



Apollo Tyres Ltd
48th Annual General Meeting

Day/ Date : Friday, July 23, 2021
Time : 3:00 PM

Present:

Board of Directors

Mr. Onkar Kanwar	-	Chairman & Managing Director
Mr. Neeraj Kanwar	-	Vice Chairman & Managing Director
Mr. Akshay Chudasama	-	Independent Director
Gen. Bikram Singh (Retd.)	-	Independent Director
Ms. Pallavi Shroff	-	Independent Director
Mr. Francesco Gori	-	Non-Executive Director
Mr. Robert Steinmetz	-	Non-Executive Director
Mr. Satish Sharma	-	Whole-time Director
Mr. Sunam Sarkar	-	Non- Executive Director and Chairman- Stakeholders Relationship Committee
Mr. Vinod Rai	-	Independent Director and Chairman- Audit and Nomination & Remuneration Committee
Mr. Vikram Mehta	-	Independent Director
Mr. Vishal Mahadevia	-	Non-Executive Director

Others

Mr. Gaurav Kumar - Chief Financial Officer
Ms. Seema Thapar - Company Secretary

Moderator: Dear Members of Apollo Tyres Ltd, Good Afternoon and welcome to the 48th AGM of the company held through VC. For the smooth conduct of the meeting members will be in the mute mode. For members who had pre-registered to speak at the meeting, the audio and video will be opened when they have to speak. Please note that as per the requirements the proceedings of the AGM will be recorded and the transcript will be available on the Company's website. The statutory registers required to be there during the AGM for inspection and available on the NSDL website. Now let me handover to the Chairman and Managing Director of Apollo Tyres Ltd, Mr. Onkar Kanwar. Over to you sir.

Onkar Kanwar: Thank you. Good afternoon dear Members, Hope you are all safe and healthy. So, the virtual AGM is a progressive step as it allows Members to participate from anywhere in India or abroad. However, I miss the privilege and pleasure of meeting you in person. As the requisite quorum is present, I declare the meeting as validly convened.

Let me now introduce the Board members, Mr. Neeraj Kanwar – Vice Chairman and Managing Director, Mr. Akshay Chudasama, General Bikram Singh (Retd.), Mr. Francesco Gori, Ms. Pallavi Shroff, Mr. Robert Steinmetz, Mr. Satish Sharma, Mr. Sunam Sarkar, Mr. Vikram S. Mehta, Mr. Vinod Rai and Mr. Vishal Mahadevia.

Mr. Francesco Crispino and Ms. Anjali Bansal are not attending the meeting due to their personal commitments. Gaurav Kumar – CFO, Seema Thapar – Company Secretary and representative of statutory auditors and secretarial auditors are also attending the meeting.

Moderator: Thank you so much, chairman. We request the Chairman to address the Members.

Onkar Kanwar: Good afternoon, ladies and gentlemen. It gives me great pleasure to welcome you to the 48th Annual General Meeting of Apollo Tyres Ltd. Director's Report and Audited Accounts for the financial year ended 31st March 2021 are with you. With your permission I shall take them as read.

I sincerely hope that you and your family members are safe and are practicing all safety protocols and continuing to adhere to all the government guidelines. Despite taking all precautions I have seen many people lose their life during the second wave of pandemic. Please accept my sincere condolences if there has been a bereavement in the families of our members.

As I look back at the financial year 2020- 21, it has been a year of COVID-19, lockdowns, adapting to new ways of working and lot of uncertainty all around us. As the pandemic raged across the world it brought in disruption for each one of us, for our families, our communities, for organizations, even for the countries.

As a global company with plants in three countries and employees in many more it was a challenging time for us as we had to understand multiple scenarios. The situation was different

in each country and also kept changing fast. We could not have a uniformity of approach and had to learn quickly to live with the added complexity. I think that first and the foremost focus of the leadership was to ensure the safety of all our Apollo family members who were working in the plants, at offices and from home.

Within a short time, we created an entire ecosystem to ensure that our employees could work from their homes and yet continue business as usual. For our employees working at plant, we ensured COVID appropriate behaviors were strictly adhered to and this helped us to operate without much disruption during most part of the pandemic.

The year gone by was indeed a difficult one. We saw a long lockdown in India resulting in mass migration of people out of cities. As the economy went southward, we saw demand going down sharply. We have always spoken with you about profitable growth and yet the impact of pandemic on the economy and our business was such that for the first time in two decades we announced a net loss in the first quarter of financial year.

You have known your Company as an agile and a resilient Company. We were quick to understand the gravity of the pandemic and immediately launched initiatives to check on our cost. While your Company has been focused on cutting costs over the years, the pandemic saw us working with renewed vigor to further our relentless focus on cost reduction and enhancing manufacturing efficiencies across the organization.

The whole year we differentiated between good cost and avoidable cost and continued to invest in good cost like R&D, marketing etc. and drastically reduced other costs as we renegotiated advertising costs, relooked at our warehousing expenses etc. It is my firm believe that we need to drive unnecessary cost out of our business, as that is the Delta between profitable and a losing organization in this increasingly global industry.

Despite the pandemic, we continued with our belief that no challenge is so tough it cannot be overcome or converted into opportunity. I'm sure you remember the journey of your Company and especially in 2008 when the world was in recession, with your support our board was very confident of our strategy going forward and we decided to invest close to Rs. 3000 crores for a Greenfield plant in Chennai. That was the best timing for the investment because we got a lead over our competitor in India by nearly 18 months.

Similarly, even during the pandemic our strategy of the future proofing, the Company 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.

In the new normal due to the pandemic, we continued with business as usual. We did product launches, expanded our dealer network, but now virtually and digitally. We virtually launched

the new identity of our product brand Vredestein and this will allow us to position the brand which has a legacy of 110 years, as even more premium brand and take our marketing activity to the next level.

America is a large market and we had over the year been seeding the market. This year we launched the Vredestein brand and especially designed best in class products portfolio for the North American market. The response has been extremely good and we hope to make a mark with our products in the next few years.

In India we launched a first in the industry - a tyre for the compact SUV called Apterra Cross.

All these initiatives helped us to bounce back, gain market leadership in various segments and helped us end the fiscal on a healthy note with robust revenue growth across market segments and geographies.

However, if a company only focuses on profits and growth, it is unlikely to create a long-lasting institution and leave a legacy for our children. For us the belief comes from within, that without giving back to society no business can be truly successful and sustainable in the long run. It is for this reason sustainability is at the core of your Company.

During the year of pandemic, we left no stone unturned to ensure that we live by our core value 'Taking Responsibility'. Our teams across the regions extended themselves to distribute food and other resources to people across the country. We'll continue to extend ourselves to support and nurture the communities we interact with.

As many of you are aware after the deadly second wave in India there's a talk of the third wave. I would strