Vredestein B.V.	7.11	-	-	-	7.11
Classic Industries and Exports Ltd.	-	419.85	-	-	419.85
Apollo Vredestein Tires Inc.	3.39	-	-	-	3.39
Apollo Tyres (UK) Pvt Ltd.	1.34	-	-	-	1.34
Apollo International FZC	-	16.11	-	-	16.11
Apollo Tyres (Hungary) Kft	7.33	-	-	-	7.33
	<b>19.17</b>	<b>435.96</b>	-	-	<b>455.13</b>

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Other non current financial assets*</b>					
PTL Enterprises Ltd.	-	600.00	-	-	600.00
Sunlife Tradelinks	-	5.86	-	-	5.86
Regent Properties	-	5.40	-	-	5.40
	-	<b>611.26</b>	-	-	<b>611.26</b>
<b>Other non current assets</b>					
Classic Industries and Exports Ltd.	-	152.44	-	-	152.44
<b>Trade receivable:</b>					
Apollo Vredestein B.V.	483.73	-	-	-	483.73
Apollo Tyres Africa (Pty) Ltd	355.86	-	-	-	355.86
Apollo Tyres Middle East Fze.	103.81	-	-	-	103.81
Apollo Tyres (Hungary) Kft	24.87	-	-	-	24.87
Apollo Tyres (Thailand) Ltd.	133.63	-	-	-	133.63
Apollo Tyres Global R & D B.V.	5.87	-	-	-	5.87
Apollo Tyres (Malaysia) Sdn Bhd	19.79	-	-	-	19.79
Apollo Vredestein Tires Inc.	22.09	-	-	-	22.09
	<b>1,149.65</b>	-	-	-	<b>1,149.65</b>
<b>Other current assets</b>					
Apollo Tyres Africa (Pty) Ltd	62.78	-	-	-	62.78
Apollo Vredestein B.V.	44.15	-	-	-	44.15
Apollo Tyres Thailand Ltd.	34.07	-	-	-	34.07
PTL Enterprises Ltd.	-	64.97	-	-	64.97
Classic Industries and Exports Ltd.	-	213.60	-	-	213.60
Apollo Tyres (Hungary) Kft	23.38	-	-	-	23.38
Apollo Tyres Middle East Fze.	45.85	-	-	-	45.85
Apollo Tyres Co-Operatief U.A	2.78	-	-	-	2.78
Apollo Tyres (UK) Pvt. Ltd.	2.21	-	-	-	2.21
Apollo Tyres Global R&D B.V	48.79	-	-	-	48.79
Apollo Vredestein Tires Inc.	5.50	-	-	-	5.50
Apollo Tyres Holdings (Singapore) Pte Ltd.	13.69	-	-	-	13.69
Apollo Tyres (Malaysia) Sdn Bhd	2.22	-	-	-	2.22
Reifencom GmbH	0.70	-	-	-	0.70
	<b>286.12</b>	<b>278.57</b>	-	-	<b>564.69</b>

**Transactions and balances with Related Parties:**

FY 2019-20

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Description of transactions:</b>					
<b>Sales: Finished goods</b>					
Apollo Vredestein B.V.	1,921.74	-	-	-	1,921.74
Apollo Tyres Middle East Fze.	2,832.00	-	-	-	2,832.00
Apollo Tyres Thailand Ltd.	1,698.01	-	-	-	1,698.01
Apollo Tyres Africa (Pty) Ltd	814.21	-	-	-	814.21
Apollo Tyres (Malaysia) Sdn Bhd	335.42	-	-	-	335.42
Apollo Tyres (Hungary) Kft	19.17	-	-	-	19.17
Apollo International FZC	-	660.04	-	-	660.04
Apollo International Ltd.	-	13.39	-	-	13.39
Apollo Tyres Global R&D B.V	3.45	-	-	-	3.45
Apollo International Trading LLC, Middle East	-	2.94	-	-	2.94
Apollo Vredestein Tires Inc.	0.04	-	-	-	0.04
	<b>7,624.04</b>	<b>676.37</b>	-	-	<b>8,300.41</b>



					₹ Million
Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Sales: Raw materials</b>					
Classic Industries and Exports Ltd.	-	390.72	-	-	390.72
<b>Sales: Semi finished goods</b>					
Apollo Vredestein B.V.	1.90	-	-	-	1.90
<b>Investments made:</b>					
Apollo Tyres Co-Operatief U.A	1,709.20	-	-	-	1,709.20
<b>Royalty income:</b>					
Apollo Tyres Middle East Fze.	17.34	-	-	-	17.34
Apollo Tyres Thailand Ltd.	13.50	-	-	-	13.50
Apollo Tyres Africa (Pty) Ltd	31.49	-	-	-	31.49
Apollo Tyres (Malaysia) Sdn Bhd	0.57	-	-	-	0.57
	<b>62.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.90</b>
<b>Cross charge of management and other expenses received:</b>					
Apollo Vredestein B.V.	75.23	-	-	-	75.23
Apollo Tyres Middle East Fze.	2.44	-	-	-	2.44
Apollo Tyres Global R & D B.V.	3.23	-	-	-	3.23
Apollo Tyres (UK) Pvt. Ltd.	2.40	-	-	-	2.40
Apollo Tyres Thailand Ltd.	2.82	-	-	-	2.82
PTL Enterprises Ltd.	-	0.85	-	-	0.85
Classic Industries and Exports Ltd.		1.69			1.69
Apollo Tyres Africa (Pty) Ltd	2.11	-	-	-	2.11
Apollo Tyres (Hungary) Kft	28.09	-	-	-	28.09
Apollo Tyres Holdings (Singapore) Pte Ltd.	43.79	-	-	-	43.79
Apollo Tyres (Malaysia) Sdn Bhd	0.91	-	-	-	0.91
	<b>161.02</b>	<b>2.54</b>	<b>-</b>	<b>-</b>	<b>163.56</b>
<b>Rent received:</b>					
PTL Enterprises Ltd.	-	0.39	-	-	0.39
Classic Industries and Exports Ltd.	-	1.06	-	-	1.06
	<b>-</b>	<b>1.45</b>	<b>-</b>	<b>-</b>	<b>1.45</b>
<b>Reimbursement of expenses received:</b>					
Apollo Vredestein B.V.	106.93	-	-	-	106.93
Apollo Tyres Middle East Fze.	2.58	-	-	-	2.58
Apollo Tyres Global R & D B.V.	14.82	-	-	-	14.82
Apollo Tyres Thailand Ltd.	3.42	-	-	-	3.42
Apollo Tyres (UK) Pvt. Ltd.	15.31	-	-	-	15.31
Classic Industries and Exports Ltd.	-	10.04	-	-	10.04
Apollo Tyres Africa (Pty) Ltd	1.94	-	-	-	1.94
Apollo Tyres (Hungary) Kft	138.82	-	-	-	138.82
Apollo Tyres Holdings (Singapore) Pte Ltd.	137.92	-	-	-	137.92
Apollo Tyres AG, Switzerland	90.52	-	-	-	90.52
Apollo Tyres (Malaysia) Sdn Bhd	2.27	-	-	-	2.27
Reifencom GmbH	0.65	-	-	-	0.65
Apollo Vredestein Tires Inc.	1.11	-	-	-	1.11
	<b>516.29</b>	<b>10.04</b>	<b>-</b>	<b>-</b>	<b>526.33</b>
<b>Freight and insurance recovered:</b>					
Apollo International Ltd. FZC	-	0.04	-	-	0.04
Apollo Tyres Middle East Fze.	69.22	-	-	-	69.22
Apollo Tyres Thailand Ltd.	14.33	-	-	-	14.33
Apollo Tyres Africa (Pty) Ltd	30.46	-	-	-	30.46
Apollo Vredestein B.V.	71.48	-	-	-	71.48
Apollo Tyres Global R&D B.V	2.80	-	-	-	2.80
Apollo Tyres (Hungary) Kft	0.76	-	-	-	0.76

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Apollo Tyres (Malaysia) Sdn Bhd	1.69	-	-	-	1.69
Apollo Vredestein Tires Inc.	0.13	-	-	-	0.13
	<b>190.87</b>	<b>0.04</b>	-	-	<b>190.91</b>
<b>Royalty expense:</b>					
Apollo Tyres AG, Switzerland	47.83	-	-	-	47.83
<b>Purchase of raw material</b>					
Apollo Tyres Holdings (Singapore) Pte Ltd.	22,939.51	-	-	-	22,939.51
<b>Purchase of stock in trade:</b>					
Classic Industries and Exports Ltd.	-	3,171.61	-	-	3,171.61
Apollo Vredestein B.V.	120.44	-	-	-	120.44
	<b>120.44</b>	<b>3,171.61</b>	-	-	<b>3,292.05</b>
<b>Purchase of asset:</b>					
Classic Industries and Exports Ltd.	-	1,326.08	-	-	1,326.08
Artemis Medicare Services Ltd.	-	59.63	-	-	59.63
Apollo Vredestein B.V.	39.76	-	-	-	39.76
Apollo Tyres (Hungary) Kft	53.41	-	-	-	53.41
	<b>93.17</b>	<b>1,385.71</b>	-	-	<b>1,478.88</b>
<b>Legal and professional charges paid:</b>					
Shardul Amarchand Mangaldas & Co	-	3.00	-	-	3.00
<b>Reimbursement of expenses paid:</b>					
PTL Enterprises Ltd.	-	645.64	-	-	645.64
Classic Industries and Exports Ltd.	-	7.80	-	-	7.80
Apollo Vredestein B.V.	28.15	-	-	-	28.15
Apollo Tyres Thailand Ltd.	95.69	-	-	-	95.69
Apollo Tyres Middle East Fze.	51.86	-	-	-	51.86
Apollo Tyres (UK) Pvt. Ltd.	12.89	-	-	-	12.89
Apollo Tyres Global R & D B.V.	78.67	-	-	-	78.67
Apollo Tyres Africa (Pty) Ltd	11.38	-	-	-	11.38
Apollo Tyres Holdings (Singapore) Pte Ltd.	0.16	-	-	-	0.16
Apollo Tyres (Malaysia) Sdn Bhd	25.06	-	-	-	25.06
Apollo Tyres (Hungary) Kft	22.88	-	-	-	22.88
Apollo Vredestein Tires Inc.	0.34	-	-	-	0.34
	<b>327.08</b>	<b>653.44</b>	-	-	<b>980.52</b>
<b>Payment for services received:</b>					
Artemis Medicare Services Ltd.	-	20.78	-	-	20.78
Classic Industries and Exports Ltd.	-	9.91	-	-	9.91
	-	30.69	-	-	30.69
<b>Cross charge of R &amp; D expenses paid:</b>					
Apollo Tyres Global R & D B.V.	654.40	-	-	-	654.40
<b>Cross charge of other expenses paid:</b>					
Apollo Tyres (UK) Pvt. Ltd.	806.99	-	-	-	806.99
Apollo Tyres Holdings (Singapore) Pte Ltd.	211.40	-	-	-	211.40
	<b>1,018.39</b>	-	-	-	<b>1,018.39</b>



					₹ Million
Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Lease rent paid:</b>					
PTL Enterprises Ltd.	-	600.00	-	-	600.00
<b>Rent paid:</b>					
Sunlife Tradelinks (P) Ltd.	-	30.99	-	-	30.99
Regent Properties	-	23.76	-	-	23.76
Classic Industries and Exports Ltd.	-	0.12	-	-	0.12
	-	54.87	-	-	54.87
<b>Mixing charges paid:</b>					
Classic Industries and Exports Ltd.	-	143.44	-	-	143.44
<b>Commission on sales paid</b>					
Apollo Tyres Thailand Ltd.	58.95	-	-	-	58.95
Apollo Tyres Middle East Fze.	19.24	-	-	-	19.24
	78.19	-	-	-	78.19
<b>Guarantee commission received</b>					
Apollo Tyres Co-Operatief U.A	8.94	-	-	-	8.94
<b>Corporate guarantee given</b>					
Apollo Tyres Co-operatief U.A	2,695.45	-	-	-	2,695.45
<b>Managerial remuneration:</b>					
Mr. Onkar Kanwar	-	-	-	232.55	232.55
Mr. Neeraj Kanwar	-	-	-	203.48	203.48
Mr. Satish Sharma	-	-	-	58.14	58.14
	-	-	-	494.17	494.17
<b>Sitting fees:</b>					
Non-executive directors	-	-	-	8.05	8.05
<b>Commission:</b>					
Non-executive directors	-	-	-	40.00	40.00

#### Amount outstanding as on March 31, 2020

					₹ Million
Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Trade payable:</b>					
Apollo Tyres AG, Switzerland	7.27	-	-	-	7.27
Apollo Vredestein B.V.	63.89	-	-	-	63.89
Apollo Tyres (UK) Pvt. Ltd.	165.67	-	-	-	165.67
Apollo Tyres Global R&D	254.59	-	-	-	254.59
Apollo Tyres Middle East Fze.	100.64	-	-	-	100.64
Classic Industries and Exports Ltd.	-	415.63	-	-	415.63
Apollo Tyres (Thailand) Ltd.	167.64	-	-	-	167.64
Apollo Tyres Africa (Pty) Ltd	4.41	-	-	-	4.41
Artemis Medicare Services Ltd.	-	4.90	-	-	4.90
Apollo Tyres Holdings (Singapore) Pte Ltd.	3,425.50	-	-	-	3,425.50
Apollo Tyres (Malaysia) Sdn Bhd	6.29	-	-	-	6.29
Apollo Tyres (Hungary) Kft	48.17	-	-	-	48.17
	<b>4,244.07</b>	<b>420.53</b>	<b>-</b>	<b>-</b>	<b>4,664.60</b>



₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
<b>Other current liabilities (financial):</b>					
Apollo Vredestein B.V.	38.35	-	-	-	38.35
Apollo International Ltd.	-	0.52	-	-	0.52
Classic Industries and Exports Ltd.	-	190.85	-	-	190.85
Apollo Vredestein Tires Inc.	0.07	-	-	-	0.07
Apollo Tyres Global R&D B.V	1.13	-	-	-	1.13
Apollo International FZC	-	56.23	-	-	56.23
Apollo Tyres (Hungary) Kft	29.77	-	-	-	29.77
	<b>69.32</b>	<b>247.60</b>	<b>-</b>	<b>-</b>	<b>316.92</b>
<b>Other non current financial assets*</b>					
PTL Enterprises Ltd.	-	600.00	-	-	600.00
Sunlife Tradelinks	-	5.86	-	-	5.86
Regent Properties	-	5.40	-	-	5.40
	<b>-</b>	<b>611.26</b>	<b>-</b>	<b>-</b>	<b>611.26</b>
<b>Other non current assets</b>					
Classic Industries and Exports Ltd.	-	666.12	-	-	666.12
<b>Trade receivable:</b>					
Apollo Vredestein B.V.	327.43	-	-	-	327.43
Apollo Tyres Africa (Pty) Ltd	211.36	-	-	-	211.36
Apollo Tyres Middle East Fze.	176.26	-	-	-	176.26
Apollo Tyres (Hungary) Kft	21.36	-	-	-	21.36
Apollo Tyres (Thailand) Ltd.	123.96	-	-	-	123.96
Apollo Tyres Global R & D B.V.	0.86	-	-	-	0.86
Apollo Tyres (Malaysia) Sdn Bhd	82.28	-	-	-	82.28
Apollo Vredestein Tires Inc.	0.17	-	-	-	0.17
	<b>943.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>943.68</b>
<b>Other current assets</b>					
Apollo Tyres Africa (Pty) Ltd	46.07	-	-	-	46.07
Apollo Vredestein B.V.	58.72	-	-	-	58.72
Apollo Tyres Thailand Ltd.	72.25	-	-	-	72.25
PTL Enterprises Ltd.	-	65.79	-	-	65.79
Apollo International Ltd	-	3.02	-	-	3.02
Classic Industries and Exports Ltd.	-	90.04	-	-	90.04
Apollo Tyres (Hungary) Kft	46.92	-	-	-	46.92
Apollo Tyres Middle East Fze.	29.68	-	-	-	29.68
Apollo Tyres Co-Operatief U.A	11.88	-	-	-	11.88
Apollo Tyres (UK) Pvt. Ltd.	6.66	-	-	-	6.66
Apollo Tyres Global R&D B.V	35.24	-	-	-	35.24
Apollo Vredestein Tires Inc.	2.08	-	-	-	2.08
Apollo Tyres Holdings (Singapore) Pte Ltd.	21.87	-	-	-	21.87
Apollo Tyres (Malaysia) Sdn Bhd	0.99	-	-	-	0.99
Reifencom GmbH	2.61	-	-	-	2.61
	<b>334.97</b>	<b>158.85</b>	<b>-</b>	<b>-</b>	<b>493.82</b>

Certain KMPs also participate in post employment benefits plans provided by the Company. The amount in respect of these towards the KMPs can not be segregated as these are based on actuarial valuation for all employees of the Company.

\*This represents undiscounted value.

## 21 DISCLOSURE REQUIRED BY REGULATION 34 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING THE RELATED PARTIES

Amount of loans / advances in the nature of loans outstanding from Subsidiaries and Companies in which Directors are interested

Particulars	Outstanding as at the end of the year	Maximum amount outstanding during the year	₹ Million
			Investments outstanding and maximum balance during the year
<b>Subsidiaries</b>			
<b>Year ended March 31, 2021</b>			
Apollo Tyres Cooperatief U.A	-	-	23,973.19
Apollo Tyres (Green Field) B.V.	-	-	2.74
Apollo Tyres Centre of Excellence Limited	-	-	1.00
<b>Year ended March 31, 2020</b>			
Apollo Tyres Cooperatief U.A	-	-	23,973.19
Apollo Tyres (Green Field) B.V.	-	-	2.74
<b>Associates</b>			
<b>Year ended March 31, 2021</b>			
KT Telematic Solutions Private Limited	-	-	45.01
<b>Year ended March 31, 2020</b>			
KT Telematic Solutions Private Limited	-	-	45.01

## 22 SEGMENT REPORTING

The Company has opted to provide segment information in its consolidated Ind AS financial statements in accordance with para 4 of Ind AS 108 - Operating Segments.

## 23 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors have recommended a final dividend of ₹ 3.50 (₹ Nil) per share amounting to ₹ 2,222.85 Million (₹ Nil) on Equity Shares of ₹ 1/- each for the year, subject to approval from Shareholders.

## 24 INFORMATION ON DETAILS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE ACT READ WITH COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014

- Details of investments made are given in note B2.\*
- Corporate guarantees issued for the loan taken by the subsidiary company and outstanding in accordance with Section 186 of the Act read with rules issued thereunder.

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Apollo Tyres Cooperatief U.A	6,179.76	5,985.86
<b>Total</b>	<b>6,179.76</b>	<b>5,985.86</b>

\* All transactions are in the ordinary course of business

## 25 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Effective April 01, 2017, the Company adopted the amendment to Ind AS-7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirements. The required disclosure are presented below:

							₹ Million
Particulars	As on April 01, 2020	Cash flows	Non cash changes Foreign exchange movement*	Interest expense	New leases	Others	As on March 31, 2021
Non-current borrowings (including current maturities)	32,754.66	10,160.96	(476.88)	-	-	21.71	42,460.45
Current borrowings	11,180.69	(10,180.00)	-	-	-	4.16	1,004.85
Lease liability	<b>6,137.80</b>	<b>(1,269.98)</b>	-	<b>443.00</b>	<b>131.04</b>	<b>(90.79)</b>	5,351.07

							₹ Million
Particulars	As on April 01, 2019	Cash flows	Non cash changes Foreign exchange movement*	Interest expense	New leases	Others	As on March 31, 2020
Non-current borrowings (including current maturities)	24,577.71	7,151.90	1,079.98	-	-	(54.93)	32,754.66
Current borrowings	2,925.07	8,255.62	-	-	-	-	11,180.69
Lease liability	<b>6,473.04</b>	<b>(1,358.54)</b>	-	<b>499.75</b>	<b>594.00</b>	<b>(70.45)</b>	6,137.80

\* Foreign exchange movement is hedged by derivative instrument.

**26** Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue in the financial statements of the Company.

The Company's revenue disaggregated by geographical markets is as follows:

			₹ Million
Particulars	Year ended March 31, 2021	Year ended March 31, 2020	
India	102,843.79	97,157.06	
Rest of the world	10,701.33	11,169.91	
<b>Total</b>	<b>113,545.12</b>	<b>108,326.97</b>	

Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

			₹ Million
Particulars	Year ended March 31, 2021	Year ended March 31, 2020	
Revenue as per contracted price (as invoiced)	119,370.89	112,604.58	
Reduction towards variable consideration components	(5,825.77)	(4,277.61)	
<b>Revenue from contract with customers</b>	<b>113,545.12</b>	<b>108,326.97</b>	



The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the expected duration is more than one year as at the reporting period.

- 27** On February 26, 2020, the Company executed an agreement with Emerald Sage Investment Ltd (an affiliate of Warburg Pincus LLC) to issue 108,000,000 6.34% Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 100 each, at par, for cash, by way of preferential allotment on a private placement basis. The Members of the Company approved the issue of CCPS (Tranche 1) through its Extraordinary General Meeting held on March 23, 2020 and issue of CCPS (Tranche 2) through Postal Ballot held on September 24, 2020. The Company had allotted 54,000,000 CCPS (Tranche 1) and 54,000,000 CCPS (Tranche 2), for cash, for an aggregate amount of ₹ 10,800 Million on April 22, 2020 and October 7, 2020 respectively. These CCPS have been accounted for as compound instruments in the financial statements. On December 5, 2020, one of the conditions for conversion was met and accordingly the Company has issued 63,050,966 equity shares having a face value of ₹ 1 per share. After issue of the aforesaid equity shares, the paid-up equity share capital of the Company has increased by ₹ 63.05 Million and securities premium account by ₹ 10,450.95 Million, net of share issue expenses.
- 28** The Company had carried out an employee re-organisation exercise for its employees. The amount paid to the employees who opted for this scheme aggregated to ₹ **110.16 million** (₹ Nil) for the year ended March 31, 2021, has been disclosed as an exceptional item.
- 29** Previous year's figures has been regrouped and/ or re-classed wherever necessary to confirm to the current year's groupings and classifications.

### 30 EARNINGS PER SHARE (EPS) – THE NUMERATOR AND DENOMINATOR USED TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Basic and diluted earnings per share</b>		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	7,228.21	5,086.24
The weighted average number of equity shares outstanding during the year used as denominator - (B)	616,962,997	572,049,980
Basic and diluted earnings per share (₹) – (A) / (B) (Face value of ₹ 1 each)	11.72	8.89

For and on behalf of the Board of Directors

**ONKAR KANWAR**  
Chairman & Managing Director  
DIN 00058921

**NEERAJ KANWAR**  
Vice Chairman & Managing Director  
DIN 00058951

**VINOD RAI**  
Director  
DIN 00041867

**GAURAV KUMAR**  
Chief Financial Officer

**SEEMA THAPAR**  
Company Secretary  
Membership No - FCS 6690

London  
May 12, 2021

# Independent Auditor's Report

To the Members of Apollo Tyres Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying consolidated financial statements of Apollo Tyres Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit procedures addressed the key audit matter
<p><b>A. Recoverability of goodwill, trademarks and other intangibles having indefinite useful life ('intangibles') pertaining to acquisition of Reifencor GmbH, Hannover ('Reifencor')</b></p> <p>As detailed in Note C3 to the consolidated financial statement, the Group carries goodwill amounting to ₹ 2,203.63 million and intangibles amounting to ₹ 1,502.76 million (pertaining to Reifencor) in its consolidated balance sheet as at March 31, 2021.</p> <p>These goodwill and intangibles were recorded on the acquisition of Reifencor GmbH, Germany, a multi-channel distributor for tyres and allied services, which has been determined as a cash generating unit ('CGU') by the management.</p> <p>In terms with Indian Accounting Standard 36, Goodwill and indefinite lived assets are tested for impairment annually at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU.</p> <p>The recoverable amount is determined on the basis of the value in use which is the present value of future cash flows of the CGU using discounted cash flow model ('Model'), which involves estimates pertaining to expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates. These estimates require high degree of management judgement resulting in inherent subjectivity.</p>	<p>Our audit procedures included:</p> <ol style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Group to perform annual impairment test related to goodwill and intangibles;</li> <li>b) Obtained the impairment analysis model from the management and reviewed their conclusions;</li> <li>c) Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management relating to these projections;</li> <li>d) We assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate;</li> </ol>

### BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company 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 financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit procedures addressed the key audit matter
<p>The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at 31 March, 2021.</p> <p>Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such goodwill and intangibles arising from the business combination as a key audit matter for the current year audit.</p>	<p>e) Engaged our valuation specialists to assess the appropriateness of the significant assumptions used in the Model, which included comparing the underlying parameters of the discount and long term growth rates used with the publicly available information;</p> <p>f) Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; and</p> <p>g) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.</p>
<p><b>B. Recoverability of trademarks (other than those considered in A above)</b></p> <p>As at 31 March 2021, the Group carries these trademarks amounting to ₹ 1,106.86 million in its consolidated balance sheet.</p> <p>These trademarks were recorded on the acquisition of Apollo Vredestein B.V. ('AVBV') in the Netherlands.</p> <p>The trademarks are tested for impairment annually at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU.</p> <p>The recoverable amount is determined on the basis of the value in use which is the present value of future cash flows of the CGU using discounted cash flow model ('Model'), which involves estimates pertaining to expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates. These estimates require high degree of management judgement resulting in inherent subjectivity.</p> <p>As explained in note C3, the management has concluded that the recoverable amount of the CGU is higher than its carrying amount.</p>	<p>The following key audit matter to the audit opinion on the financial statements of Apollo Tyres B.V, a subsidiary of the Holding Company has been reported by an independent firm of Chartered Accountants in response to the group audit instructions and reproduced by us as under:</p> <p>a) Obtained the Model from the management and reviewed their conclusions;</p> <p>b) Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management relating to these projections;</p> <p>c) Assessed the appropriateness of the significant assumptions used in the Model, which included comparing the underlying parameters of the discount and long term growth rates used with the publicly available information; and</p> <p>d) Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management;</p>
<p><b>C. Provision for sales related obligations</b></p> <p>As at 31 March 2021, the Holding Company carries sales related obligations amounting to ₹ 1,411.91 million which is included in note C8.</p> <p>Such provision is recognised based on past trends, frequency, expected cost of obligations, management estimates regarding possible future incidences and appropriate discount rates for non-current portion of the obligations.</p> <p>These estimates require high degree of management judgement with respect to the underlying assumptions, thus giving rise to inherent subjectivity in determining the amounts to be recorded in the consolidated financial statements.</p> <p>Considering the materiality of the above matter to the consolidated financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <p>a) Obtained an understanding from the management with respect to process and controls followed by the Holding Company to ensure appropriateness of recognition, measurement and completeness of the sales related obligations;</p> <p>b) Tested the management's computation of sales related obligations by evaluating the reasonability of the key assumptions, reviewing the contractual terms, comparing the assumptions to historical data and analysing the expected costs of incidences;</p> <p>c) Traced the inputs used in the computations, to the relevant accounting records, including discussions with the relevant management personnel and tested the arithmetical accuracy of the computation;</p> <p>d) Compared the amounts recognized as provision in the past years with the corresponding settlements and assessed whether the aggregate provisions recognized as at the current year-end were sufficient to cover expected costs in light of known and expected incidences;</p> <p>e) Performed sensitivity analysis on the management's computation by evaluating the impact of change on the obligation by changing certain key assumptions such as discount rates used; and</p> <p>f) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.</p>

Key audit matter	How our audit procedures addressed the key audit matter
<p><b>D. Litigations and claims: provisions and contingent liabilities</b></p> <p>As included under Note C15 [contingent liability note] and Note C8 [Provision for contingencies note] to the consolidated financial statements, the Group is involved in direct and indirect tax litigations ('litigations') amounting to ₹ 3,695.22 million that are pending with various tax authorities.</p> <p>Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Group.</p> <p>Determining the amount, if any, to be recognised or disclosed in the consolidated financial statements, is inherently subjective. The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Group for identification and monitoring of significant developments in relation to the litigations, including completeness thereof;</li> <li>b) Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;</li> <li>c) Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved;</li> <li>d) Assessed management's conclusions through discussions held with their in house tax experts and understanding precedents in similar cases;</li> <li>e) Obtained and evaluated the independent confirmations from the consultants representing the Group before the various authorities;</li> <li>f) Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Group, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management; and</li> <li>g) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.</li> </ul>

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate company and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

the assets 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the respective companies included in the Group and of its associate and joint venture 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 of the parent Company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the respective companies included in the Group and of its associate and joint venture.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the financial statements 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 Standards on Auditing 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 these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary and associate (covered under the Act) have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's 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 associate and joint venture 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 financial statements 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 and its associate and joint venture to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate and joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, 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.
12. 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.

13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### OTHER MATTER

15. We did not audit the financial statements of 27 subsidiaries, whose financial statements reflects total assets of ₹ 95,748.27 million and net assets of ₹ 43,772.46 million as at 31 March 2021, total revenues of ₹ 89,674.48 million and net cash inflows amounting to ₹ 1,439.34 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 0.27 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial statement has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the other auditors at the request of the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associate, are based solely on the reports of the other auditors.

Further, of these subsidiaries, 26 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have

audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by section 197(16) of the Act, based on our audit we report that the Holding Company covered under the Act paid and provided remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, based on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that one subsidiary companies covered under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate company covered under the Act, since such company is not a public company as defined under section 2(71) of the Act.
17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, we report, to the extent applicable, that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company covered under the Act, none of the directors of the Group companies and its associate company covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture as detailed in Note C15 to the consolidated financial statements;
  - ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company other than ₹ 4.86 million (31 March 2020: INR 4.30 million) pertaining to amount of dividend which has not been transferred as per the orders/ instructions dated 14 June 2001 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992. There was no amount which was required to be transferred to the Investor Education and Protection Fund by a subsidiary company and an associate company covered under the Act
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Neeraj Goel**

Partner

Membership No.: 99514

UDIN: 21099514AAAACY4201

Place: Gurugram

Date: 12 May 2021



# Annexure 1

## List of entities included in the Statement

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**S no. Name of the Holding Company**

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1 Apollo Tyres Limited

**Name of the subsidiaries**

- 1 Apollo Tyres Cooperatief U.A.
- 2 Apollo (South Africa) Holdings (Pty) Ltd.
- 3 Apollo Tyres Africa (Pty) Ltd.
- 4 Apollo Tyres (Thailand) Limited
- 5 Apollo Tyres (Middle East) FZE
- 6 Apollo Tyres Holdings (Singapore) Pte. Ltd.
- 7 Apollo Tyres (Malaysia) SDN. BHD
- 8 Apollo Tyres (UK) Pvt. Ltd.
- 9 Apollo Tyres (London) Pvt. Ltd.
- 10 Apollo Tyres Global R&D B.V.
- 11 Apollo Tyres (Germany) GmbH
- 12 Apollo Tyres AG
- 13 Apollo Tyres do (Brasil) LTDA
- 14 Apollo Tyres B.V
- 15 Apollo Tyres (Hungary) Kft
- 16 Apollo Vredestein B.V.
- 17 Apollo Vredestein GmbH
- 18 Apollo Vredestein Nordic A.B.
- 19 Apollo Vredestein (UK) Limited
- 20 Apollo Vredestein SAS
- 21 Apollo Vredestein Belux
- 22 Apollo Vredestein Gesellschaft m.b.H.
- 23 Apollo Vredestein Schweiz AG
- 24 Apollo Vredestein Iberica SAU
- 25 Apollo Vredestein Tires Inc.
- 26 Apollo Vredestein Kft
- 27 Apollo Vredestein Opony Polska Sp. Zo.o
- 28 Vredestein Consulting B.V.
- 29 Finlo B.V.
- 30 Vredestein Marketing B.V. (upto 30 September 2020)
- 31 Reifencom GmbH, Hannover
- 32 Reifencom Tyre (Qingdao) Co., Ltd.
- 33 Saturn F1 Pvt. Ltd
- 34 ATL Singapore Pte Limited
- 35 Apollo Tyres (Greenfield) B.V.
- 36 Apollo Tyres Centre of Excellence Limited  
(w.e.f 10 October 2020)

**Name of the associate**

- 1 KT Telematic Solutions Private Limited

**Name of the joint venture**

- 1 Pan Aridus LLC
-

## Annexure II

### INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the consolidated financial statements of Apollo Tyres Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, as at that date.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company as aforesaid.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the

risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company and associate company, the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## OTHER MATTER

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 1.02 million and net assets of ₹ 0.93 million as at 31 March 2021, total revenues of ₹ Nil and net cash inflows amounting to ₹ 1.00 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive

income) of ₹ 0.27 million for the year ended 31 March 2021, in respect of one associate company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company and associate company have been audited by other auditors whose reports have been furnished to us by the other auditors at the request of the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company and associate company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Neeraj Goel**

Partner

Membership No.: 99514

UDIN: 21099514AAAACY4201

Place: Gurugram

Date: 12 May 2021



# Consolidated Balance Sheet

as on March 31, 2021

		₹ Million	
	Notes	As on March 31, 2021	As on March 31, 2020
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	B1	145,241.99	134,733.70
(b) Capital work-in-progress		11,065.12	16,419.82
(c) Right of use assets	C7	9,105.34	10,223.03
(d) Goodwill	C3	2,203.63	2,134.49
(e) Other intangible assets	B1	7,644.73	7,392.78
(f) Financial assets			
i. Investment in associate / joint venture	B2	46.44	46.17
ii. Other investments	B3	149.02	148.00
iii. Other financial assets	B4	3,788.58	2,431.40
(g) Deferred tax assets (net)	C9	2,188.62	445.02
(h) Other non-current assets	B5	2,314.66	3,710.68
<b>Total non-current assets</b>		<b>183,748.13</b>	<b>177,685.09</b>
<b>2. Current assets</b>			
(a) Inventories	B6	33,185.34	32,069.16
(b) Financial assets			
i. Investments	B7	900.68	-
ii. Trade receivables	B8	13,808.18	9,398.76
iii. Cash and cash equivalents	B9	9,713.49	7,386.41
iv. Bank balances other than (iii) above	B10	11,744.38	109.58
v. Other financial assets	B11	3,242.44	1,083.02
(c) Other current assets	B12	4,291.12	4,767.85
<b>Total current assets</b>		<b>76,885.63</b>	<b>54,814.78</b>
<b>TOTAL ASSETS (1+2)</b>		<b>260,633.76</b>	<b>232,499.87</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Share capital	B13	635.10	572.05
(b) Other equity		113,796.21	98,728.09
<b>Total equity</b>		<b>114,431.31</b>	<b>99,300.14</b>
<b>LIABILITIES</b>			
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	B14	48,081.83	51,478.84
ii. Other financial liabilities	B15	7,379.14	8,249.02
(b) Provisions	B16	1,557.88	1,677.13
(c) Deferred tax liabilities (net)	C9	9,208.77	7,476.89
(d) Other non-current liabilities	B17	12,668.20	7,183.54
<b>Total non-current liabilities</b>		<b>78,895.82</b>	<b>76,065.42</b>
<b>3. Current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	B18	3,033.43	14,320.01
ii. Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		629.03	170.80
- Total outstanding dues of creditors other than micro enterprises and small enterprises	B19	27,438.00	22,919.68
iii. Other financial liabilities	B20	27,360.56	13,603.20
(b) Other current liabilities	B21	5,025.83	2,663.29
(c) Provisions	B22	2,882.18	2,744.10
(d) Current tax liabilities (net)	B23	937.60	713.23
<b>Total current liabilities</b>		<b>67,306.63</b>	<b>57,134.31</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>		<b>260,633.76</b>	<b>232,499.87</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**ONKAR KANWAR**

Chairman &amp; Managing Director

DIN 00058921

**Neeraj Goel**

Partner

Membership No. 99514

Gurugram

May 12, 2021

London

May 12, 2021

**NEERAJ KANWAR**

Vice Chairman &amp; Managing Director

DIN 00058951

**GAURAV KUMAR**

Chief Financial Officer

**VINOD RAI**

Director

DIN 00041867

**SEEMA THAPAR**

Company Secretary

Membership No - FCS 6690

For and on behalf of the Board of Directors

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

			₹ Million
	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>1. REVENUE FROM OPERATIONS</b>			
Sales		169,546.07	160,964.91
Other operating income	B24	4,423.92	2,537.04
		<b>173,969.99</b>	<b>163,501.95</b>
<b>2. OTHER INCOME</b>	B25	1,293.84	236.76
<b>3. TOTAL INCOME (1 + 2)</b>		<b>175,263.83</b>	<b>163,738.71</b>
<b>4. EXPENSES</b>			
(a) Cost of materials consumed	B26	70,653.00	70,498.26
(b) Purchase of stock-in-trade	B26	20,093.43	18,341.14
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		3,198.66	1,916.51
(d) Employee benefits expense	B26	25,133.71	24,821.99
(e) Finance costs	B27	4,429.63	2,808.33
(f) Depreciation and amortisation expense	B1	13,149.52	11,381.18
(g) Other expenses	B26	26,916.55	28,536.92
<b>Total expenses</b>		<b>163,574.50</b>	<b>158,304.33</b>
<b>5. PROFIT BEFORE SHARE OF PROFIT / (LOSS) IN ASSOCIATE / JOINT VENTURE, EXCEPTIONAL ITEMS AND TAX (3 - 4)</b>		11,689.33	5,434.38
<b>6. SHARE OF PROFIT / (LOSS) IN ASSOCIATE / JOINT VENTURE</b>		0.27	(0.01)
<b>7. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (5 + 6)</b>		<b>11,689.60</b>	<b>5,434.37</b>
<b>8. EXCEPTIONAL ITEMS</b>	C29	6,077.44	-
<b>9. PROFIT BEFORE TAX (7 - 8)</b>		<b>5,612.16</b>	<b>5,434.37</b>
<b>10. TAX EXPENSE</b>			
(a) Current tax		2,247.47	1,274.05
(b) Deferred tax		(137.44)	(603.63)
<b>Total tax expense</b>	C9	<b>2,110.03</b>	<b>670.42</b>
<b>11. NET PROFIT FOR THE YEAR (9 - 10)</b>		<b>3,502.13</b>	<b>4,763.95</b>
<b>12. OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
I i. Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		173.79	(423.27)
ii. Income tax		(55.58)	137.41
		<b>118.21</b>	<b>(285.86)</b>
II i. Items that will be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		980.23	(1,159.41)
(b) Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge		25.51	(163.71)
ii. Income tax		(8.91)	57.21
		<b>996.83</b>	<b>(1,265.91)</b>
<b>Other comprehensive income / (loss) (I + II)</b>		<b>1,115.04</b>	<b>(1,551.77)</b>
<b>Total comprehensive income / (loss) for the year (11 + 12)</b>		<b>4,617.17</b>	<b>3,212.18</b>
<b>Earnings per equity share of ₹ 1 each</b>	C30		
(a) Basic (₹)		5.68	8.33
(b) Diluted (₹)		5.68	8.33

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**ONKAR KANWAR**

Chairman &amp; Managing Director

DIN 00058921

**NEERAJ KANWAR**

Vice Chairman &amp; Managing Director

DIN 00058951

**VINOD RAI**

Director

DIN 00041867

**Neeraj Goel**

Partner

Membership No. 99514

**GAURAV KUMAR**

Chief Financial Officer

**SEEMA THAPAR**

Company Secretary

Membership No - FCS 6690

Gurugram  
May 12, 2021London  
May 12, 2021



# Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

## OTHER EQUITY

Particulars	Reserves and surplus (refer note C6)								Items of other comprehensive income			Total	
	Securities premium	General reserve	Capital reserve on consolidation	Capital reserve on AMHPL merger	Debt redemption reserve	Capital subsidy	Capital redemption reserve	Capital reserve on forfeiture of shares	Retained earnings	Effective portion of cash flow hedge	Revaluation surplus		Foreign currency translation reserve
Balance as on March 31, 2019	20,866.72	14,006.63	2,664.95	1,383.68	1,039.50	25.50	44.40	0.07	62,167.25	(7.41)	31.22	(2,396.37)	99,826.14
Profit for the year	-	-	-	-	-	-	-	-	4,763.95	-	-	-	4,763.95
Other Comprehensive income (OCI) for the year	-	-	-	-	-	-	-	-	(1,323.12)	(163.71)	-	(1,159.41)	(1,323.12)
Income tax on OCI items	-	-	-	-	-	-	-	-	57.21	57.21	-	-	57.21
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	(423.27)	-	-	-	(423.27)
Income tax on remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	137.41	-	-	-	137.41
Total comprehensive income for the year	-	-	-	-	-	-	-	-	4,478.09	(106.50)	-	(1,159.41)	3,212.18
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of dividend (₹ 3.25 per share)	-	-	-	-	-	-	-	-	(1,859.16)	-	-	-	(1,859.16)
Payment of interim dividend (₹ 3.00 per share)	-	-	-	-	-	-	-	-	(1,716.15)	-	-	-	(1,716.15)
Tax there on (dividend and interim dividend)	-	-	-	-	-	-	-	-	(734.92)	-	-	-	(734.92)
Transfer from retained earnings	-	1,000.00	-	-	-	-	-	-	(1,000.00)	-	-	-	-
Balance as on March 31, 2020	20,866.72	15,006.63	2,664.95	1,383.68	1,039.50	25.50	44.40	0.07	61,335.11	(113.91)	31.22	(3,555.78)	98,728.09
Profit for the year	-	-	-	-	-	-	-	-	3,502.13	25.51	-	980.23	3,502.13
Other Comprehensive income (OCI) for the year	-	-	-	-	-	-	-	-	1,005.74	(8.91)	-	-	1,005.74
Income tax on OCI items	-	-	-	-	-	-	-	-	(8.91)	-	-	-	(8.91)
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	173.79	-	-	-	173.79
Income tax on remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	(55.58)	-	-	-	(55.58)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	3,620.34	16.60	-	980.23	4,617.17
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium on issue of shares, net	10,450.95	-	-	-	-	-	-	-	-	-	-	-	10,450.95
Transfer from retained earnings	-	1,000.00	-	-	-	-	-	-	(1,000.00)	-	-	-	-
Balance as on March 31, 2021	31,317.67	16,006.63	2,664.95	1,383.68	1,039.50	25.50	44.40	0.07	63,955.45	(97.31)	31.22	(2,575.55)	113,796.21

For and on behalf of the Board of Directors

In terms of our report attached

For **Walker Chandlok & Co LLP**  
Chartered Accountants

Firm's Registration No. 001076N/N500013

**Neeraj Goel**

Partner

Membership No. 99514

Gurugram

May 12, 2021

**ONKAR KANWAR**

Chairman & Managing Director

DIN 00058921

**NEERAJ KANWAR**

Vice Chairman & Managing Director

DIN 00058951

**VINOD RAI**

Director

DIN 00041867

**SEEMA THAPAR**

Company Secretary

Membership No - FCS 6690

**GAURAV KUMAR**

Chief Financial Officer

London

May 12, 2021



# Consolidated Cash Flow Statement

for the year ended March 31, 2021

₹ Million

	Year ended March 31, 2021		Year ended March 31, 2020	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
(i) Net profit before tax		5,612.16		5,434.37
Adjustments for				
Depreciation and amortisation expense	13,149.52		11,381.18	
(Profit) on sale of property, plant and equipment (net)	(36.66)		(19.67)	
Dividend from non-current and current investments	(2.88)		(2.67)	
Provision for doubtful debts / advances	140.73		76.83	
Provisions / liabilities no longer required written back	(9.09)		(11.73)	
Finance cost	4,429.63		2,808.33	
Interest income	(821.03)		(55.82)	
Exceptional item (non-cash)	1,395.48		-	
Unwinding of deferred income	(1,572.57)		(1,735.41)	
Unwinding of state aid subsidy	(203.77)		(166.58)	
Share of (profit) / loss in associate / joint venture	(0.27)		0.01	
Unrealized (gain) / loss on foreign exchange fluctuations	(192.93)	16,276.16	437.45	12,711.92
(ii) Operating profit before working capital changes		21,888.32		18,146.29
Changes in working capital				
Adjustments for (increase) / decrease in operating assets				
Inventories	(884.01)		3,799.98	
Trade receivables	(4,500.69)		3,984.24	
Other financial assets (current and non-current)	(3,874.08)		(210.75)	
Other assets (current and non-current)	57.38	(9,201.40)	(420.21)	7,153.26
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	4,961.85		1,383.46	
Other financial liabilities (current and non-current)	2,067.96		1,149.14	
Other liabilities (current and non-current)	6,666.81		(1,608.50)	
Provisions (current and non-current)	120.57	13,817.19	(125.42)	798.68
(iii) Cash generated from operations		26,504.11		26,098.23
Direct taxes paid (net of refund)		(2,035.37)		(924.63)
Net cash generated from operating activities		24,468.74		25,173.60
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment and intangible assets	(11,902.23)		(28,361.19)	
Proceeds from sale of property, plant and equipment and intangible assets	339.13		306.11	
Investments in mutual funds	(900.00)		-	
Non-current investment made, net	(0.24)		(134.01)	
Investments in fixed deposits, net	(11,650.00)		-	
Dividends received (current and non-current investments)	2.88		2.67	
State aid subsidy received	-		171.80	
Interest received	667.29		55.96	
Net cash used in investing activities		(23,443.17)		(27,958.66)



# Consolidated Cash Flow Statement

for the year ended March 31, 2021

	Year ended March 31, 2021	₹ Million Year ended March 31, 2020
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of compulsory convertible preference shares	10,800.00	-
Proceeds from non-current borrowings	10,775.49	23,537.11
Repayment of non-current borrowings	(3,018.94)	(18,141.07)
Proceeds from / (Repayment of) current borrowings (net)	(10,978.94)	8,466.93
Payment of dividend (including dividend tax)	-	(4,310.23)
Payment of lease liabilities	(2,649.42)	(2,595.62)
Finance charges paid	(3,406.67)	(2,232.44)
<b>Net cash generated from financing activities</b>	<b>1,521.52</b>	<b>4,724.68</b>
<b>D EFFECT OF FOREIGN CURRENCY FLUCTUATION ARISING OUT OF CONSOLIDATION</b>	<b>23.41</b>	<b>(214.51)</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>2,570.50</b>	<b>1,725.11</b>
Cash and cash equivalents as at the beginning of the year	7,386.41	5,554.66
Less: Cash credits / bank overdrafts as at the beginning of the year	1,059.70	941.60
	<b>6,326.71</b>	<b>4,613.06</b>
(Gain) / loss on re-statement of foreign currency cash and cash equivalents	20.44	8.98
<b>Adjusted cash and cash equivalents as at the beginning of the year</b>	<b>6,347.15</b>	<b>4,622.04</b>
Cash and cash equivalents as at the end of the year	9,713.49	7,386.41
Less: Cash credits / bank overdrafts as at the end of the year	812.02	1,059.70
	<b>8,901.47</b>	<b>6,326.71</b>
(Gain) / loss on re-statement of foreign currency cash and cash equivalents	16.18	20.44
<b>Adjusted cash and cash equivalents as at the end of the year</b>	<b>8,917.65</b>	<b>6,347.15</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**Neeraj Goel**

Partner

Membership No. 99514

Gurugram

May 12, 2021

**ONKAR KANWAR**

Chairman &amp; Managing Director

DIN 00058921

London

May 12, 2021

**NEERAJ KANWAR**

Vice Chairman &amp; Managing Director

DIN 00058951

**GAURAV KUMAR**

Chief Financial Officer

**VINOD RAI**

Director

DIN 00041867

**SEEMA THAPAR**

Company Secretary

Membership No - FCS 6690

For and on behalf of the Board of Directors

# A. Notes

forming Part of the Consolidated Financial Statements

## 1. GROUP CORPORATE INFORMATION

The Apollo Tyres Group consists of Apollo Tyres Limited (the 'Company'), the ultimate holding company with several foreign subsidiaries, associates and a joint venture (together referred to as the 'Group'). Established in 1972, the Group is in the business of manufacturing and sale of tyres. The Group has its headquarter in Gurgaon, India and operations spread all across the Globe.

The product portfolio of the Group consists of tyres of passenger car, sports utility vehicle, multi utility vehicle, light truck, truck-bus, agriculture, industrial, specialty, bicycle and off highway tyres, retreading material and tyres, alloy wheels and two-wheeler tyres.

## 2.1 RECENT ACCOUNTING POUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional

information' in the notes forming part of the standalone financial statements

- The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

## 2.2 Amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Covid-19 related concessions - amendments to Ind AS 116
- The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future periods.

## 3. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Statement of compliance

The consolidated financial statements have been prepared to comply in all material respects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The consolidated financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Company.

The consolidated financial statements for the year ended March 31, 2021 were authorised and approved for issue by the Board of Directors on May 12, 2021.

### 3.2 Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would

take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on above basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payment, lease transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**The principal accounting policies are set out below:**

### 3.3 Basis of consolidation

The consolidated financial statements includes the financial statements of the Company, its subsidiaries and the entities controlled by the Group as at March 31, 2021. Control is achieved when the Group:

- has power over the investee;
- has the ability to use its power to affect its return; and
- is exposed, or has rights, to variable returns from its involvement with the investee

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses

### 3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to *share-based payment* arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from



the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair values at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method.

The pooling of interest method is considered to involve the following:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the business combination.
- (iv) The identity of the reserves has been preserved and appear in the financial statements of the transferee in

the same form in which they appeared in the financial statements of the transferor.

### 3.5 Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment

in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Groups investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 *Financial Instruments*. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to consolidated statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to consolidated statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to consolidated statement of profit and loss the proportion of the gain or loss that had previously been recognised in

other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to consolidated statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 3.6 Inventories

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

In case of raw materials, stores and spares and traded goods, cost (net of tax credits wherever applicable) is determined on a moving weighted average basis, and, in case of work in progress and finished goods, cost is determined on a First In First Out basis.

### 3.7 Taxation

Income tax expense recognised in consolidated statement of profit and loss comprises of the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

#### Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of the country in which the respective entities in the group are incorporated. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised

for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset is created by way of a credit to the consolidated statement of profit and loss. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive

income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.8 Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, *borrowing costs* are capitalised in accordance with the Ind AS 23 Borrowing Costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of tax credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease

term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated average useful life considered for the assets are as under.

Category of assets	No. of years
Buildings	5 - 60
Plant and equipment	3 - 25
Electrical installations	1 - 10
Furniture and fixtures	4 - 10
Vehicles	4 - 10
Office equipment	4 - 10

Leasehold land / Improvements thereon are amortised over the primary period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

### 3.9 Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the group for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

The estimated average useful life considered for the major intangible assets are as under

Category of assets	No. of years
Computer software	3 - 6
Capitalised development	6

#### A) Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit and loss when the asset is derecognised.

#### b) Research and development expenses

Internally generated intangible assets - Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in consolidated statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Development costs of products are also charged to the consolidated statement of profit and loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent

basis to creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

**c) Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### 3.10 Revenue recognition

In accordance with Ind AS 115, the Group recognizes the amount as revenue from contracts with customers, which is received for the transfer of promised goods to customers in exchange for those goods. The relevant point in time or period of time is the transfer of control of the goods (control approach). The Group recognizes revenue at point in time. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances. To determine when to recognize revenue and at what amount, the five-step model is applied. By applying the five-step model distinct performance obligations are identified. The transaction price is determined and allocated to the performance obligations according to the requirements of Ind AS 115. Performance obligations are deemed to have been met when the control of goods is transferred to the customer, i.e., generally when the goods have been delivered to the customer.

Revenues for services are recognised when the service rendered has been completed.

### 3.11 Other income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.12 Employee benefits

Employee benefits include wages and salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, social security cost and other pension costs incurred by the group.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### Other short-term and long-term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.



### 3.13 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to the consolidated statement of profit and loss on a systematic basis over the expected useful life of the related assets.

Government grants related to the income are deferred and recognized in the consolidated statement of profit and loss as an income in the period in which related obligations are met.

Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established.

Export incentives earned in the year of exports are netted off from cost of raw material imported.

### 3.14 Foreign currency transaction and translations

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to consolidated statement of profit and loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is made or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction. The interpretation is mandatory for financial years beginning on or after April 1, 2018. Its adoption did not have any significant impact on the Group's consolidated financial statements.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation) are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to consolidated statement of profit and loss.

In addition, in relation to a partial disposal of subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to the non-controlling interests and are not recognised in the consolidated statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to consolidated statement of profit and loss.

Goodwill and fair value adjustments to the identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

**3.15 Employee share based payments**

Stock appreciation rights (Phantom stock units) are granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan).

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in consolidated statement of profit and loss.

**3.16 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.

**3.17 Leases****The Group as a lessee**

The Group's lease asset classes primarily consist of leases for buildings, plant & machinery & vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset, (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability

adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company & subsidiary entities uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the consolidated balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows. The weighted average incremental borrowing rate applied to lease liabilities is 1% - 10% p.a.

**3.18 Earnings per share**

Basic earnings per share is computed by dividing the consolidated profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of

equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 3.19 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 3.20 Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the group's obligation.

### 3.21 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit and loss.

### 3.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 3.22.1 Classification of financial asset

#### a. Loans and receivable

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for investments that are designated as at fair value through profit or loss (FVTPL) on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit and loss and is included in the 'Other Income' line item.

#### b. Assets available for sale

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for investments that are designated as at FVTPL on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

#### c. Assets held for trading

*A financial asset is held for trading if:*

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit and loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### d. Financial assets at fair value through profit or loss ('FVTPL')

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in consolidated statement of profit and loss. The net gain or loss recognised in consolidated statement of profit and loss is included in the other income line item. Dividend on financial assets at FVTPL is recognised when the group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 3.22.2 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Credit impaired balances are disclosed under provision for doubtful debts.

### 3.22.3 De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in consolidated statement of profit and loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in consolidated statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 3.22.4 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss except for those which are designated as hedging instruments in hedging relationship.



### 3.23 Financial liabilities and equity instruments

#### 3.23.1 Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### 3.23.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

#### 3.23.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below:

##### 3.23.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 Financial

Instruments permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109 Financial Instruments.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in consolidated statement of profit and loss.

##### 3.23.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the finance costs line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

##### 3.23.3.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 115 *Revenue from Contracts with Customers*.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the Other income.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at

FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in consolidated statement of profit and loss.

#### 3.23.3.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit and loss.

### 3.24 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in consolidated statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

### 3.25 Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the consolidated statement

of profit and loss in the line item relating to the hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of profit and loss, and is included in the 'Other income'/'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to consolidated statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Group has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e., not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to consolidated statement of profit and loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e., Reserve for time value of options

and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect profit or loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Group makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of an option.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in consolidated statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in consolidated statement of profit and loss.

### 3.26 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units). A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 3.27 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances,

as defined above, net of outstanding cash credits as they are considered an integral part of the Groups's cash management. The cash flow statement is prepared using indirect method.

### 3.28 Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest millions as per the requirements of Schedule III of the Act unless otherwise stated.

### 3.29 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgments and estimates that may effect the application of accounting policies, reported amounts and related disclosures.

These judgments and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and income and expense items for the period under review. Actual results may differ from these judgments and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the consolidated financial statements represent as accurately an outlook as possible for the group. These judgments and estimates only represent interpretation of the Group as of the dates on which they were prepared.

Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

### 3.30 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty of the pandemic, the final impact on the Group's assets in future may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.



# A. Notes

forming Part of the Consolidated Financial Statements

## B1 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS AS ON MARCH 31, 2021

Description of assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
	As on April 1, 2020	Additions (c)	Disposals/ Adjustments	Effect of foreign currency translation (e)	As on March 31, 2021	Depreciation / amortisation expense	Eliminated on disposal of assets/ Adjustments	Impairment (refer note C29)	Effect of foreign currency translation (e)	As on March 31, 2021	As on March 31, 2020
A. Property, plant and equipment - owned unless otherwise stated											
Land:											
Freehold land	2,642.40	-	-	105.45	2,747.85	-	-	-	-	2,747.85	2,642.40
Leasehold land *	196.09	0.06	-	-	196.15	24.85	2.19	-	-	169.11	171.24
						(a)					
Buildings	34,047.65	2,720.88	76.55	369.04	37,061.02	7,175.28	992.82	12.31	109.82	28,795.41	26,872.37
		(b)			(d)					(d)	
Plant and equipment **	164,271.44	16,796.16	628.88	1,894.63	182,333.35	66,151.42	7,486.11	411.86	1,127.86	106,809.47	98,120.02
		(b)									
Electrical installations	6,126.33	584.25	0.01	56.28	6,766.85	1,816.19	388.24	0.01	-	4,562.30	4,310.14
		(b)									
Furniture and fixtures	3,693.44	96.30	172.47	48.72	3,665.99	2,357.20	298.37	41.99	-	1,024.51	1,336.24
		(b)									
Vehicles	1,261.20	120.58	45.57	11.61	1,347.82	638.62	134.54	26.14	-	590.75	622.58
		(b)									
Office equipment	1,729.73	79.80	4.44	28.63	1,833.72	1,071.02	204.41	4.44	-	542.59	658.71
		(b)									
Total tangible assets	213,968.28	20,398.03	927.92	2,514.36	235,952.75	79,234.58	9,506.68	496.75	1,295.90	145,241.99	134,733.70
B. Other intangible assets											
Computer software	4,255.44	804.84	8.87	123.95	5,175.36	3,448.86	434.13	2.02	116.35	1,178.04	806.58
		(b)									
Trademarks	2,233.89	0.40	-	70.56	2,304.85	46.62	0.36	-	0.95	2,256.92	2,187.27
Capitalised development	7,799.65	489.39	-	248.23	8,537.27	3,747.03	824.14	-	113.88	3,852.22	4,052.62
		(b)									
Other intangibles	359.62	-	-	11.65	371.27	13.31	-	-	0.41	357.55	346.31
Total other intangible assets	14,648.60	1,294.63	8.87	454.39	16,388.75	7,255.82	1,258.63	2.02	231.59	7,644.73	7,392.78
Total (A + B)	228,616.88	21,692.66	936.79	2,968.75	252,341.50	86,490.40	10,765.31	498.77	1,527.49	152,886.72	142,126.48



## PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS AS ON MARCH 31, 2020

Description of assets	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK			
	As on April 1, 2019	Additions (c)	Disposals/ Adjustments	Effect of foreign currency translation (e)	As on March 31, 2020	As on April 1, 2019	Depreciation / amortisation expense	Eliminated on disposal of assets/ Adjustments	Impairment	Effect of foreign currency translation (e)	As on March 31, 2020	As on March 31, 2019
<b>A. Property, plant and equipment - owned unless otherwise stated</b>												
Land:												
Freehold land	2,574.73	6.64	30.50	91.53	2,642.40	-	-	-	-	-	2,642.40	2,574.73
Leasehold land *	196.09	-	-	-	196.09	22.66	2.19	-	-	-	171.24	173.43
Buildings	27,105.68	6,932.77	25.54	34.74	34,047.65	6,158.30	880.44	8.67	-	145.21	26,872.37	20,947.38
Plant and equipment **	137,469.85	25,131.11	534.48	2,204.96	164,271.44	58,060.79	6,195.16	339.90	-	2,235.37	98,120.02	79,409.06
Electrical installations	4,771.83	1,419.31	7.11	(57.70)	6,126.33	1,492.92	337.83	6.85	-	(7.71)	4,310.14	3,278.91
Furniture and fixtures	3,353.27	284.17	27.26	83.26	3,693.44	1,983.20	342.76	15.98	-	47.22	1,336.24	1,370.07
Vehicles	1,152.09	296.54	212.42	24.99	1,261.20	647.10	127.13	157.19	-	21.58	622.58	504.99
Office equipment	1,377.12	299.86	4.08	56.83	1,729.73	796.83	235.41	3.74	-	42.52	658.71	580.29
<b>Total tangible assets</b>	<b>178,000.66</b>	<b>34,370.40</b>	<b>841.39</b>	<b>2,438.61</b>	<b>213,968.28</b>	<b>69,161.80</b>	<b>8,120.92</b>	<b>532.33</b>	<b>-</b>	<b>2,484.19</b>	<b>134,733.70</b>	<b>108,838.86</b>
<b>B. Other intangible assets</b>												
Computer software	3,931.86	156.55	-	167.03	4,255.44	2,882.24	415.79	-	-	150.83	806.58	1,049.62
Trademarks	2,083.03	0.55	-	150.31	2,233.89	44.41	0.32	-	-	1.89	2,187.27	2,038.62
Capitalised development	6,330.10	967.94	-	501.61	7,799.65	3,033.66	472.50	-	-	240.87	4,052.62	3,296.44
Other intangibles	335.83	-	-	23.79	359.62	12.44	-	-	-	0.87	346.31	323.39
<b>Total other intangible assets</b>	<b>12,680.82</b>	<b>1,125.04</b>	<b>-</b>	<b>842.74</b>	<b>14,648.60</b>	<b>5,972.75</b>	<b>888.61</b>	<b>-</b>	<b>-</b>	<b>394.46</b>	<b>7,392.78</b>	<b>6,708.07</b>
<b>Total (A + B)</b>	<b>190,681.48</b>	<b>35,495.44</b>	<b>841.39</b>	<b>3,281.35</b>	<b>228,616.88</b>	<b>75,134.55</b>	<b>9,009.53</b>	<b>532.33</b>	<b>-</b>	<b>2,878.65</b>	<b>142,126.48</b>	<b>115,546.93</b>

Particulars	Year ended March 31, 2021		Year ended March 31, 2020
	9,506.68	8,120.92	
Property, plant and equipment	2,384.21	2,371.65	
Right of use assets (refer note C7)	1,258.63	888.61	
Other intangible assets	13,149.52	11,381.18	
<b>Total</b>			

\* Leasehold land is net of ₹ 5.39 Million (₹ 5.39 Million) subleased to Classic Industries and Exports Limited, a Company in which directors are interested since the year ended 2009-10.

\*\* Plant and equipment include jointly owned assets with gross book value of ₹ 311.28 Million (₹ 311.28 Million) and net book value of ₹ 213.09 Million (₹ 225.62 Million) which represents 50% ownership in the asset.

(a) Represents proportionate lease premium ₹ 2.19 Million (₹ 2.15 Million) amortised.

(b) Buildings include ₹ 0.24 Million (₹ 28.03 Million), plant and equipment include ₹ 292.12 Million (₹ 339.78 Million), electrical installations include ₹ 0.05 Million (₹ 4.55 Million), furniture and fixture include Nil (₹ 1.49 Million), vehicles include ₹ 93.35 Million (₹ 14.53 Million), office equipment include Nil (₹ 0.01 Million), computer software include ₹ 18.13 Million (₹ 11.78 Million) and capitalised development include ₹ 489.39 Million (₹ 967.94 Million) relating to research and development (refer note C14).

(c) Includes directly attributable expenses capitalised to the extent of ₹ 520.01 Million (₹ 1,341.58 Million) including ₹ 26.89 Million (₹ 767.24 Million) capitalised from capital work in progress (CWIP) of previous year and borrowing cost capitalised to the extent of ₹ 1,057.19 Million (₹ 1,633.54 Million) including ₹ 207.27 Million (₹ 386.52 Million) capitalised from CWIP of previous year.

(d) Buildings include buildings constructed on leasehold land with gross book value of ₹ 13,311.18 Million (₹ 12,717.47 Million) and net book value of ₹ 9,628.78 Million (₹ 9,480.86 Million).

(e) Represents exchange rate adjustment arising on consolidation of foreign subsidiaries due to difference in opening, average and closing conversion rates.

(f) Carrying amount of tangible assets are pledged as security for liabilities (refer note B14(a)).

(g) Capital work-in-progress includes land of ₹ 297.70 Million (₹ 248.00 Million) acquired by the Company and is in the process of getting the title deeds transferred to its name.



## FINANCIAL ASSETS (NON-CURRENT)

### B2 INVESTMENT IN ASSOCIATE / JOINT VENTURE

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>Unquoted investments **</b>		
<b>(a) Investment in associate:</b>		
3,334 (3,334) equity shares of ₹ 10 each in KT Telematic Solutions Private Limited - fully paid up *	46.44	46.17
<b>(b) Investment in joint venture:</b>		
9,550 (9,550) units in Pan Aridus LLC, fully impaired	-	-
	46.44	46.17
* Includes Company's cumulative share in profit of ₹ 1.43 million (₹ 1.16 million)		
** Aggregate amount of unquoted investment at cost	45.01	45.01

### B3 OTHER INVESTMENTS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(At fair value through profit and loss)</b>		
<b>Other companies:</b>		
<b>A Quoted Investments *</b>		
<b>Investment in equity instruments:</b>		
16,394 (16,394) equity shares of ₹10 each in Bharat Gears Limited - fully paid up	1.20	0.42
	<b>1.20</b>	<b>0.42</b>
<b>B Unquoted investments **</b>		
<b>Investment in equity instruments / preferred stock:</b>		
312,000 (312,000) equity shares of ₹ 10 each in Green Infra Wind Power Projects Limited - fully paid up	3.12	3.12
2,256,000 (2,256,000) equity shares of ₹ 30 each in Suryadev Alloys and Power Private Limited - fully paid up	67.68	67.68
284,000 (220,300) equity shares of ₹ 11.50 each in OPG Power Generation Private Limited - fully paid up	3.27	2.53
Nil (5,000) equity shares of ₹ 100 each in Apollo Tyres Employees' Multipurpose Co-operative Society Limited - fully paid up	-	0.50
49,358 (49,358) Series C preferred stock of USD 0.0001 each in Click Diagnostics, Inc #	73.75	73.75
	<b>147.82</b>	<b>147.58</b>
<b>Investments carried at fair value through profit and loss (A+B)</b>	<b>149.02</b>	<b>148.00</b>
* Aggregate amount of quoted investments at cost	0.36	0.36
Aggregate amount of quoted investments at market value	1.20	0.42
** Aggregate amount of unquoted investments at cost	147.82	147.58
# Cost of unquoted preferred stock has been considered as an appropriate estimate of fair value		

### B4 OTHER FINANCIAL ASSETS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Employee advances - salary loan	27.51	41.70
Security deposits	300.65	289.17
Security deposits to related parties (refer note C21)	278.97	253.33
Security deposits with statutory authorities	394.12	346.87
Derivative assets measured at fair value (refer note C12)	975.61	1,500.33
Investment promotion subsidy receivable (refer note C10)	1,811.72	-
	<b>3,788.58</b>	<b>2,431.40</b>

## NON-FINANCIAL ASSETS (NON-CURRENT)

## B5 OTHER NON-CURRENT ASSETS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital advances	2,085.96	3,013.42
Capital advances to related parties (refer note C21)	152.44	666.12
Statutory balances recoverable	2.58	2.58
Pension asset (refer note C11)	24.90	15.05
Advance tax (net)	21.53	13.51
Others	27.25	-
	<b>2,314.66</b>	<b>3,710.68</b>

## CURRENT ASSETS

## B6 INVENTORIES

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
(valued at lower of cost and net realizable value)		
(i) Raw materials		
- In hand	8,915.61	6,508.01
- In transit	3,603.97	2,119.18
	<b>12,519.58</b>	<b>8,627.19</b>
(ii) Work-in-progress *	2,168.45	1,654.13
(iii) Finished goods		
- In hand	10,773.37	14,236.55
- In transit	999.04	382.32
	<b>11,772.41</b>	<b>14,618.87</b>
(iv) Stock-in-trade		
- In hand	3,728.27	4,455.32
- In transit	801.16	525.79
	<b>4,529.43</b>	<b>4,981.11</b>
(v) Stores and spares	2,195.47	2,187.86
	<b>33,185.34</b>	<b>32,069.16</b>

\* Work-in-progress consists of only automotive tyres.

## FINANCIAL ASSETS (CURRENT)

## B7 INVESTMENTS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>At fair value through profit and loss:</b>		
<b>Quoted investments *</b>		
Investment in mutual funds	900.68	-
	<b>900.68</b>	<b>-</b>

* Mutual Funds	Number of Units	Amount in (₹ Million)	Number of Units	Amount in (₹ Million)
Aditya Birla Sun Life Overnight Fund- Growth- Direct plan	359,616.37	400.23	-	-
Axis Overnight Fund- Direct growth	460,008.44	500.45	-	-
	819,624.81	900.68	-	-
Aggregate amount of quoted investments at cost		900.00		-
Aggregate amount of quoted investments at market value		900.68		-



## B8 TRADE RECEIVABLES

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Considered good	13,808.18	9,398.76
Considered doubtful	867.34	509.40
	<b>14,675.52</b>	<b>9,908.16</b>
Provision for loss allowance (refer note C5)	(867.34)	(509.40)
	<b>13,808.18</b>	<b>9,398.76</b>

## B9 CASH AND CASH EQUIVALENTS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
(i) Balances with banks:		
Current accounts	8,355.74	6,491.64
Other deposit accounts		
- original maturity of 3 months or less	500.99	600.00
(ii) Cheques on hand / remittances in transit	851.13	286.06
(iii) Cash on hand	5.63	8.71
	<b>9,713.49</b>	<b>7,386.41</b>

## B10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Unpaid dividend accounts*	94.37	109.57
Deposits with maturity exceeding 3 months but less than 12 months	11,650.01	0.01
	<b>11,744.38</b>	<b>109.58</b>

\* These balances are not available for use by the Company and corresponding balance is disclosed as unclaimed dividend in note B20.

## B11 OTHER FINANCIAL ASSETS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Employee advances	78.12	57.48
Derivative assets measured at fair value (refer note C12)	40.55	56.53
Security deposits	249.40	245.00
Interest accrued on deposits	153.74	-
Investment promotion subsidy receivable	2,640.56	647.79
Others	80.07	76.22
	<b>3,242.44</b>	<b>1,083.02</b>

## NON-FINANCIAL ASSETS (CURRENT)

## B12 OTHER CURRENT ASSETS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
a. Advances given to related parties (refer note C21)	278.57	158.85
b. Trade advances: considered good	501.02	515.21
Doubtful advances	20.56	20.56
Provision for doubtful advances	(20.56)	(20.56)
	<b>501.02</b>	<b>515.21</b>
c. Employee advances	54.68	52.00
d. Export obligations - advance licence benefit	304.73	252.06
e. Export incentives recoverable	109.93	455.59
f. Balance with statutory authorities	2,124.71	2,115.26
g. Gratuity (refer note C11)	-	199.27
h. Prepaid expenses	917.48	1,019.61
	<b>4,291.12</b>	<b>4,767.85</b>

## B13 SHARE CAPITAL

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(a) Authorised</b>		
<b>750,000,000 Nos.</b> (750,000,000 Nos.) equity shares of ₹ 1 each	750.00	750.00
<b>150,000,000 Nos.</b> (150,000,000 Nos.) cumulative redeemable preference shares of ₹100 each	15,000.00	15,000.00
	<b>15,750.00</b>	<b>15,750.00</b>
<b>(b) Issued, subscribed, called and fully paid up</b>		
<b>Equity shares of ₹ 1 each:</b>		
<b>635,100,946 Nos.</b> (572,049,980 Nos.) equity shares	635.10	572.05
	<b>635.10</b>	<b>572.05</b>

**(c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year**

Particulars	As on March 31, 2021		As on March 31, 2020	
	Number of shares	Amount (₹ Million)	Number of shares	Amount (₹ Million)
Opening balance	572,049,980	572.05	572,049,980	572.05
Add: Conversion of compulsory convertible preference shares into equity shares (refer note C28)	63,050,966	63.05	-	-
Closing balance	635,100,946	635.10	572,049,980	572.05

**(d) Details of shareholders holding more than 5% of the paid up equity share capital of the Company with voting rights \***

Name of the shareholder	As on March 31, 2021		As on March 31, 2020	
	Number of shares	%age	Number of shares	%age
Sunrays Properties and Investment Company Private Limited	128,393,784	20.22%	36,307,648	6.35%
Emerald Sage Investment Ltd.	63,050,966	9.93%	-	-
White IRIS Investment Ltd.	51,054,445	8.04%	51,054,445	8.92%
HDFC Trustee Company Ltd. - A/C its various Fund	42,931,147	6.76%	41,273,025	7.21%
Osiatic Consultants & Investments Pvt.Ltd.	39,041,880	6.15%	-	-
Apollo Finance Limited	37,528,872	5.91%	39,778,872	6.95%
Neeraj Consultants Private Limited	-	-	73,827,161	12.91%

\* As per the records of the Company including its register of member.

**(e) The rights, preferences and restrictions attached to equity shares of the Company**

The Company has only one class of issued shares referred to as equity shares having a par value of ₹ 1 each. The holder of equity shares are entitled to one vote per share.

**(f)** In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(g)** Over the period of five years immediately preceding March 31, 2021 and March 31, 2020, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

## NON - CURRENT LIABILITIES

### FINANCIAL LIABILITIES (NON-CURRENT)

#### B14 BORROWINGS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>At amortised cost</b>		
<b>Secured *</b>		
<b>(i) Debentures</b>	19,661.18	10,742.62
<b>(ii) Term loans</b>		
<b>From banks:</b>		
External commercial borrowings (ECB)	6,920.67	10,913.99
Foreign currency non-resident term loans	462.72	1,143.80
Rupee term loans	9,528.57	9,246.85
Euro term loans	11,477.52	19,395.60
<b>(iii) Deferred payment liabilities:</b>		
Deferred payment credit I	31.17	35.98
	<b>48,081.83</b>	<b>51,478.84</b>

\* For details regarding repayment terms, interest rate and nature of security on non-current borrowings (refer note B14(a)).





## NOTE B14(a)

Particulars	Amount outstanding as on March 31, 2021 (₹ Million)		Amount outstanding as on March 31, 2020 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non-current borrowings	Current maturities of non current borrowings	Non-current borrowings	Current maturities of non current borrowings			
<b>Non-convertible debentures</b>							
1,150 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,150.00	-	1,150.00	-	8.65%	Bullet payment on April 30, 2026	Refer note A below
1,050 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	8.65%	Bullet payment on April 30, 2025	Refer note A below
1,050 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	8.65%	Bullet payment on April 30, 2024	Refer note A below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,498.34	-	1,497.54	-	7.80%	Bullet payment on April 30, 2024	Refer note A below
900 - 7.50 % Non-convertible debentures of ₹ 1 Million each	900.00	-	900.00	-	7.50%	Bullet payment on October 20, 2023	Refer note A below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,498.34	-	1,497.54	-	7.80%	Bullet payment on April 28, 2023	Refer note A below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	7.50%	Bullet payment on October 21, 2022	Refer note A below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,498.34	-	1,497.54	-	7.80%	Bullet payment on April 29, 2022	Refer note A below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	-	1,050.00	1,050.00	-	7.50%	Bullet payment on October 21, 2021	Refer note A below
5,000 - 8.75 % Non-convertible debentures of ₹ 1 Million each	4,983.08	-	-	-	8.75%	Bullet payment on April 09, 2030	Refer note A below
5,000 - 7.70 % Non-convertible debentures of ₹ 1 Million each	4,983.08	-	-	-	7.70%	₹ 1,250 Million payable on May 17, 2024 and ₹ 3,750 Million payable on May 16, 2025.	Refer note A below
<b>Total</b>	<b>19,661.18</b>	<b>1,050.00</b>	<b>10,742.62</b>	<b>-</b>			
<b>External commercial borrowings (ECB) from banks</b>							
Bank 1 - ECB I	1,821.31	-	1,880.27	-	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
Bank 2 - ECB I	1,821.08	-	1,879.97	-	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
Bank 3 - ECB I	1,821.75	-	1,880.91	-	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
Bank 4 - ECB I	1,456.54	-	1,503.55	-	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
Bank 5 - ECB I	-	3,646.08	3,769.29	-	0-1% above USD-LIBOR	Bullet payment on March 21, 2022	Refer note A below
<b>Total</b>	<b>6,920.67</b>	<b>3,646.08</b>	<b>10,913.99</b>	<b>-</b>			



Particulars	Amount outstanding as on March 31, 2021 (₹ Million)		Amount outstanding as on March 31, 2020 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non-current borrowings	Current maturities of non current borrowings	Non-current borrowings	Current maturities of non current borrowings			
<b>Foreign currency non-resident (FCNR) term loan from banks</b>							
Bank 1 - FCNR I	90.27	180.53	279.93	186.62	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from December 31, 2019	Refer note A below
Bank 1 - FCNR II	90.80	181.61	281.59	187.73	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from January 15, 2020	Refer note A below
Bank 1 - FCNR III	281.65	281.64	582.28	291.14	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from September 30, 2020	Refer note A below
<b>Total</b>	<b>462.72</b>	<b>643.78</b>	<b>1,143.80</b>	<b>665.49</b>			
<b>Rupee term loans from banks</b>							
Bank 1 - Rupee Term Loan	2,996.85	-	2,964.92	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note A below
Bank 2 - Rupee Term Loan	2,474.49	-	2,469.86	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note A below
Bank 3 - Rupee Term Loan	1,973.22	-	1,968.75	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note A below
Bank 4 - Rupee Term Loan	500.00	-	-	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note A below
Bank 5 - Rupee Term Loan	985.77	11.25	996.60	-	6 months MCLR	32 structured quarterly instalments after moratorium of 2 years from the date of first disbursement	Refer note A below
Bank 6 - Rupee Term Loan	148.24	-	146.72	-	0-2% above one year T-bill	Bullet payment on June 27, 2022	Refer note A below
Bank 7 - Rupee Term Loan	200.00	-	200.00	-	0-2% above one year T-bill	Bullet payment on March 27, 2023	Refer note A below
Bank 8 - Rupee Term Loan	-	500.00	500.00	-	0-2% above one year T-bill	Bullet payment on March 29, 2022	Refer note A below
Bank 9 - Rupee Term Loan	250.00	-	-	-	0-2% above one year T-bill	Bullet payment on December 29, 2023	Refer note A below
<b>Total</b>	<b>9,528.57</b>	<b>511.25</b>	<b>9,246.85</b>	<b>-</b>			



Particulars	Amount outstanding as on March 31, 2021 (₹ Million)		Amount outstanding as on March 31, 2020 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non-current borrowings	Current maturities of non current borrowings	Non-current borrowings	Current maturities of non current borrowings			
<b>Euro term loans from banks</b>							
Bank 1	65.72	5.34	68.78	5.08	1.95%	Monthly payment till April 30, 2033	Secured by mortgage on land and building at Hamburg & Celle, Germany
Bank 2	11,411.80	1,201.24	13,380.87	1,163.55	2-2.50% above EURIBOR	Repayment in 10 semi-annual instalments starting from September 13, 2020	Refer note B below
Bank 3	-	2,548.35	2,468.40	-	0-1% above EURIBOR	Bullet repayment on August 6, 2021	Secured by Corporate Guarantee from the Company
Bank 4	-	3,590.21	3,477.55	-	0-1% above EURIBOR	Bullet repayment on March 21, 2022	Secured by Corporate Guarantee from the Company
<b>Total</b>	<b>11,477.52</b>	<b>7,345.14</b>	<b>19,395.60</b>	<b>1,168.63</b>			
<b>USD loan from bank</b>							
Bank 1	-	20.47	-	-	1.00%	Repayable in 60 months, subsequently waived off in April 2021	Unsecured
<b>Total</b>	<b>-</b>	<b>20.47</b>	<b>-</b>	<b>-</b>			
<b>Deferred payment liabilities</b>							
Deferred payment credit I	31.17	4.82	35.98	4.46	7-8%	Repayment along with interest in 240 consecutive monthly instalments started from May 15, 2007	Wind Mills purchased under the deferred consideration payment plan
Deferred payment credit II	-	0.21	-	1.47	8-9%	Repayment along with Interest in 20 equal quarterly instalments started from January 31, 2011	Engineering materials purchased under the Parts Management Agreement (PMA) scheme
<b>Total</b>	<b>31.17</b>	<b>5.03</b>	<b>35.98</b>	<b>5.93</b>			

#### Details of securities offered to existing lenders

Note A Secured by pari-passu charge on the movable fixed assets of the company. Along with this security an exclusive charge on the immovable property of the Company's registered office in Kochi has also been created for one of the NCD issuances aggregating to ₹ 5,000 Million at 8.75% p.a.

Note B Apollo Vredestein B.V has provided guarantee for the loan which is secured by a pledge on the movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of its real estate being the land and buildings located in the Netherlands. In addition, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledge of fixed assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

## B15 OTHER FINANCIAL LIABILITIES

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Derivative liabilities measured at fair value (refer note C12)	30.72	26.59
Lease liability (refer note C7)	7,348.42	8,222.43
	<b>7,379.14</b>	<b>8,249.02</b>

## NON-FINANCIAL LIABILITIES (NON-CURRENT)

### B16 PROVISIONS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Jubilee benefits (refer note C8)	128.42	180.78
Pension benefits (refer note C11)	834.65	899.02
Provision for constructive liability (refer note C8)	281.18	278.30
Provision for sales related obligations (refer note C8)	313.63	319.03
	<b>1,557.88</b>	<b>1,677.13</b>

## B17 OTHER NON-CURRENT LIABILITIES

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Security deposits received from dealers	68.03	85.92
Security deposits received from vendors	86.82	61.75
Deferred revenue arising from government grant	8,216.25	6,956.05
Statutory dues payable	4,261.78	-
Others	35.32	79.82
	<b>12,668.20</b>	<b>7,183.54</b>

## CURRENT LIABILITIES

### FINANCIAL LIABILITIES (CURRENT)

#### B18 BORROWINGS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>At amortised cost</b>		
<b>Secured</b>		
<b>From banks:</b>		
Cash credit *	4.85	0.69
Working capital demand loan *	-	2,330.00
Bank overdrafts #	807.17	1,059.01
<b>Unsecured</b>		
<b>From banks:</b>		
Packing credit **	1,000.00	-
Working capital demand loan **	-	8,850.00
Others ##	1,221.41	2,080.31
	<b>3,033.43</b>	<b>14,320.01</b>

\* Cash credits and working capital demand loans are repayable on demand and are secured by a first charge on raw materials, work-in-progress, stocks, stores and book debts and by a second charge on the Company's land at village Kodakara in Kerala, at Oragadam and Mathur village in Tamil Nadu and at head office in Gurgaon, Haryana together with the factory buildings, plant and machinery and equipment, both present and future. The interest rate on these loans are in the range of 3.00% p.a to 9.00% p.a (6.00% p.a to 9.00% p.a).

# Overdraft facility availed by one of the subsidiaries, Reifencom GmbH, Hannover, is secured by a first charge on stock and receivables of Reifencom GmbH, Hannover, both present and future and further supported by corporate guarantee issued by Apollo Tyres Cooperatief U.A. The interest rate on these loans is Euribor + 1.5% (Euribor + 1.5%).

\*\* Packing credit and working capital demand loans are repayable on demand. The interest rate on these loans are in the range of 3.00% p.a to 9.00% p.a (6.00% p.a to 9.00% p.a).

## These are trade financing facility availed by one of the subsidiary company. The interest rate on these loans are in the range of 1.18% p.a to 1.40% p.a (0.55% p.a to 2.60% p.a).

**B19 TRADE PAYABLES \***

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Trade payables (other than micro and small enterprises)	24,381.64	20,380.66
Employee related payable	2,644.06	2,118.49
Payable to related parties (refer note C21)	412.30	420.53
	<b>27,438.00</b>	<b>22,919.68</b>

\* Trade payables include commission on net profits payable to whole-time directors ₹ 561.19 Million (₹ 217.26 Million).

**B20 OTHER FINANCIAL LIABILITIES**

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>(a) Current maturities of non-current borrowings *</b>		
<b>Secured</b>		
Debentures	1,050.00	-
<b>(b) Term loans:</b>		
Foreign currency non-resident term loans	643.78	665.49
Euro term loans	7,345.14	1,168.63
External commercial borrowings (ECB)	3,646.08	-
Rupee Term Loans	511.25	-
<b>(c) Deferred payment liabilities:</b>		
Deferred payment credit I	4.82	4.46
Deferred payment credit II	0.21	1.47
<b>Unsecured</b>		
USD loan from bank	20.47	-
	<b>13,221.75</b>	<b>1,840.05</b>
Interest accrued but not due on borrowings	1,531.09	749.61
Unclaimed dividends #	94.37	109.57
Accounts payable - capital	4,067.01	4,595.85
Payable to micro, small and medium enterprises - capital (refer note C18)	186.28	76.65
Interest payable to micro, small & medium enterprises (refer note C18)	10.58	10.58
Payable to related parties (refer note C21)	435.96	247.60
Security deposits - vendors	384.66	385.22
Advances received / credit balance from customers	5,475.18	3,559.50
Derivative liabilities measured at fair value (refer note C12)	23.00	41.36
Lease liability (refer note C7)	1,930.68	1,987.21
	<b>27,360.56</b>	<b>13,603.20</b>

\* For details regarding repayment terms, interest rate and nature of security on current maturities of non-current borrowings (refer note B14(a)).

# Includes ₹ 4.86 Million (₹ 4.30 Million) which has not been transferred to the Investor Education and Protection Fund under Section 124 of the Companies Act, 2013, as per the orders / instructions of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.

**NON-FINANCIAL LIABILITIES (CURRENT)****B21 OTHER CURRENT LIABILITIES**

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Statutory dues payable	4,640.04	2,504.34
Deferred revenue	212.46	32.40
Others	173.33	126.55
	<b>5,025.83</b>	<b>2,663.29</b>



## B22 PROVISIONS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Provision for compensated absences (refer note C8)	280.79	269.56
Provision for superannuation (refer note C8)	31.37	28.02
Provision for gratuity (refer note C11)	81.47	-
Provision for constructive liability (refer note C8)	53.93	51.99
Provision for contingencies (refer note C8)	425.00	425.00
Provision for sales related obligations (refer note C8)	2,009.62	1,969.53
	<b>2,882.18</b>	<b>2,744.10</b>

## B23 CURRENT TAX LIABILITIES (NET)

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Provision for taxation	25,092.40	23,033.08
Advance tax	(24,154.80)	(22,319.85)
	<b>937.60</b>	<b>713.23</b>

## B24 OTHER OPERATING INCOME

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Investment promotion subsidy (refer note C10)	1,765.71	87.15
Unwinding of deferred income (refer note C10)	1,572.57	1,735.41
Sale of raw material scrap	376.28	396.67
Provisions / liabilities no longer required written back	9.09	11.73
Subsidy income - others	677.25	232.00
Others	23.02	74.08
	<b>4,423.92</b>	<b>2,537.04</b>

## B25 OTHER INCOME

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Interest income:</b>		
- Bank deposits	624.63	1.87
- Other financial assets measured at amortised cost *	191.42	28.71
- Others	4.98	25.24
<b>(b) Dividend income from investments - fair value through profit and loss</b>		
Mutual funds	2.88	2.67
<b>(c) Others</b>		
Profit on sale of property, plant and equipment (net)	36.66	19.67
Gain on foreign exchange fluctuation (net)	263.96	-
Miscellaneous	169.31	158.60
	<b>1,293.84</b>	<b>236.76</b>

\* This includes Government grant. Refer note C10

**B26 MANUFACTURING AND OTHER EXPENSES**

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cost of materials consumed: *</b>		
Raw materials consumed	70,653.00	70,498.26
<b>Purchase of stock-in-trade:</b>		
Purchase of finished goods - tyres, tubes and flaps	20,093.43	18,341.14
<b>Employee benefits expense: *</b>		
Salaries and wages	20,510.53	20,295.13
Contribution to provident and other funds	3,120.83	2,930.78
Staff welfare	1,502.35	1,596.08
	<b>25,133.71</b>	<b>24,821.99</b>
<b>Other expenses: *</b>		
Consumption of stores and spare parts	1,158.08	1,255.00
Power and fuel	4,692.96	4,282.50
Conversion charges	723.76	632.55
Repairs and maintenance		
- Machinery	587.06	799.98
- Buildings	157.99	92.17
- Others	2,338.66	2,256.89
Rent (refer note C7)	113.39	242.17
Insurance	560.84	498.10
Rates and taxes	176.40	173.99
Sitting fees to non-executive directors (refer note C21)	5.77	8.05
Commission to non-executive directors (refer note C21)	45.00	40.00
Loss on foreign exchange fluctuation (net)	-	17.47
Travelling, conveyance and vehicle	815.69	2,109.28
Postage, telephone and stationery	264.13	282.81
Conference	15.59	173.30
Freight and forwarding	7,776.99	7,182.62
Commission on sales	51.94	51.90
Sales promotion	379.54	477.20
Advertisement and publicity	3,494.74	4,321.61
Corporate social responsibility (refer note C19)	129.91	183.70
Bank charges	201.22	193.41
Statutory auditor's remuneration (refer note C13)	78.88	66.97
Provision for doubtful debts / advances (refer note C5)	140.73	76.83
Legal and professional	560.23	715.62
Miscellaneous #	2,447.05	2,402.80
	<b>26,916.55</b>	<b>28,536.92</b>

\* Includes expense towards research and development

# Includes donation to electoral trust Nil (₹ 300 Million)

**B27 FINANCE COSTS**

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Interest expense:</b>		
Interest on fixed-term loans	1,558.74	543.16
Interest on debentures	1,217.34	575.22
Interest on current loans	493.10	534.55
Others *	1,108.58	1,103.95
<b>(b) Other borrowing costs</b>	51.87	51.45
	<b>4,429.63</b>	<b>2,808.33</b>

\* Includes interest expense pertaining to leasing arrangements. Refer note C7

## C. OTHER NOTES

forming Part of the Consolidated Financial Statements

### 1 DIRECTLY ATTRIBUTABLE EXPENSES CAPITALIZED / INCLUDED IN CAPITAL WORK IN PROGRESS:

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Raw material consumed	61.39	22.95
Salaries, wages and bonus	219.17	352.22
Welfare expenses	41.17	22.61
Rent	1.49	11.18
Travelling, conveyance and vehicle	7.16	36.22
Postage, telephone and stationery	1.30	6.66
Power and fuel	106.15	22.77
Insurance	12.71	7.37
Legal and professional	4.77	64.80
Miscellaneous	51.13	37.64
<b>Total</b>	<b>506.44</b>	<b>584.42</b>

- 2 Borrowing costs capitalized / transferred to capital work in progress during the year is ₹ **849.92 Million** (₹ 1,377.21 Million) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case **7.93% p.a.** (7.38% p.a).

### 3 Impairment testing of intangibles with indefinite life

Intangibles with indefinite useful life comprises goodwill, trademarks and other intangible assets.

For the purpose of annual impairment testing, goodwill is allocated to the cash generating units expected to benefit from the synergies of the business combinations in which the goodwill arises. The Group acquired 100% shareholding of Reifencom GmbH Hannover, one of the largest tyre distributor in Germany on January 1, 2016. Deferred consideration payable on acquisition of subsidiary, payable to erstwhile members of Reifencom GmbH Hannover and the fair value of the net assets acquired and intangibles recognised has been considered as a part of purchase consideration for computation of goodwill. In addition to goodwill, certain trademarks and other intangible assets were also recognized in the consolidated financial statements which were not recorded in the separate financial statements of the acquiree. Further, there are certain other trademarks that were acquired as part of acquisition of AVBV (Apollo Vredestein B.V.).

As on March 31, 2021, the carrying value of other intangible assets amounting to ₹ **357.55 million** (₹ 346.31 million) have been determined to have indefinite useful life (refer note B1).

#### Changes in the net carrying amount of trademarks is summarized as below:

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Opening balance	2,181.41	2,037.07
Foreign exchange translation impact	70.66	144.34
<b>Closing balance</b>	<b>2,252.07</b>	<b>2,181.41</b>

#### Changes in the net carrying amount of goodwill is summarized as below:

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Opening balance	2,134.49	1,993.25
Foreign exchange translation impact	69.14	141.24
<b>Closing balance</b>	<b>2,203.63</b>	<b>2,134.49</b>

**Impairment**

An impairment test was carried out as on March 31, 2021, details of the test are as outlined below:

Particulars	₹ Million	
	Trademarks#	Goodwill, Trademarks and Other intangibles*
Discount Rate	8.20%	10.70%
Growth Rate	2%	2%
Number of years for which cash flows were considered	4	4
Test Result	No Impairment Loss	No Impairment Loss

An impairment test was carried out as on March 31, 2020, details of the test are as outlined below:

Particulars	₹ Million	
	Trademarks#	Goodwill, Trademarks and Other intangibles*
Discount Rate	8.20%	10.70%
Growth Rate	2%	2%
Number of years for which cash flows were considered	5	5
Test Result	No Impairment Loss	No Impairment Loss

# pertains to AVBV acquisition

\* pertains to Reifencom GmbH Hannover acquisition

**Growth rates**

The growth rates used are in line with the growth rate of the industry and the countries in which the entities operates and are consistent with internal / external sources of information.

**Discount rates**

The discount rates takes into consideration market risk and specific risk factors of the cash generating unit. The cash flow projections are based on the forecasts made by the management.

**Sensitivity**

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

**4 INVENTORIES**

- Out of the total inventories of ₹ **33,185.34 Million** (₹ 32,069.16 Million), the carrying amount of inventories carried at fair value less costs to sell amounted to ₹ **1,285.54 Million** (₹ 377.82 Million).
- The amount of write down of inventories to net realizable value recognised as an expense was ₹ **268.13 Million** (₹ 178.39 Million).
- The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **95,103.17 Million** (₹ 92,010.91 Million).

**5 CHANGES IN PROVISION FOR DOUBTFUL TRADE RECEIVABLES:**

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>Opening balance</b>	<b>509.40</b>	<b>439.62</b>
Addition during the year	140.73	76.83
Adjustment during the year	231.63	-
Utilisation / reversal during the year	(26.93)	(35.40)
Foreign exchange translation impact	12.51	28.35
<b>Closing balance</b>	<b>867.34</b>	<b>509.40</b>

## 6 DESCRIPTION OF NATURE AND PURPOSE OF EACH RESERVE

### i. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

### ii. General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

### iii. Capital reserve on consolidation

This balance represents excess of net assets of AVBV acquired at fair value over the purchase consideration.

### iv. Capital reserve on Apollo (Mauritius) Holdings Private Limited ("AMHPL") merger

AMHPL erstwhile (subsidiary company) was merged with the Company resulting in a capital reserve.

### v. Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which are available for redemption of debentures.

### vi. Capital subsidy

This balance represents subsidy received under New Industrial Policy 2007 of the Government of Tamil Nadu for expansion and employment generation within SIPCOT Industrial park.

### vii. Capital redemption reserve

This balance has been created in accordance with provision of the Act for the buy back of equity shares from the market.

### viii. Capital reserve on forfeiture of shares

This reserve was created on forfeiture of shares by the Company. The reserve is not available for the distribution to the shareholders.

### ix. Retained earnings

Retained earnings are created from the profit of the Group, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plans etc.

### x. Foreign currency translation reserve

This balance represents exchange rate adjustment arising on consolidation of foreign subsidiaries due to difference in opening, average and closing conversion rates.

## 7 LEASES

### i. Nature of leasing activities

The Group has entered into lease arrangements for various warehouses, vehicles, plant and equipments, offices and other assets that are renewable on a periodic basis with approval of both lessor and lessee.

### ii. The Group does not have any lease commitments towards variable rent as per the contract.

### iii. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

## iv Lease liabilities are presented in the consolidated statement of financial position as follows:

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Non current	7,348.42	8,222.43
Current	1,930.68	1,987.21
<b>Total</b>	<b>9,279.10</b>	<b>10,209.64</b>



**v Future minimum lease payments are as follows:**

₹ Million

Particulars	As on March 31, 2021			As on March 31, 2020		
	Lease payments	Finance charges	Net present value	Lease payments	Finance charges	Net present value
Minimum lease payments due						
Within 1 year	2,374.94	(444.26)	1,930.68	2,478.60	(491.39)	1,987.21
1-2 years	2,022.84	(373.51)	1,649.33	2,117.38	(396.09)	1,721.29
2-3 years	1,558.75	(313.43)	1,245.32	1,758.07	(350.87)	1,407.20
3-4 years	1,219.43	(260.72)	958.71	1,319.37	(295.31)	1,024.06
4-5 years	988.17	(213.63)	774.54	1,016.34	(247.21)	769.13
After 5 years	3,118.15	(397.63)	2,720.52	3,876.46	(575.71)	3,300.75
<b>Total</b>	<b>11,282.28</b>	<b>(2,003.18)</b>	<b>9,279.10</b>	<b>12,566.22</b>	<b>(2,356.58)</b>	<b>10,209.64</b>

**vi Lease payments not recognised as a liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

₹ Million

Particulars	As on March 31, 2021	As on March 31, 2020
Short term leases	8.35	47.93
Leases of low value assets	36.65	53.55
Variable lease payments	68.39	140.69
<b>Total</b>	<b>113.39</b>	<b>242.17</b>

**vii Additional information on the right-of-use assets by class of assets is as follows:**

₹ Million

Particulars	Buildings	Plant & equipments	Vehicles	Others	Total
<b>Gross Carrying Value</b>					
As on April 01, 2020	11,471.89	596.90	579.17	13.11	12,661.07
Additions	1,123.84	0.72	129.57	-	1,254.13
Disposals	611.63	82.99	104.30	-	798.92
Effect of foreign currency translation	130.52	15.01	24.15	0.46	170.14
As on March 31, 2021	<b>12,114.62</b>	<b>529.64</b>	<b>628.59</b>	<b>13.57</b>	<b>13,286.42</b>
<b>Accumulated depreciation</b>					
As on April 01, 2020	2,058.53	179.01	195.94	4.56	2,438.04
Additions	1,996.27	171.35	209.93	6.66	2,384.21
Eliminated on disposal	487.29	82.99	104.30	-	674.58
Effect of foreign currency translation	22.11	4.21	6.99	0.10	33.41
As on March 31, 2021	<b>3,589.62</b>	<b>271.58</b>	<b>308.56</b>	<b>11.32</b>	<b>4,181.08</b>
<b>Net Carrying Value</b>					
As on March 31, 2021	<b>8,525.00</b>	<b>258.06</b>	<b>320.03</b>	<b>2.25</b>	<b>9,105.34</b>

₹ Million

Particulars	Buildings	Plant & equipments	Vehicles	Others	Total
<b>Gross Carrying Value</b>					
As on April 01, 2019	-	-	-	-	-
Additions	11,259.31	569.88	544.85	12.24	12,386.28
Disposals	70.13	-	-	-	70.13
Effect of foreign currency translation	282.71	27.02	34.32	0.87	344.92
As on March 31, 2020	<b>11,471.89</b>	<b>596.90</b>	<b>579.17</b>	<b>13.11</b>	<b>12,661.07</b>
<b>Accumulated depreciation</b>					
As on April 01, 2019	-	-	-	-	-
Additions	2,008.35	173.21	185.77	4.32	2,371.65
Eliminated on disposal	-	-	-	-	-
Effect of foreign currency translation	50.18	5.80	10.17	0.24	66.39
As on March 31, 2020	<b>2,058.53</b>	<b>179.01</b>	<b>195.94</b>	<b>4.56</b>	<b>2,438.04</b>
<b>Net Carrying Value</b>					
As on March 31, 2020	<b>9,413.36</b>	<b>417.89</b>	<b>383.23</b>	<b>8.55</b>	<b>10,223.03</b>

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the consolidated statement of profit and loss.

**viii The following are the amounts recognised in the consolidated statement of profit and loss**

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	2,384.21	2,371.65
Interest expense on lease liabilities	505.77	555.28
COVID 19 related rent concessions	(15.72)	-
Interest income on fair value of security deposit	(28.66)	(28.73)
Expense relating to short-term leases/ leases of low value assets/ variable lease payments (included in other expenses)	113.39	242.17
<b>Total</b>	<b>2,958.99</b>	<b>3,140.37</b>

ix Total cash outflow pertaining to leases during the year ended March 31, 2021 is ₹ **2,649.42 Million** (₹ 2,595.62 Million).

x As on March 31, 2021, the Group has committed short term leases and total commitment at that date is ₹ **68.69 Million** (₹ 139.70 Million).

**8 PROVISIONS - NON-CURRENT / CURRENT**
**i) Changes in non-current provisions is as below:**

Particulars	₹ Million		
	Provision for sales related obligations *	Provision for constructive liability **	Provision for jubilee benefits #
<b>As on March 31, 2019</b>	<b>329.53</b>	<b>286.35</b>	<b>183.21</b>
Addition during the year	-	18.05	2.52
Utilisation / reversal during the year	(10.50)	(13.24)	(17.12)
Foreign exchange translation impact	-	(12.86)	12.17
<b>As on March 31, 2020</b>	<b>319.03</b>	<b>278.30</b>	<b>180.78</b>
Addition during the year	-	4.32	211.40
Utilisation / reversal during the year	(5.40)	(16.93)	(270.15)
Foreign exchange translation impact	-	15.49	6.39
<b>As on March 31, 2021</b>	<b>313.63</b>	<b>281.18</b>	<b>128.42</b>

\* Represents estimates for payments to be made in future for sales related obligations (including warranties).

\*\* Includes post-employment benefit obligation for the employees of related party engaged by the company at its Kalamessary plant taken on lease and provision on account of post employment medical benefit obligation of ex-employees in case of Apollo Tyres Africa (Pty) Ltd.

# There is a jubilee scheme in place for employees of few subsidiaries wherein benefits are paid to the employees when they reach an employment period of 12.5, 25 or 40 years.

**ii) Changes in current provisions is as below:**

Particulars	₹ Million				
	Provision for compensated absences	Provision for sales related obligations *	Provision for constructive liability	Provision for contingencies	Provision for superannuation
<b>As on March 31, 2019</b>	<b>246.09</b>	<b>1,770.70</b>	<b>50.42</b>	<b>425.00</b>	<b>25.00</b>
Addition during the year	230.32	3,043.22	51.99	-	103.69
Utilisation / reversal during the year	(208.59)	(2,904.62)	(50.42)	-	(100.67)
Foreign exchange translation impact	1.74	60.23	-	-	-
<b>As on March 31, 2020</b>	<b>269.56</b>	<b>1,969.53</b>	<b>51.99</b>	<b>425.00</b>	<b>28.02</b>
Addition during the year	236.18	3,353.28	53.93	-	117.83
Utilisation / reversal during the year	(227.02)	(3,339.67)	(51.99)	-	(114.48)
Foreign exchange translation impact	2.07	26.48	-	-	-
<b>As on March 31, 2021</b>	<b>280.79</b>	<b>2,009.62</b>	<b>53.93</b>	<b>425.00</b>	<b>31.37</b>

\* Represents estimates for payments to be made in future for sales related obligations (including warranties).

## 9 INCOME TAXES

### i) Reconciliation between average effective tax rate and applicable tax rate

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ Million	Rate (%)	₹ Million	Rate (%)
Profit before tax	5,612.16		5,434.37	
Income tax using the Company's domestic tax rate	1,961.11	34.94	1,898.77	34.94
<b>Tax effect of</b>				
Effect of different tax rates in foreign jurisdictions	220.14	3.92	(208.85)	(3.84)
Change in tax rates in foreign jurisdictions	306.79	5.47	196.37	3.61
Non deductible expenses	253.95	4.52	422.05	7.77
Tax exempt income	(556.64)	(9.92)	(608.07)	(11.19)
Tax incentives and concessions	(56.61)	(1.01)	(1,167.57)	(21.47)
Others	(18.71)	(0.33)	137.72	2.53
<b>Income tax expense recognised in the consolidated statement of profit and loss</b>	<b>2,110.03</b>	<b>37.59</b>	<b>670.42</b>	<b>12.35</b>

### ii) Components of deferred tax liability (net)

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>Tax effect of items constituting deferred tax liabilities</b>		
Depreciation and amortisation	15,953.87	13,280.26
Employee benefits	50.97	26.62
Others	778.65	676.48
<b>Gross deferred tax liability (a)</b>	<b>16,783.49</b>	<b>13,983.36</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Carry forward tax losses	661.68	1,761.13
Employee benefits	331.87	303.11
Provisions for doubtful debt / advances	141.89	141.89
Minimum alternate tax entitlement	5,084.54	3,179.33
Others	1,354.74	1,121.01
<b>Gross deferred tax asset (b)</b>	<b>7,574.72</b>	<b>6,506.47</b>
<b>Deferred tax liability (net) (a - b)</b>	<b>9,208.77</b>	<b>7,476.89</b>

### iii) Components of deferred tax asset (net)

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>Tax effect of items constituting deferred tax assets</b>		
Employee benefits	168.19	166.60
Carry forward tax losses	1,733.25	191.36
Others	287.18	87.06
<b>Deferred tax asset (net)</b>	<b>2,188.62</b>	<b>445.02</b>

One of the subsidiary company has net carry forward losses on which deferred tax asset has not been recognised amounting to ₹ 208.73 Million as on March 31, 2021 (₹ 196.91 Million as on March 31, 2020) which has a 15-20 year carry forward period.

#### iv) Components of deferred tax expense

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Tax effect of items constituting deferred tax liabilities</b>		
Depreciation and amortisation	2,534.36	1,974.06
Others	66.40	199.58
<b>Sub-total (a)</b>	<b>2,600.76</b>	<b>2,173.64</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Employee benefits	65.66	10.66
Carry forward tax losses	416.45	1,610.79
Minimum alternate tax entitlement	1,905.21	1,026.56
Others	350.88	129.26
<b>Sub-total (b)</b>	<b>2,738.20</b>	<b>2,777.27</b>
<b>Total (a - b)</b>	<b>(137.44)</b>	<b>(603.63)</b>

#### v) The movement in net deferred tax liability is as follows:

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Net deferred tax liability at the beginning of the year	7,031.87	7,706.77
Deferred tax expense / (income) recognised in the consolidated statement of profit and loss	(137.44)	(603.63)
Deferred tax expense / (income) recognised in other comprehensive income	64.49	(194.62)
Foreign exchange translation impact	61.23	123.35
<b>Net deferred tax liability at the end of the year</b>	<b>7,020.15</b>	<b>7,031.87</b>

vi) Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for the year ended March 31, 2021 and March 31, 2020.

Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax.

vii) The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the business plans and budgets for the Company / subsidiary companies.

## 10 GOVERNMENT GRANTS

### a) Investment promotion subsidy

The Government of Tamil Nadu (GoTN) has sanctioned a structured package of assistance to the Company for setting up / expansion of their project in the state of Tamil Nadu, pursuant to which a Memorandum of Understanding (MoU) executed between GoTN and the Company. The Company is entitled, inter alia, for refund of an amount equal to Net Output (VAT + CST) / SGST paid by the

Company to GoTN in the form of Investment Promotion Subsidy (referred to as Phase I). As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of ₹ **1,606.97 Million** (₹ 87.15 Million) as other operating income, being the eligible amount of refund of Net Output (VAT + CST) / SGST paid by the Company to GoTN.

In addition to above, the Company is entitled, for refund of an amount equal to 1% of the capital investment for a period of 12 years to be payable in equal annual instalments in the form of Investment Promotion Capital Subsidy (referred to as Phase II). Accordingly, the Company has recognised grant receivable at its fair value, amounting to ₹ **1,811.72 Million** under non-current financial assets and ₹ **385.80 Million** under current financial assets. Deferred grant income amounting ₹ **1,763.44 Million** is recognised under other non-current liabilities and ₹ **135.65 Million** under other current liabilities. Deferred income will be recognised in the statement of profit or loss on a systematic basis over the useful life of the asset (15 years). During the year, the Company has recorded grant income amounting to ₹ **135.65 Million** (Nil) under Other Operating Income and accretion of grant recoverable as finance income amounting to ₹ **162.78 Million** (Nil) under Other income.

Also, the Government of Andhra Pradesh (GoAP) has sanctioned a structured package of assistance to the Company for setting up of their project in the state of Andhra Pradesh, pursuant to which a Memorandum of Understanding (MoU) executed between GoAP and the



Company. The Company is entitled, inter alia, for refund of an amount equal to Net SGST paid by the Company to GoAP in the form of Investment Promotion Subsidy. As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of ₹ **23.09 Million** (Nil) as other operating income, being the eligible amount of refund of Net SGST paid by the Company to GoAP.

**b) Export promotion capital goods**

The Company had imported Property, plant and equipment under the Export Promotion Capital Goods (EPCG) scheme wherein the Company is allowed to import capital goods including spares without payment of customs duty, subject to certain export obligations which should be fulfilled within specified time period. During the year, the custom duty benefit received amounts to ₹ **1,202.01 Million** (₹ 2,531.28 Million) with a corresponding increase in the value of property, plant and equipment and Capital Work in Progress. The grant amounting to ₹ **1,572.57 Million** (₹ 1,735.41 Million) where export obligations have been met, have been recognized in consolidated statement of profit and loss as other operating income. At the year end, the portion of grant for which the export obligation has not been met is retained in deferred revenue under other non current liabilities.

- c)** The Group has successfully completed its greenfield project in Gyöngyöshalász, Hungary through its subsidiary Apollo Tyres Hungary Kft (ATH Kft) for manufacturing of passenger car and commercial vehicle tyres. For this project, ATH Kft had entered into an agreement for grant with the Ministry of National Development, Government of Hungary on June 30, 2014. The Project start date for this investment was June 23, 2014 and the Investment completion date was December 31, 2019. ATH Kft has informed to the authority for project completion within original stipulated time. The plant is under production ramp up phase. This grant is subject to fulfillment of certain obligations by ATH Kft.

As ATH Kft has fulfilled its periodical obligations as per the incentive agreement, an amount of **Nil** (₹ 171.80 Million) has been received during the year, being the eligible amount of grant during the year. This amount has been accounted as deferred revenue (included in other non-current liabilities).

Out of the total grant, ₹ **203.77 Million** (₹ 166.58 Million) has been amortised during the year & recognized as income in consolidated statement of profit and loss. Amortisation of grant is based on relevant assets depreciation which have been subsidised. The un-amortized portion of grant has been retained in deferred revenue under other non-current liabilities.

## 11 EMPLOYEE BENEFIT LIABILITY

**i. Defined contribution plans**

**A. Indian operations**

- a. Superannuation plan:** The Company contributes a sum equivalent to 15% of the eligible employees' basic salary

to a superannuation fund administered and maintained by the Life Insurance Corporation of India (LIC). The Company has no liability for future superannuation fund benefits other than its annual contribution and recognizes such contributions as an expense in the year incurred. The amount of contribution paid by the Company to Superannuation Fund is ₹ **117.83 Million** (₹ 103.69 Million).

- b. Provident fund:** Contributions are made to the Company's employees' provident fund trust / regional provident fund in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contributions to the trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate and recognises such obligation as an expense.

The amount of contributions made by the Company to employees' provident fund trust / regional provident fund is ₹ **298.41 Million** (₹ 308.19 Million).

**B. Foreign operations**

Employees of Apollo Vredestein B.V. had participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the insurance company. Apollo Vredestein B.V. has no legal or constructive obligation to pay further contribution and the insurance service provider is responsible to hold sufficient assets to pay all employee benefits relating to employee service. Contributions that will not be settled within 12 months are discounted and recognized as liability.

The other foreign subsidiaries in the Group have contributed to various defined contribution plans as per the local laws of the respective countries.

The amount of contribution made by various foreign subsidiaries is ₹ **127.65 Million** (₹ 181.85 Million).

**ii. Defined benefit plans**

**A. Indian operations**

**Gratuity**

The Company operates a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company as per the Payments of Gratuity Act, 1972. The scheme is funded with LIC.

The following table summarizes the components of net benefit expense recognized in the consolidated statement of profit and loss and the funded status and amounts recognized in the consolidated balance sheet for the respective plan:





## Consolidated statement of profit and loss

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost <sup>^</sup>	363.11	360.25
Interest cost on benefit obligation <sup>*</sup>	102.99	88.92
Actual return on plan assets <sup>*</sup>	(98.73)	(77.31)
<b>Expense recognized in the consolidated statement of profit and loss</b>	<b>367.37</b>	<b>371.86</b>

<sup>^</sup> Included in employee benefit expense

<sup>\*</sup> Included in finance cost

## Other comprehensive income (experience adjustment)

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain) / loss for the year on defined benefit obligation	(71.35)	230.40
Actuarial (gain) / loss for the year on plan asset	1.67	15.00
<b>Total</b>	<b>(69.68)</b>	<b>245.40</b>

## Consolidated balance sheet

### Net asset / (liability) recognised in the consolidated balance sheet

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Fair value of plan assets at the end of the year (a)	2,002.44	1,946.22
Present value of defined benefit obligation at the end of the year (b)	2,083.91	1,746.95
<b>Net asset / (liability) recognized in the consolidated balance sheet (a - b)</b>	<b>(81.47)</b>	<b>199.27</b>

## Changes in the present value of the defined benefit obligation

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Present value of obligations as at the beginning of the year	1,746.95	1,162.30
Interest cost	102.99	88.92
Current service cost	363.11	360.25
Benefits paid	(57.79)	(94.92)
Actuarial loss / (gain) on obligation	(71.35)	230.40
<b>Present value of obligation as at the end of the year</b>	<b>2,083.91</b>	<b>1,746.95</b>

## Changes in the fair value of plan assets

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Fair value of plan assets as at the beginning of the year	1,946.22	1,206.66
Actual return on plan assets	98.73	77.31
Contributions	16.95	772.17
Benefits paid	(57.79)	(94.92)
Actuarial (loss) / gain on plan assets	(1.67)	(15.00)
<b>Fair value of plan assets as at the end of the year</b>	<b>2,002.44</b>	<b>1,946.22</b>

The Company's gratuity funds are managed by the LIC and therefore the composition of the fund assets is not presently ascertained.

#### Maturity profile of defined benefit obligation

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
0-1 year	191.51	179.02
1-2 year	62.76	63.86
2-3 year	68.88	62.70
3-4 year	87.11	65.81
4-5 year	86.43	70.90
More than 5 years	1,587.22	1,304.66
<b>Total</b>	<b>2,083.91</b>	<b>1,746.95</b>

#### Principal assumptions for gratuity

Particulars	₹ Million	
	As on March 31, 2021 Rate (%)	As on March 31, 2020 Rate (%)
a) Discount rate	6.91	6.88
b) Future salary increase*	6.00	6.00
c) Expected rate of return on plan assets	6.95	7.43
c) Retirement age (years)	58.00	58.00
d) Mortality table	IALM (2012-2014)	IALM (2012-2014)
e) Ages (withdrawal rate %)		
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors. Estimated amount of contribution in the immediate next year is ₹ 125.25 Million (₹ 123.32 Million).

#### Sensitivity analysis of the defined benefit obligation

₹ Million			
Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2021	2,083.91	2,083.91	2,083.91
Impact due to increase of 0.50%	(72.15)	78.66	(11.83)
Impact due to decrease of 0.50%	78.34	(73.07)	12.73
Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2020	1,746.95	1,746.95	1,746.95
Impact due to increase of 0.50%	(69.34)	75.62	(9.92)
Impact due to decrease of 0.50%	75.34	(70.21)	10.67

#### B. Foreign operations

The pension liability as recorded in the consolidated balance sheet relates to the defined benefit plan of Apollo Vredestein GmbH and Reifencom GmbH Hannover where the actuarial calculation was performed by certified actuarial firms.

##### 1 Apollo Vredestein GmbH

##### Principal assumptions

Particulars	₹ Million	
	As on March 31, 2021 Rate (%)	As on March 31, 2020 Rate (%)
Inflation	1.75	1.75
Indexation non-active members	1.75	1.75
Mortality table	Heubeck 2018G	Heubeck 2018G
Individual salary increase (dependent on age)	3.00	3.00
Discount rate	1.10	0.60



### Changes in the present value of the defined benefit obligation

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
<b>Defined benefit obligation</b>		
Present value of obligation as at the beginning of the year	899.02	671.48
Service cost	22.80	16.06
Interest cost	5.55	12.07
Benefits paid	(28.39)	(21.66)
Remeasurements due to experience	(9.70)	(7.74)
Remeasurements due to change in financial assumptions	(84.61)	171.87
	<b>804.67</b>	<b>842.08</b>
Foreign exchange translation impact	29.98	56.94
<b>Present value of obligation as at the end of the year</b>	<b>834.65</b>	<b>899.02</b>

### Net asset / (liability) recognised in the consolidated balance sheet

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Fair value of plan assets as at the end of the year (a)	-	-
Present value of defined benefit obligation as at the end of the year (b)	834.65	899.02
<b>Net asset / (liability) recognized in the consolidated balance sheet (a - b)</b>	<b>(834.65)</b>	<b>(899.02)</b>

### Sensitivity analysis

Particulars	Change in assumption	Change in defined benefit obligation	Change in assumption	Change in defined benefit obligation
	2020-21	2020-21	2019-20	2019-20
Discount rate	Increase by 1.00%	(16.25)%	Increase by 1.00%	(17.27)%
Salary increase	Increase by 0.50%	1.55%	Increase by 0.50%	1.69%
Inflation	Increase by 0.25%	3.29%	Increase by 0.25%	3.46%

### Maturity profile of defined benefit obligation

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
0-1 year	23.61	23.43
1-2 year	23.59	23.58
2-3 year	24.00	23.55
3-4 year	24.56	24.01
4-5 year	26.02	24.60
5-10 years	141.02	138.58
<b>Total</b>	<b>262.80</b>	<b>257.75</b>

## 2 Reifencom GmbH Hannover

### Principal assumptions

Particulars	₹ Million	
	As on March 31, 2021 Rate (%)	As on March 31, 2020 Rate (%)
Inflation	1.75	1.75
Mortality table	Heubeck 2018G	Heubeck 2018G
Retirement age (years)	65.00	65.00
Discount rate	1.10	0.60

## Changes in the present value of the defined benefit obligation

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Present value of obligation as at the beginning of the year	127.79	102.08
Service cost	0.44	0.31
Interest cost	0.80	1.86
Remeasurements due to experience	0.51	0.35
Remeasurements due to change in financial assumptions	(6.67)	15.00
	122.87	119.60
Foreign exchange translation impact	4.17	8.19
<b>Present value of obligation as at the end of the year</b>	<b>127.04</b>	<b>127.79</b>

## Changes in the fair value of plan assets

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Fair value of plan assets as at the beginning of the year	142.84	129.55
Actuarial gain on plan assets	3.64	1.61
Interest income	0.89	2.37
	147.37	133.53
Foreign exchange translation impact	4.57	9.31
<b>Fair value of plan assets as at the end of the year</b>	<b>151.94</b>	<b>142.84</b>

## Net asset / (liability) recognised in the consolidated balance sheet

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Fair value of plan assets as at the end of the year (a)	151.94	142.84
Present value of defined benefit obligation as at the end of the year (b)	127.04	127.79
<b>Net asset / (liability) recognized in the consolidated balance sheet (a - b)</b>	<b>24.90</b>	<b>15.05</b>

## Sensitivity analysis

Particulars	Change in assumption	Change in defined benefit obligation	Change in assumption	Change in defined benefit obligation
	2020-21	2020-21	2019-20	2019-20
Discount rate	Increase by 1.0%	(9.50)%	Increase by 1.0%	(10.45)%
Discount rate	Decrease by 1.0%	10.74%	Decrease by 1.0%	11.93%
Inflation	Increase by 0.25%	0.22%	Increase by 0.25%	0.23%
Inflation	Decrease by 0.25%	(0.21)%	Decrease by 0.25%	(0.22)%

## Maturity profile of defined benefit obligation

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
0-1 year	0.20	0.17
1-2 year	0.22	0.19
2-3 year	0.24	0.21
3-4 year	0.26	0.23
4-5 year	0.29	0.25
More than 5 years	125.83	126.74
<b>Total</b>	<b>127.04</b>	<b>127.79</b>

### iii Other long term employee benefits

#### Long term compensated absences

##### Principal assumptions for long term compensated absences

Particulars	As on March 31, 2021 Rate (%)	As on March 31, 2020 Rate (%)
a) Discount rate	6.91	6.88
b) Future salary increase*	6.00	6.00
c) Retirement age (years)	58.00	58.00
d) Mortality table	IALM (2012-2014)	IALM (2012-2014)
e) Ages (withdrawal rate %)		
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

## 12 FINANCIAL INSTRUMENTS

### A) Capital risk management

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity shareholders which comprises issued share capital (including premium) and accumulated reserves disclosed in the consolidated statement of changes in equity.

The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's policy is to keep an optimum gearing ratio. The Group includes within debt, interest bearing loans and borrowings.

Particulars	As on March 31, 2021	As on March 31, 2020
Borrowings (refer note B14 and B18)	51,115.26	65,798.85
Current maturities of non current borrowings (refer note B20)	13,221.75	1,840.05
<b>Sub-total (a)</b>	<b>64,337.01</b>	<b>67,638.90</b>
Equity (refer note B13)	635.10	572.05
Other equity	113,796.21	98,728.09
<b>Sub-total (b)</b>	<b>114,431.31</b>	<b>99,300.14</b>
<b>Capital gearing ratio (a) / (b)</b>	<b>0.56</b>	<b>0.68</b>

### B) Financial risk management

#### a) Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and changes in interest rates. The Group enters into a variety of derivative financial instrument to manage its exposure to foreign currency and interest rates. There have been no major changes to the Group's exposure to market risk or the manner in which it manages and measures the risk in recent past.

#### i) Currency risk

The Group's exposure arises mainly on import (of raw material and capital items) and export (of finished goods). Wherever possible, the Group follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Group, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Derivative counter parties are limited to high credit quality financial institutions. The local management continuously monitors the entity's exposure to foreign currency risk as well as its use of derivative instruments as per the risk management policy of the respective entity.



## Currency wise net exposure of the Group

Currency	₹ Million					
	As on March 31, 2021	Sensitivity +1%	Sensitivity -1%	As on March 31, 2020	Sensitivity +1%	Sensitivity -1%
USD	(12,963.53)	(129.64)	129.64	(11,591.03)	(115.91)	115.91
EURO	(415.71)	(4.16)	4.16	(1,908.32)	(19.08)	19.08
GBP	(70.19)	(0.70)	0.70	(44.53)	(0.45)	0.45
Others	934.99	9.35	(9.35)	314.86	3.15	(3.15)

## ii) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The use of interest rate swaps are also entered into, especially to hedge the floating rate borrowings or to convert the foreign currency floating interest rates to the domestic currency floating interest rates.

Interest on variable rate borrowings in the Company are converted at fixed rate since the company has hedged interest rate risk fully and effectively with the hedging instruments.

The table below presents the impact on profit before tax for variable rate borrowings taken by subsidiary companies assuming a market interest rate shift of 0.25%:

## Sensitivity analysis

Particulars	₹ Million					
	As on March 31, 2021	Sensitivity +0.25%	Sensitivity -0.25%	As on March 31, 2020	Sensitivity +0.25%	Sensitivity -0.25%
Non-current borrowings (including current maturities)	12,613.04	(31.53)	31.53	14,544.43	(36.36)	36.36
Current borrowings	1,221.41	(3.05)	3.05	2,080.31	(5.20)	5.20

## b) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. All entities in the Group have their approved commercial policy based on which the credit risk is managed. The Group has adopted a policy of only dealing with creditworthy customers.

Trade receivables comprise a widespread customer base and each entity undertakes on going credit evaluations of the financial condition of its customers, which may be based on the information supplied by the credit rating agencies, publicly available financial information and its own trading records and trends. In many cases, an appropriate advance is taken from the customer. In other cases, the entities use various methods to limit the credit risk viz. credit insurance, bank guarantee, post dated cheques etc.

At the year end, the Group did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

## c) Price risk

One of the subsidiary in the Group has executed commodity future contracts which are transacted in standardised amounts on regulated exchanges. The derivative financial instrument are measured at fair value through profit and loss and classified under Level 1 of the fair value measurement hierarchy.

## d) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities for each entity. The Group has established an appropriate liquidity risk management framework for each entity's short term, medium term and long term funding requirement.



## The below tables summarise the maturity profile of the Group's financial assets and financial liabilities

### i) Non derivative financial assets

Particulars	As on March 31, 2021			As on March 31, 2020		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
	₹ Million			₹ Million		
Non-interest bearing	26,861.20	1,288.53	1,719.90	17,109.43	687.29	437.95
Fixed interest rate instruments	12,507.42	-	-	811.81	-	-

### ii) Non derivative financial liabilities

Particulars	As on March 31, 2021			As on March 31, 2020		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
	₹ Million			₹ Million		
Non-interest bearing	38,721.07	-	-	32,075.44	-	-
Lease liability	1,930.68	4,627.90	2,720.52	1,987.21	4,921.68	3,300.75
Variable interest rate instruments	10,527.80	21,878.07	6,445.69	5,696.93	25,616.96	9,068.56
Fixed interest rate instruments	7,258.47	13,573.67	6,184.40	11,212.75	14,536.83	2,256.49

### iii) Derivative assets / (liabilities)

Particulars	As on March 31, 2021			As on March 31, 2020		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
	₹ Million			₹ Million		
<b>Net settled:</b>						
- commodity future contract	-	-	-	3.28	-	-
- commodity future contract	(6.26)	-	-	(39.78)	-	-
- foreign currency forward contracts, futures and options	(16.74)	(30.72)	-	(1.58)	(26.59)	-
- foreign currency forward contracts, futures and options	40.55	3.47	-	53.25	76.82	-
<b>Gross settled:</b>						
- cross currency interest rate swaps	-	972.14	-	-	1,423.51	-
<b>Total</b>	<b>17.55</b>	<b>944.89</b>	<b>-</b>	<b>15.17</b>	<b>1,473.74</b>	<b>-</b>

### e) The below tables summarise the fair value of the financial asset / (liabilities):

#### i) Fair value of derivative instruments carried at fair value

Particulars	As on		
	March 31, 2021	March 31, 2020	Fair value hierarchy (Level 1, 2 or 3) *
<b>Derivative financial assets (a)</b>			
- Foreign currency forward contracts, futures and options	44.02	130.07	2
- Cross currency interest rate swaps	972.14	1,423.51	2
- Commodity future contract	-	3.28	1
<b>Total</b>	<b>1,016.16</b>	<b>1,556.86</b>	
<b>Derivative financial liabilities (b)</b>			
- Foreign currency forward contracts, futures and options	47.46	28.17	2
- Commodity future contract	6.26	39.78	1
<b>Total</b>	<b>53.72</b>	<b>67.95</b>	
<b>Net derivative financial assets / (liabilities) (a- b)</b>	<b>962.44</b>	<b>1,488.91</b>	

## ii) Fair value of financial assets (other than derivative instruments) carried at fair value:

Particulars	₹ Million		
	As on March 31, 2021	As on March 31, 2020	Fair value hierarchy (Level 1, 2 or 3) *
<b>Financial assets</b>			
- Non current investments - quoted	1.20	0.42	1
- Non current investments - unquoted	147.82	147.58	3
- Current investments - quoted	900.68	-	1
<b>Total</b>	<b>1,049.70</b>	<b>148.00</b>	

## iii) Fair value of financial assets / liabilities (other than investment in joint venture and associates) that are not measured at fair value

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the consolidated balance sheet approximates their fair value.

\* Level 1 - Quoted price in an active market.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

## f) Details of outstanding contracts

Currency pair	Currency	Currency value (Million)	Average exchange rate	Nominal value (Million)	Buy / Sell
<b>As on March 31, 2021</b>					
<b>Foreign currency forward contracts</b>					
USD / INR	US Dollar	32.18	73.12	2,352.77	Buy
USD / THB	US Dollar	6.00	31.25	187.47	Buy
USD / ZAR	US Dollar	1.13	14.77	16.62	Buy
EUR / INR	Euro	21.06	85.83	1,807.77	Buy
EUR / GBP	British Pound	0.80	1.17	0.94	Sell
EUR / SEK	Swedish krona	25.25	0.10	2.46	Sell
EUR / PLN	Polish zloty	12.50	0.22	2.69	Sell
<b>Futures and options</b>					
USD / INR	US Dollar	39.00	73.12	2,851.49	Buy
<b>Cross currency interest rate swaps</b>					
USD / INR	US Dollar	160.13	73.12	11,707.90	Buy
Commodity future contract	US Dollar	1.31	73.12	95.69	Buy / Sell
<b>As on March 31, 2020</b>					
<b>Foreign currency forward contracts</b>					
USD / INR	US Dollar	25.81	75.58	1,950.65	Buy
USD / THB	US Dollar	6.00	32.84	197.03	Buy
USD / ZAR	US Dollar	2.25	17.89	40.26	Buy
EUR / INR	Euro	30.99	83.14	2,576.16	Buy
EUR / GBP	British Pound	1.00	1.13	1.13	Sell
<b>Futures and options</b>					
USD / INR	US dollar	19.00	75.58	1,436.02	Buy
<b>Cross currency interest rate swaps</b>					
USD / INR	US dollar	168.94	75.58	12,768.39	Buy
Commodity future contract	US dollar	2.10	75.58	158.42	Buy / Sell

# For fair value of outstanding contracts, refer note C12 (e)(i).



## g) Impact of hedging activities

### (1) Disclosures of effects of hedge accounting on consolidated balance sheet:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
<b>As on March 31, 2021</b>								
<b>Cash flow hedge</b>								
<b>Foreign exchange and interest rate risk</b>								
(i) Cross Currency Swaps								
USD / INR	USD 160.13	972.14	-	April-2022 to September-2024	1:1	63.95 to 68.60	(987.35)	987.35
<b>Fair value hedge</b>								
<b>Foreign exchange risk</b>								
Foreign currency forward contracts								
EUR / INR	EUR 21.06	0.54	(30.72)	April-2021 to May-2021	1:1	86.36 to 89.16	(30.18)	30.18
USD / INR	USD 16.18	2.93	-	Apr-21	1:1	73.15 to 73.17	2.93	(2.93)

(Carrying value of firm commitments for capital assets is ₹ 27.25 million and is recognised in other non-current assets as others)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
<b>As on March 31, 2020</b>								
<b>Cash flow hedge</b>								
<b>Foreign exchange and interest rate risk</b>								
(i) Cross currency swaps								
USD / INR	USD 168.94	1,423.51	-	April-2022 to September-2024	1:1	69.17 to 75.24	496.04	(496.04)
<b>Fair flow hedge</b>								
<b>Foreign exchange risk</b>								
(i) Foreign currency forward contracts								
EUR / INR	EUR 30.99	37.26	(26.59)	April-2020 to June-2020	1:1	82.20 to 88.90	10.67	(10.67)
USD / INR	USD 20.56	39.56	-	April-2020 to June-2020	1:1	72.25 to 75.04	39.56	(39.56)

[Carrying value of firm commitments for capital assets is ₹ 50.22 million and is recognised in other non-current liabilities as others]

## (2) Disclosure of effects of hedge accounting on consolidated statement of profit and loss

₹ Million

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
<b>For the year ended March 31, 2021</b>				
<b>Cash flow hedge</b>				
Foreign exchange and interest rate risk	(987.35)	-	(603.49)	Finance Cost
			(409.37)	Gain on foreign currency transactions and translations

₹ Million

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
<b>For the year ended March 31, 2020</b>				
<b>Cash flow hedge</b>				
Foreign exchange and interest rate risk	496.04	-	(429.43)	Finance Cost
			1,089.18	Gain on foreign currency transactions and translations
<b>Fair value hedge</b>				
Foreign exchange risk	-	0.63	-	Gain on foreign currency transactions and translations

## (3) Movement in cash flow hedging reserve

₹ Million

Particulars	Foreign currency and interest rate risk
<b>Cash flow hedge reserve</b>	
<b>Balance as on April 01, 2019</b>	<b>(7.41)</b>
Add: Changes in fair value of cross currency swaps	496.04
Less: Amount reclassified to consolidated statement of profit and loss	(659.75)
Less: Deferred tax relating to above (net)	57.21
<b>Balance as on March 31, 2020</b>	<b>(113.91)</b>
Add: Changes in fair value of cross currency swaps	(987.35)
Less: Amount reclassified to consolidated statement of profit and loss	1,012.86
Less: Deferred tax relating to above (net)	(8.91)
<b>Balance as on March 31, 2021</b>	<b>(97.31)</b>

## 13 STATUTORY AUDITOR'S REMUNERATION

₹ Million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
For audit and quarterly reviews	75.12	61.18
For taxation matters	0.79	1.00
For other services	2.97	4.79
<b>Total</b>	<b>78.88</b>	<b>66.97</b>



## 14 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) Revenue expenditure</b>		
Materials	148.38	175.50
Employee benefits expense	1,449.12	1,264.27
Travelling, conveyance and vehicle	50.52	153.58
Others	707.60	920.78
<b>Total</b>	<b>2,355.62</b>	<b>2,514.13</b>
<b>(B) Capital expenditure</b>	893.28	1,368.11
<b>Total (A + B)</b>	<b>3,248.90</b>	<b>3,882.24</b>

## 15 CONTINGENT LIABILITIES

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Sales tax	118.36	417.30
Income tax #	1,470.70	708.90
Claims against the Group not acknowledged as debt		
- Employee related	170.08	172.88
- Others	28.60	29.30
Excise duty and service tax *	641.70	626.23

# Excludes amount of ₹ 1,039.46 Million (₹ 1,039.46 Million) in appeals which have been decided by Appellate authorities in the Company's favour but on which the department has gone for further appeal, which in the opinion of the Company, is not sustainable and the probability of cash outflow is considered remote.

\* Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities. In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

## 16 CAPITAL COMMITMENTS

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,972.51	19,981.97

17 The Company conducts international transactions with associated enterprises. For the current year, the management maintained necessary documents as prescribed by the Income Tax Act, 1961 to establish that these international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

## 18 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	₹ Million	
	As on March 31, 2021	As on March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	815.31	247.45
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	10.58	10.58
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	10.58	10.58
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	10.58	10.58

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**19 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a CSR committee. The details for CSR activities are as follows:

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
i) Gross amount required to be spent by the Company during the year	153.19	183.70
ii) Amount spent during the year on the following:		
(a) Construction / acquisition of any asset	-	-
(b) On purposes other than (a) above	129.91	183.70
iii) Amount unspent during the year and deposited in a scheduled bank	23.28	-
<b>Total</b>	<b>153.19</b>	<b>183.70</b>

**20 FOLLOWING SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES HAVE BEEN CONSIDERED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS:**

S.no.	Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power either directly or indirectly through subsidiary		Remarks
					As on March 31, 2021	As on March 31, 2020	
1	Apollo Tyres Centre of Excellence Limited	Subsidiary	India	Apollo Tyres Ltd.	100%	-	Note (a)
2	Apollo Tyres (Greenfield) B.V.	Subsidiary	Netherlands	Apollo Tyres Ltd.	100%	100%	
3	Apollo Tyres Cooperatief U.A. (Apollo Coop)	Subsidiary	Netherlands	Apollo Tyres Ltd. and Apollo Tyres (Greenfield) B.V.	100%	100%	
4	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	Subsidiary	South Africa	Apollo Coop	100%	100%	
5	Apollo Tyres Africa (Pty) Ltd	Subsidiary	South Africa	ASHPL	100%	100%	
6	Apollo Tyres (Thailand) Limited	Subsidiary	Thailand	Apollo Coop	100%	100%	
7	Apollo Tyres (Middle East) FZE	Subsidiary	Dubai	Apollo Coop	100%	100%	
8	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	Subsidiary	Singapore	Apollo Coop	100%	100%	
9	ATL Singapore Pte Ltd.	Subsidiary	Singapore	ATHS	100%	100%	
10	Apollo Tyres (Malaysia) SDN BHD	Subsidiary	Malaysia	ATHS	100%	100%	
11	Apollo Tyres (UK) Pvt Ltd (ATUK)	Subsidiary	United Kingdom	Apollo Coop	100%	100%	
12	Apollo Tyres (London) Pvt Ltd	Subsidiary	United Kingdom	ATUK	100%	100%	
13	Apollo Tyres Global R&D B.V.	Subsidiary	Netherlands	Apollo Coop	100%	100%	
14	Apollo Tyres (Germany) GmbH	Subsidiary	Germany	Apollo Coop	100%	100%	
15	Apollo Tyres AG	Subsidiary	Switzerland	Apollo Coop	100%	100%	
16	Apollo Tyres Do (Brasil) Ltda	Subsidiary	Brazil	Apollo Coop and ATBV	100%	100%	
17	Apollo Tyres B.V. (ATBV)	Subsidiary	Netherlands	Apollo Coop	100%	100%	
18	Apollo Tyres (Hungary) Kft. (ATH Kft)	Subsidiary	Hungary	ATBV	100%	100%	
19	Apollo Vredestein B.V. (AVBV)	Subsidiary	Netherlands	ATBV	100%	100%	
20	Apollo Vredestein GmbH (AV GmbH)	Subsidiary	Germany	AVBV	100%	100%	
21	Apollo Vredestein Nordic A.B.	Subsidiary	Sweden	AVBV	100%	100%	



S.no.	Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power either directly or indirectly through subsidiary		Remarks
					As on March 31, 2021	As on March 31, 2020	
22	Apollo Vredestein (UK) Limited	Subsidiary	United Kingdom	AVBV and Finlo B.V.	100%	100%	
23	Apollo Vredestein France SAS	Subsidiary	France	AVBV and Finlo B.V.	100%	100%	
24	Apollo Vredestein Belux	Subsidiary	Belgium	AVBV and Finlo B.V.	100%	100%	
25	Apollo Vredestein Gesellschaft m.b.H.	Subsidiary	Austria	AVBV	100%	100%	
26	Apollo Vredestein Schweiz AG	Subsidiary	Switzerland	AVBV	100%	100%	
27	Apollo Vredestein Iberica SAU	Subsidiary	Spain	AVBV	100%	100%	
28	Apollo Vredestein Tires Inc.	Subsidiary	USA	Apollo Coop	100%	100%	
29	Apollo Vredestein Kft (AV Kft)	Subsidiary	Hungary	AVBV	100%	100%	
30	S.C. Vredestein R.O. Srl	Subsidiary	Romania	AV Kft	-	-	Note (c)
31	Apollo Vredestein Opony Polska Sp. Z.o.o.	Subsidiary	Poland	AVBV and AV GmbH	100%	100%	
32	Vredestein Consulting B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
33	Finlo B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
34	Vredestein Marketing B.V.	Subsidiary	Netherlands	AVBV	-	100%	Note (b)
35	Reifencom GmbH, Hannover	Subsidiary	Germany	Apollo Coop	100%	100%	
36	Reifencom Tyre (Qingdao) Co., Ltd.	Subsidiary	China	Reifencom GmbH, Hannover	100%	100%	
37	Saturn F1 Pvt Ltd	Subsidiary	United Kingdom	Apollo Coop	100%	100%	
38	Rubber Research LLC	Subsidiary	USA	Apollo Coop	-	-	Note (c)
39	Pan Aridus LLC	Joint Venture	USA	ATHS	50.00%	50.00%	Note (d)
40	Pressurerite (Pty) Limited	Associate	South Africa	ASHPL	-	-	Note (e)
41	KT Telematic Solutions Private Limited	Associate	India	Apollo Tyres Ltd.	25.00%	25.00%	Note (f)

#### Notes

- a) Incorporated during the year.
- b) Liquidated during the year.
- c) Liquidated during the previous year.
- d) The investment in Pan Aridus LLC, has been fully impaired in the prior years and the Group discontinued recognizing further losses in accordance with Ind AS 28 *Investments in Associates and Joint Ventures*. The Group does not have any further obligations to satisfy with regard to this joint venture.
- e) The investment in Pressurerite (Pty) Ltd, an associate of ASHPL, has been fully impaired in the prior years and the Group discontinued recognizing further losses in accordance with Ind AS 28 *Investments in Associates and Joint Ventures*. The Group does not have any further obligations to satisfy with regard to this associate.
- Apollo (South Africa) Holdings (Pty) Ltd has executed a sale of shares agreement with Tacoma Foods (Pty) Ltd to sell its entire stake in Pressurerite (Pty) Limited effective from May 31, 2019. Pressurerite (Pty) Limited was not an associate of Apollo (South Africa) Holdings (Pty) Ltd as on March 31, 2020.
- f) As on March 31, 2021, the Company has invested ₹ 45.01 million in the said associate.

## 21 DISCLOSURE OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES

### i) Name of the related parties

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Companies in which directors are interested</b>	Apollo International Limited Apollo International Trading LLC, Middle East Apollo International FZC Landmark Farms & Housing Pvt. Ltd. Sunlife Tradelinks (P) Ltd. Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.) PTL Enterprises Ltd. Artemis Medicare Services Ltd. Shardul Amarchand Mangaldas & Co. Regent Properties Milers Global Pvt. Ltd.	Apollo International Limited Apollo International Trading LLC, Middle East Apollo International FZC Landmark Farms & Housing Pvt. Ltd. Sunlife Tradelinks (P) Ltd. Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.) PTL Enterprises Ltd. Artemis Medicare Services Ltd. Shardul Amarchand Mangaldas & Co. Regent Properties Milers Global Pvt. Ltd.
<b>Associates</b>	N.A.	Pressurite (Pty) Ltd.
<b>Joint venture</b>	KT Telematic Solutions Private Limited	KT Telematic Solutions Private Limited
<b>Key management personnel</b>	Pan Aridus LLC Mr. Onkar Kanwar Mr. Neeraj Kanwar Mr. Satish Sharma Mr. Akshay Chudasama Gen. Bikram Singh (Retd.) Mr. Francesco Gori N.A. Ms. Pallavi Shroff Mr. Robert Steinmetz Mr. Sunam Sarkar N.A. Mr. Vikram S. Mehta Mr. Vinod Rai Ms. Anjali Bansal Mr Francesco Cripino* Mr Vishal Kashyap Mahadevia*	Pan Aridus LLC Mr. Onkar Kanwar Mr. Neeraj Kanwar Mr. Satish Sharma Mr. Akshay Chudasama Gen. Bikram Singh (Retd.) Mr. Francesco Gori Mr. Nimesh N. Kampani ** Ms. Pallavi Shroff Mr. Robert Steinmetz Mr. Sunam Sarkar Dr. S. Narayan ** Mr. Vikram S. Mehta Mr. Vinod Rai Ms. Anjali Bansal N.A. N.A.

**Note:** Related parties and their relationships are as identified by the management and relied upon by the auditors. All transactions are conducted in the ordinary course of business and at arm's length.

\* Appointed during the year

\*\* Ceased to be director during the previous year

### ii) Transactions and balances with related parties

#### a) Companies in which directors are interested

Particulars	₹ Million	
	FY 2020-21	FY 2019-20
<b>Description of transactions:</b>		
<b>Sales: finished goods</b>		
Apollo International Trading LLC, Middle East	-	2.94
Apollo International Limited	-	13.39
Apollo International FZC	378.02	660.04
	<b>378.02</b>	<b>676.37</b>
<b>Sales: raw materials</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	<b>404.53</b>	<b>390.72</b>
<b>Cross charge of management &amp; other expenses received:</b>		
PTL Enterprises Ltd.	0.85	0.85
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	1.69	1.69
Artemis Medicare Services Ltd.	0.60	-



Particulars	₹ Million	
	FY 2020-21	FY 2019-20
	<b>3.14</b>	<b>2.54</b>
<b>Rent received:</b>		
PTL Enterprises Ltd.	0.39	0.39
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	1.06	1.06
	<b>1.45</b>	<b>1.45</b>
<b>Reimbursement of expenses received:</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	<b>10.61</b>	<b>10.04</b>
<b>Freight &amp; Insurance recovered:</b>		
Apollo International FZC	-	<b>0.04</b>
<b>Purchases of stock in trade</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	<b>2,946.00</b>	<b>3,171.61</b>
<b>Purchase of assets:</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	1,344.05	1,326.08
Artemis Medicare Services Ltd.	-	59.63
	<b>1,344.05</b>	<b>1,385.71</b>
<b>Legal and professional charges paid:</b>		
Shardul Amarchand Mangaldas & Co.	<b>9.13</b>	<b>3.00</b>
<b>Reimbursement of expenses paid:</b>		
PTL Enterprises Ltd.	653.33	645.64
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	4.66	7.80
	<b>657.99</b>	<b>653.44</b>
<b>Payment for services received:</b>		
Artemis Medicare Services Ltd.	22.54	20.78
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	7.80	9.91
	<b>30.34</b>	<b>30.69</b>
<b>Lease rent paid:</b>		
PTL Enterprises Ltd.	<b>600.00</b>	<b>600.00</b>
<b>Rent paid:</b>		
Sunlife Tradelinks (P) Ltd.	30.99	30.99
Regent Properties	23.76	23.76
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	0.12	0.12
	<b>54.87</b>	<b>54.87</b>
<b>Mixing charges paid:</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	<b>190.45</b>	<b>143.44</b>
<b>Amount outstanding:</b>		
<b>Other non-current financial assets*:</b>		
PTL Enterprises Ltd.	600.00	600.00
Sunlife Tradelinks (P) Ltd.	5.86	5.86
Regent Properties	5.40	5.40
	<b>611.26</b>	<b>611.26</b>
<b>Other non-current assets:</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	<b>152.44</b>	<b>666.12</b>
<b>Other current assets:</b>		
PTL Enterprises Ltd.	64.97	65.79
Apollo International Limited	-	3.02
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	213.60	90.04
	<b>278.57</b>	<b>158.85</b>
<b>Trade payable:</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	410.61	415.63
Artemis Medicare Services Ltd.	1.69	4.90
	<b>412.30</b>	<b>420.53</b>
<b>Other current financial liabilities:</b>		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	419.85	190.85
Apollo International Limited	-	0.52
Apollo International FZC	16.11	56.23
	<b>435.96</b>	<b>247.60</b>



**b) Key management personnel (KMP)**

Particulars	₹ Million	
	FY 2020-21	FY 2019-20
<b>Managerial remuneration:</b>		
Mr. Onkar Kanwar	420.82	232.55
Mr. Neeraj Kanwar	368.21	203.48
Mr. Satish Sharma	68.52	58.14
	<b>857.55</b>	<b>494.17</b>
<b>Sitting fees:</b>		
Non-executive directors	<b>5.77</b>	<b>8.05</b>
<b>Commission:</b>		
Non-executive directors	<b>45.00</b>	<b>40.00</b>

Certain KMPs also participate in post employment benefits plans provided by the Company. The amount in respect of these towards the KMPs can not be segregated as these are based on actuarial valuation for all employees of the Company.

\* This represents undiscounted value.

**22 SEGMENTAL REPORTING**

The Group's operations comprise only one business segment – Automobile Tyres, Automobile Tubes & Automobile Flaps in the context of reporting business / geographical segment as required under Ind AS 108 - Operating Segments.

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segment. Accordingly, information has been presented along these business segments which have been defined based on the geographical presence of various entities:

- a) APMEA (Asia Pacific, Middle East and Africa)
- b) Europe
- c) Others

APMEA segment includes manufacturing and sales operation through India and include entities in UAE, Thailand, Malaysia and South Africa. Europe segment includes manufacturing and sales operation through the entities in Europe. Others segment includes sales operations in Americas and all other corporate entities.

The accounting principles used in the preparation of the consolidated financial statements are consistently applied in individual segment to prepare segment reporting.



Particulars	APMEA		Europe		Others		Eliminations		Total	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>1. REVENUE</b>										
Total revenue	119,187.49	112,554.86	56,754.17	52,739.92	25,276.02	25,780.88	(27,247.69)	(27,573.71)	173,969.99	163,501.95
Inter segment revenue	(2,222.36)	(1,944.40)	(1,319.16)	(1,085.20)	(23,706.17)	(24,544.11)	27,247.69	27,573.71	-	-
<b>External revenue</b>	<b>116,965.13</b>	<b>110,610.46</b>	<b>55,435.01</b>	<b>51,654.72</b>	<b>1,569.85</b>	<b>1,236.77</b>	-	-	<b>173,969.99</b>	<b>163,501.95</b>
<b>2. RESULT</b>										
Segment result	14,694.81	8,000.10	649.31	(571.37)	774.84	813.98	-	-	16,118.96	8,242.71
Interest expense	(3,804.17)	(2,261.97)	(523.93)	(437.31)	(101.53)	(109.05)	-	-	(4,429.63)	(2,808.33)
Share of profit / (loss) in associates / joint venture	0.27	(0.01)	-	-	-	-	-	-	0.27	(0.01)
Exceptional items	(121.42)	-	(5,956.02)	-	-	-	-	-	(6,077.44)	-
Income taxes	(3,324.93)	(765.04)	1,366.99	233.85	(152.09)	(139.23)	-	-	(2,110.03)	(670.42)
<b>Net profit after tax</b>	<b>7,444.56</b>	<b>4,973.08</b>	<b>(4,463.65)</b>	<b>(774.83)</b>	<b>521.22</b>	<b>565.70</b>	-	-	<b>3,502.13</b>	<b>4,763.95</b>
<b>3. OTHER INFORMATION</b>										
Depreciation and amortisation	7,197.09	6,248.48	5,486.07	4,704.80	466.36	427.90	-	-	13,149.52	11,381.18

Particulars	APMEA		Europe		Others		Eliminations		Total	
	As on March 31, 2021	As on March 31, 2020	As on March 31, 2021	As on March 31, 2020	As on March 31, 2021	As on March 31, 2020	As on March 31, 2021	As on March 31, 2020	As on March 31, 2021	As on March 31, 2020
Segment assets	169,391.24	142,101.53	85,019.88	86,723.27	11,764.69	11,006.68	(5,542.05)	(7,331.61)	260,633.76	232,499.87
Segment liabilities	97,856.52	88,596.59	47,506.59	45,733.30	6,233.51	6,047.10	(5,394.17)	(7,177.26)	146,202.45	133,199.73
Capital employed	71,534.72	53,504.94	37,513.29	40,989.97	5,531.18	4,959.58	(147.88)	(154.35)	114,431.31	99,300.14
Non-current assets*	114,994.30	109,343.66	58,024.49	60,718.45	2,276.79	2,386.76	-	-	175,295.58	172,448.87

\*Non-current assets consists of property, plant and equipment, capital work-in-progress, capital advances, right of use assets and other intangible assets.

#### Information about

##### major customers

None of the individual customer accounted for more than 10% of the consolidated revenue for the years ended March 31, 2021 and March 31, 2020.



### 23 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE ACT

S.No	Name of the entity	Net assets as on March 31, 2021		Share in profit or (loss) for the year ended March 31, 2021		Share in other comprehensive income for the year ended March 31, 2021		Share in total comprehensive income or (loss) for the year ended March 31, 2021	
		As a % of consolidated net assets	₹ Million	As a % of consolidated profit or (loss)	₹ Million	As a % of consolidated other comprehensive income	₹ Million	As a % of consolidated total comprehensive income or (loss)	₹ Million
<b>Company</b>									
1	Apollo Tyres Limited	82.78	94,725.61	206.39	7,228.21	5.55	61.93	157.89	7,290.14
<b>Indian subsidiary</b>									
2	Apollo Tyres Centre of Excellence Limited	0.00	0.93	(0.00)	(0.07)	-	-	(0.00)	(0.07)
<b>Foreign subsidiaries</b>									
3	Apollo Tyres (Greenfield) B.V.	0.02	24.58	(0.00)	(0.10)	-	-	(0.00)	(0.10)
4	Apollo Tyres Cooperatief U.A. & Others (refer Note 1 below)	141.18	161,557.69	(224.77)	(7,871.76)	6.54	72.88	(168.91)	(7,798.88)
<b>Indian associate</b>									
5	KT Telematic Solutions Private Limited	0.01	13.62	0.01	0.27	-	-	0.01	0.27
6	Add / (Less): Effect of IND AS adjustments / eliminations arising out of consolidation	(123.99)	(141,891.12)	118.37	4,145.58	87.91	980.23	111.01	5,125.81
<b>Total</b>		<b>100.00</b>	<b>114,431.31</b>	<b>100.00</b>	<b>3,502.13</b>	<b>100.00</b>	<b>1,115.04</b>	<b>100.00</b>	<b>4,617.17</b>

**Note 1 Apollo Tyres Cooperatief U.A. and Others:**

₹ Million

S.No	Name of the entity	Net assets as on March 31, 2021	Share in profit or (loss) for the year ended March 31, 2021	Share in other comprehensive income for the year ended March 31, 2021	Share in total comprehensive income or (loss) for the year ended March 31, 2021
1	Apollo Tyres Cooperatief U.A. (Apollo Coop)	62,333.82	303.59	-	303.59
2	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	324.54	0.14	-	0.14
3	Apollo Tyres Africa (Pty) Ltd	104.74	4.40	-	4.40
4	Apollo Tyres (Thailand) Limited	288.38	53.37	-	53.37
5	Apollo Tyres (Middle East) FZE	380.10	173.27	-	173.27
6	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	2,216.11	508.47	-	508.47
7	ATL Singapore Pte Ltd.	274.01	25.48	-	25.48
8	Apollo Tyres (Malaysia) SDN BHD	32.16	7.27	-	7.27
9	Apollo Tyres (UK) Pvt Ltd (ATUK)	1,897.33	28.18	-	28.18
10	Apollo Tyres (London) Pvt Ltd	1,055.86	-	-	-
11	Apollo Tyres Global R&D B.V.	885.34	142.90	-	142.90
12	Apollo Tyres (Germany) GmbH	76.67	17.65	-	17.65
13	Apollo Tyres AG	333.10	29.44	-	29.44
14	Apollo Tyres Do (Brasil) Ltda	(5.30)	(1.01)	-	(1.01)
15	Apollo Tyres B.V. (ATBV)	39,217.92	(4,539.12)	-	(4,539.12)
16	Apollo Tyres (Hungary) Kft. (ATH Kft)	32,636.04	1,422.10	-	1,422.10
17	Apollo Vredestein B.V. (AVBV)	14,637.57	(5,247.43)	-	(5,247.43)
18	Apollo Vredestein GmbH (AV GmbH)	2,931.64	(749.18)	66.02	(683.16)
19	Apollo Vredestein Nordic A.B.	73.72	(30.42)	-	(30.42)
20	Apollo Vredestein (UK) Limited	232.26	0.09	-	0.09
21	Apollo Vredestein France SAS	145.56	5.47	-	5.47
22	Apollo Vredestein Belux	67.90	(1.45)	-	(1.45)
23	Apollo Vredestein Gesellschaft m.b.H.	(17.03)	3.97	-	3.97
24	Apollo Vredestein Schweiz AG	253.68	4.93	-	4.93
25	Apollo Vredestein Iberica SAU	443.02	(0.05)	-	(0.05)
26	Apollo Vredestein Tires Inc.	(27.60)	(88.80)	-	(88.80)
27	Apollo Vredestein Kft (AV Kft)	14.58	(5.03)	-	(5.03)
28	Apollo Vredestein Opony Polska Sp. Z.o.o.	161.76	6.33	-	6.33
29	Vredestein Consulting B.V.	271.73	(2.41)	-	(2.41)
30	Finlo B.V.	(19.31)	-	-	-
31	Vredestein Marketing B.V.	-	-	-	-
32	Reifencom GmbH, Hannover	281.12	74.12	6.86	80.98
33	Reifencom Tyre (Qingdao) Co., Ltd.	0.12	0.65	-	0.65
34	Saturn F1 Pvt Ltd	56.15	(18.68)	-	(18.68)
<b>Total</b>		<b>161,557.69</b>	<b>(7,871.76)</b>	<b>72.88</b>	<b>(7,798.88)</b>

**24 EVENTS AFTER THE BALANCE SHEET DATE**

The Board of Directors have recommended a final dividend of ₹ 3.50 (Nil) per share amounting to ₹ 2,222.85 Million (Nil) on Equity Shares of ₹ 1/- each for the year, subject to approval from Shareholders.

**25 INFORMATION ON DETAILS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE ACT READ WITH COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014**

- i) Details of investments made are given in note B2 and B3.\*
- ii) There are no loans / guarantees given by the Company (other than on behalf of wholly owned subsidiary) in accordance with Section 186 of the Act read with rules issued thereunder.

\* All transactions are in the ordinary course of business

**26 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES**

Effective April 1, 2017, the Group adopted the amendment to Ind AS-7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The required disclosure is presented below:

Particulars	As on April 01, 2020	Cash flows	Non cash changes				₹ Million
			Foreign exchange movement*	Interest expense	New leases	Others	As on March 31, 2021
Non-current borrowings (including current maturities)	53,318.89	7,756.55	193.58	-	-	34.56	61,303.58
Current borrowings	14,320.01	(11,226.62)	(64.12)	-	-	4.16	3,033.43
Lease liability	10,209.64	(2,649.42)	356.00	505.77	1,254.13	(397.02)	9,279.10

Particulars	As on April 01, 2019	Cash flows	Non cash changes				₹ Million
			Foreign exchange movement*	Interest expense	New leases	Others	As on March 31, 2020
Non-current borrowings (including current maturities)	45,560.86	5,396.04	2,403.78	-	-	(41.79)	53,318.89
Current borrowings	5,546.72	8,585.03	188.26	-	-	-	14,320.01
Lease liability	10,966.78	(2,595.62)	280.21	555.28	1,073.44	(70.45)	10,209.64

\* Foreign exchange movement for the Company is covered by derivative instrument and includes currency translation impact for subsidiaries arising out of consolidation.

- 27** Effective April 01, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue in the consolidated financial statements of the Group.

The Group's revenue disaggregated by geographical markets has been disclosed in note C22.

**Reconciling the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price**

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price (as invoiced)	179,482.47	168,700.57
Reduction towards variable consideration components	(9,936.40)	(7,735.66)
<b>Revenue from contract with customers</b>	<b>169,546.07</b>	<b>160,964.91</b>

The Group has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Group does not have any open contract for which the expected duration is more than one year as at the reporting period.





**28** On February 26, 2020, the Company executed an agreement with Emerald Sage Investment Ltd (an affiliate of Warburg Pincus LLC) to issue 108,000,000 6.34% Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 100 each, at par, for cash, by way of preferential allotment on a private placement basis. The Members of the Company approved the issue of CCPS (Tranche 1) through its Extraordinary General Meeting held on March 23, 2020 and issue of CCPS (Tranche 2) through Postal Ballot held on September 24, 2020. The Company had allotted 54,000,000 CCPS (Tranche 1) and 54,000,000 CCPS (Tranche 2), for cash, for an aggregate amount of ₹ 10,800 Million on April 22, 2020 and October 7, 2020 respectively. These CCPS have been accounted for as compound instruments in the financial statements. On December 5, 2020, one of the conditions for conversion was met and accordingly the Company has issued 63,050,966 equity shares having a face value of ₹ 1 per share. After issue of the aforesaid equity shares, the paid-up equity share capital of the Company has increased by ₹ 63.05 Million and securities premium account by ₹ 10,450.95 Million, net of share issue expenses.

**29** In order to improve the performance of its subsidiary company, Apollo Vredestein B.V. ("AVBV") located in Enschede, the Netherlands, the management of AVBV had initiated certain steps which included a plan ("the Plan") to change the product / sourcing mix and its resultant impact on the current work force of AVBV. During the quarter ended September 30, 2020, the management of AVBV had reached an agreement with the Works Council of AVBV on the Plan and necessary steps were being taken to implement the Plan.

During the year ended March 31, 2021, the management of AVBV has completed the implementation of the Plan and recorded one-time expense amounting to ₹ **5,956.02 Million** (Nil) as an exceptional item. The said amount includes expense related to employee benefits and write off / impairment of certain assets (Property, plant & equipment and inventories) amounting to ₹ **4,560.54 Million** (Nil) and ₹ **1,395.48 Million** (Nil) respectively.

The Company and other subsidiaries in APMEA had carried out an employee re-organisation exercise for its employees. The amount paid to the employees who opted for this scheme aggregated to ₹ **121.42 Million** (Nil) for the year ended March 31, 2021, has been disclosed as an exceptional item.

### 30 EARNINGS PER SHARE (EPS) – THE NUMERATOR AND DENOMINATOR USED TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE:

Particulars	₹ Million	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Basic and diluted earnings per share</b>		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	3,502.13	4,763.95
The weighted average number of equity shares outstanding during the year used as denominator - (B)	616,962,997	572,049,980
Basic / Diluted earnings per share (₹) – (A) / (B) (Face value of ₹ 1 each)	5.68	8.33

For and on behalf of the Board of Directors

**ONKAR KANWAR**  
Chairman & Managing Director  
DIN 00058921

**NEERAJ KANWAR**  
Vice Chairman & Managing Director  
DIN 00058951

**VINOD RAI**  
Director  
DIN 00041867

**GAURAV KUMAR**  
Chief Financial Officer

**SEEMA THAPAR**  
Company Secretary  
Membership No - FCS 6690

London  
May 12, 2021



## FORM AOC 1

(pursuant to first proviso to sub section (3) of sec. 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries / associate / joint venture

#### Part A: Subsidiaries

S.No	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Reporting currency	Exchange rate as on 31.03.2021	As on March 31, 2021				Year ended March 31, 2021				₹ Million
					Share capital	Reserves & surplus	Total assets	Total liabilities	Investment (other than in subsidiary)	Turnover (including other income)	Profit before tax	Tax expense	
1	Apollo Tyres Centre of Excellence Limited	October 10, 2020	INR	1.00	1.00	(0.07)	1.02	0.09	-	-	(0.09)	(0.02)	(0.07)
2	Apollo Tyres (Greenfield) B.V.	June 4, 2014	EURO	85.80	3.09	21.49	25.09	0.51	-	0.49	(0.10)	-	(0.10)
3	Apollo Tyres Cooperatief U.A. (Apollo Coop)	May 1, 2009	EURO	85.80	26,269.11	36,064.71	68,540.43	6,206.61	73.75	432.95	260.47	(43.12)	303.59
4	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	September 29, 2006	ZAR	4.95	-	324.54	324.54	-	-	0.29	0.19	0.05	0.14
5	Apollo Tyres Africa (Pty) Ltd	July 29, 2013	ZAR	4.95	1,980.19	(1,875.45)	901.16	796.42	-	1,277.82	4.40	-	4.40
6	Apollo Tyres (Thailand) Limited	January 22, 2013	THB	2.34	234.07	54.31	812.33	523.95	-	2,058.41	55.16	1.79	53.37
7	Apollo Tyres (Middle East) FZE	January 2, 2011	AED	19.91	39.83	340.27	1,320.15	940.05	-	2,896.98	173.27	-	173.27
8	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	September 8, 2010	USD	73.15	958.99	1,257.12	8,950.11	6,734.00	-	23,930.94	611.25	102.78	508.47
9	ATL Singapore Pte Ltd.	May 11, 2017	USD	73.15	365.74	(91.73)	280.51	6.50	-	29.65	25.48	-	25.48
10	Apollo Tyres (Malaysia) SDN BHD	March 15, 2016	MYR	17.64	114.40	(82.24)	175.25	143.09	-	395.30	7.28	0.01	7.27
11	Apollo Tyres (UK) Pvt Ltd (ATUK)	March 16, 2012	GBP	100.81	1.87	1,895.46	2,160.35	263.02	-	1,354.97	57.93	29.75	28.18
12	Apollo Tyres (London) Pvt Ltd	December 12, 2014	GBP	100.81	0.10	1,055.76	1,058.42	2.56	-	-	-	-	-
13	Apollo Tyres Global R&D B.V.	January 2, 2013	EURO	85.80	-	885.34	1,384.18	498.84	-	2,573.49	193.91	51.01	142.90
14	Apollo Tyres (Germany) GmbH	November 11, 2015	EURO	85.80	2.15	74.52	172.72	96.05	-	276.87	25.26	7.61	17.65
15	Apollo Tyres AG	July 4, 2007	CHF	77.49	290.49	42.61	341.74	8.64	-	167.32	33.04	3.60	29.44
16	Apollo Tyres Do (Brasil) Ltda	September 15, 2011	BRL	12.99	10.26	(15.56)	16.26	21.56	-	-	(1.01)	-	(1.01)
17	Apollo Tyres B.V. (ATBV)	March 2, 2012	EURO	85.80	1.54	39,216.38	51,851.67	12,633.75	-	-	(4,643.63)	(104.51)	(4,539.12)
18	Apollo Tyres (Hungary) Kft. (ATH Kft)	June 4, 2014	HUF	0.24	24.30	32,611.74	38,935.23	6,299.19	-	13,839.61	1,434.96	12.86	1,422.10
19	Apollo Vredestein B.V. (AVBV)	May 15, 2009	EURO	85.80	3.69	14,633.88	34,034.56	19,396.99	-	38,581.96	(3,885.84)	1,361.59	(5,247.43)



S.No	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Reporting currency	Exchange rate as on 31.03.2021	As on March 31, 2021				Year ended March 31, 2021				₹ Million
					Share capital	Reserves & surplus	Total assets	Total liabilities	Investment (other than in subsidiary)	Turnover (including other income)	Profit before tax	Tax expense	
20	Apollo Vredestein GmbH (AV GmbH)	May 15, 2009	EURO	85.80	43.93	2,887.71	4,275.31	1,343.67	-	10,517.95	(1,052.82)	(303.64)	(749.18)
21	Apollo Vredestein Nordic A.B.	May 15, 2009	SEK	8.38	7.96	65.76	511.29	437.57	-	1,042.00	(30.54)	(0.12)	(30.42)
22	Apollo Vredestein (UK) Limited	May 15, 2009	GBP	100.81	100.91	131.35	232.26	-	-	1,220.80	0.11	0.02	0.09
23	Apollo Vredestein France SAS	May 15, 2009	EURO	85.80	3.60	141.96	711.01	565.45	-	2,542.29	8.94	3.47	5.47
24	Apollo Vredestein Belux	May 15, 2009	EURO	85.80	5.32	62.58	498.49	430.59	-	2,000.20	5.53	6.98	(1.45)
25	Apollo Vredestein Gesellschaft m.b.H.	May 15, 2009	EURO	85.80	3.12	(20.15)	599.21	616.24	-	2,217.78	4.65	0.68	3.97
26	Apollo Vredestein Schweiz AG	May 15, 2009	CHF	77.49	174.36	79.32	299.36	45.68	-	961.37	5.81	0.88	4.93
27	Apollo Vredestein Iberica SAU	May 15, 2009	EURO	85.80	266.10	176.92	535.89	92.87	-	1,636.29	8.79	8.84	(0.05)
28	Apollo Vredestein Tires Inc.	May 15, 2009	USD	73.15	969.22	(996.82)	284.58	312.18	-	1,569.86	(88.19)	0.61	(88.80)
29	Apollo Vredestein Kft (AV Kft)	May 15, 2009	HUF	0.24	0.71	13.87	330.30	315.72	-	1,038.38	(3.15)	1.88	(5.03)
30	Apollo Vredestein Opony Polska Sp. Z.o.o.	May 15, 2009	PLN	18.41	0.92	160.84	631.85	470.09	-	1,410.07	11.22	4.89	6.33
31	Vredestein Consulting B.V.	May 15, 2009	EURO	85.80	1.95	269.78	283.27	11.54	-	-	(2.41)	-	(2.41)
32	Finlo B.V.	May 15, 2009	EURO	85.80	0.77	(20.08)	-	19.31	-	-	-	-	-
33	Vredestein Marketing B.V.	May 15, 2009	EURO	85.80	-	-	-	-	-	-	-	-	-
34	Reifencom GmbH, Hannover	January 1, 2016	EURO	85.80	64.35	216.77	4,227.05	3,945.93	-	15,589.76	107.94	33.82	74.12
35	Reifencom Tyre (Qingdao) Co., Ltd.	January 1, 2016	CNY	11.16	5.50	(5.38)	1.10	0.98	-	1.28	0.65	-	0.65
36	Saturn F1 Pvt Ltd	September 16, 2016	GBP	100.81	205.40	(149.25)	64.06	7.91	-	51.61	(30.25)	(11.57)	(18.68)

Note 1 Name of subsidiaries which are yet to commence operations/non-operating - Finlo B.V.

Note 2 For details of shareholding and name of subsidiaries which have been liquidated/sold/merged during the year, refer note C20.

Note 3 Financial period for all the subsidiaries is April to March.

Note 4 Details of proposed dividend by subsidiaries as on March 31, 2021 - Nil

**Part B: Joint Venture & Associate**

<b>1 Name of the Associate</b>	KT Telematic Solutions Private Limited
<b>2 Latest Balance Sheet date</b>	March 31, 2021
<b>3 Shares of associate entity held by the company at the year end</b>	
No.	3,334
Extent of Holding %	25%
Amount of Investment in associate entity (₹ Million)	45.01
<b>4 Description of how there is significant influence</b>	Refer note 1 below
<b>5 Reason why the associate is not consolidated</b>	Not applicable
<b>6 Net worth attributable to Shareholding as per latest Balance Sheet (₹ Million)</b>	13.62
<b>7 Profit / (Loss) for the year</b>	
i. Considered in Consolidation (₹ Million)	0.27
ii. Not Considered in Consolidation (₹ Million)	0.82

**Note 1** By virtue of significant influence in certain business decisions under an agreement, KT Telematic Solutions Private Limited had become an associate of the Company w.e.f. February 21, 2018.

**Note 2** For details of investment in joint venture (Pan Aridus LLC), refer note C20.

**Note 3 Name of associates or joint ventures which are yet to commence operations**  
None

**Note 4 Name of associates or joint ventures which have been liquidated or sold during the year**  
None

For and on behalf of the Board of Directors

**ONKAR KANWAR**  
Chairman & Managing Director  
DIN 00058921

**NEERAJ KANWAR**  
Vice Chairman & Managing Director  
DIN 00058951

**VINOD RAI**  
Director  
DIN 00041867

**GAURAV KUMAR**  
Chief Financial Officer

**SEEMA THAPAR**  
Company Secretary  
Membership No - FCS 6690

London  
May 12, 2021

## APOLLO TYRES LTD.

ANNEXURE - A

### Information as per Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of the Board's Report for the Year ended March 31, 2021

S. No.	Name	Designation	Qualification	D.O.J.	Age	Exp.	Remuneration (₹ Million)	Previous Employment	Last Designation
<b>Employed throughout the year</b>									
1	Mr. Atind Malthani	Group Head - SCM & IT (APMEA)	MBA, BE	February 15, 2011	46	23	11.34	Philips Electronics India Ltd.	General Manager
2	Mr. Aneel Chaku	Head - Customer Service (APMEA)	Executive Program in Mgmt. BBH(HM)	September 8, 2015	51	30	12.36	Vodafone India Limited	AVP-Quality
3	Mr. Anil Chopra	Group Head - CoE	B.Com, A.C.A.	August 18, 1992	66	40	21.64	Allos India Ltd.	Manager - Finance
4	Mr. Davendra Mittal	Head - Finance	MBA, BE	March 21, 2013	52	27	13.34	Lanco Infotech Ltd.	Sr. Vice President - Projects Finance
5	Mr. Dominic George Martin	Head - Product Marketing (CV/OHT)	MBA, B.Com	November 1, 2001	54	28	13.20	MRF Ltd.	District Manager
6	Mr. Gaurav Kumar	Chief Financial Officer	B.Tech., MBA	March 1, 2004	51	28	47.11	HCL Technologies Ltd.	AVP - Mergers & Acquisitions
7	Mr. Harish Bahadur	Head - Corporate Investments	B.Com (H)	February 2, 1975	68	46	29.46	-	-
8	Ms. Harshita Pande	Group Head - HR (APMEA)	M.Sc.(Sustainability), Dip. In CSR	March 18, 2002	54	28	11.38	Discovery Communications India	Associate Director
9	Mr. Hisashi Ishibashi	Head-Business Development (OE)	M.Tech. (Mechanical)	January 1, 2020	61	36	15.36	Bridgestone Corporation	General Manager
10	Mr. K. Prabhakar	Chief - Projects	B.Tech., PGD Ind. Engg. ICWA	March 1, 2019	66	40	41.95	Apollo Tyres (Hungary) KFT	Managing Director
11	Ms. Leenaja EM Janardanan Nambiar	Head-Controlling (Manufacturing & Projects)	CIMA	October 1, 2018	50	25	16.12	Apollo Tyres Global R&D B.V.	Head Manufacturing Controlling
12	Mr. Neeraj Kanwar	Vice Chairman & Managing Director	B.Sc, AQMS	February 24, 1997	49	26	368.21	Apollo Finance Ltd.	Joint President
13	Mr. Onkar Kanwar	Chairman & Managing Director	B.Sc, Bach. of Admn.	February 1, 1988	78	60	420.82	BST Manufacturing Ltd.	Managing Director
14	Mr. Plush Bansal	Unit Head - Limda Plant	B.E. (Mech.), PGDBM	August 20, 2013	55	35	18.50	Moser Bear India	Vice President
15	Mr. Praveen Tripathi	Group Head - Purchase	MBA, ICWA	October 15, 1990	51	31	15.29	-	-
16	Mr. Praveen Moon	Head - Internal Systems	CA, B.Com (H)	October 16, 2012	47	27	11.33	Price Water House Coopers Pvt Ltd.	Associate Director
17	Mr. Priem Prakash Sharma	Head - HR - Limda Plant	PGDBM, PGDBA	July 30, 2013	57	34	11.02	India Yamaha Motor Pvt Ltd.	Group Head - GA, Personal & HR
18	Mr. P. K. Mohamed	Chief Advisor - Research & Development	B.Sc, LPRI	February 19, 2001	80	57	31.22	Ceat Ltd.	Executive Director - Technical
19	Mr. Rajesh Dahiya	Vice President - Marketing & Sales (ISO)	B.Com, MBA	August 20, 1990	54	32	30.23	Indian Express	Business Executive
20	Mr. Ravi Kumar Singari	Group Head - Corporate Taxation & Accounts	CA, B.Com (H)	September 28, 2018	42	21	17.58	KPMG	National Head - India Japan Corridor
21	Ms. Ritu Kumar	Group Head - Corporate Strategy & Legal	CA, CS	April 19, 2006	47	21	11.37	American Express	Team Leader
22	Mr. Rohit Arora	Group Head - Accounts (APMEA)	CA	September 19, 2000	49	27	15.10	ACC Ltd.	Asst. Manager - Accounts
23	Mr. Sandeep Malhur	Group Head - OE & Inst. Business	MBA, M.Sc	July 25, 1994	52	27	10.24	-	-
24	Mr. Salish Sharma	President - APMEA	BE, PGDBM	October 15, 1997	53	32	68.52	JK Industries Ltd.	Manager
25	Mr. S.K.P. Amarnath	Group Head - R&D (Asia)	B.Tech., B.Sc	February 21, 2000	52	29	12.73	Monolond Tyres Ltd.	Dy. Manager
26	Mr. Suresh Damodaran	Head - IEMA	MBA, B.Tech.	February 16, 2018	61	38	10.49	ATC Tires (P) Ltd.	Exe-Vice President
27	Mr. Thomas Mathew C.	Unit Head - Chennai	BE/B.Tech., MBA	July 1, 1987	58	34	13.13	-	-
<b>Employed part of the year</b>									
28	Mr. Kok Heong Lim	Divisional Head - TBR	B.Tech.	December 21, 2015	56	29	3.05	PT Gajah Tunggal Tbk, Indonesia	Senior Manager
29	Mr. Pranob Kumar Chakravorty	SBU - Head	MBA, B.Com	January 3, 2000	62	43	3.83	JK Industries Ltd.	Area Manager
30	Mr. Ranbir Singh Bartwal	Head - Project Commercial	Executive MBA, B.Tech.	March 17, 2008	51	29	10.91	Gabriel India Ltd.	DGM
31	Mr. Yoichi Sato	Chief - Quality & Safety Officer	B.Sc (Engg)	June 1, 2020	64	24	25.15	SWOT Management Solutions Private Limited	Director - Business Quality

#### Note :

- None of the above is related to any Director of the Company except Mr. Onkar Kanwar & Mr. Neeraj Kanwar being father and son.
- All appointments are contractual.

For and on behalf of the Board of Directors

Place : London

Date : May 12, 2021

**ONKAR KANWAR**  
Chairman & Managing Director  
DIN: 00058921





Apollo Tyres Ltd

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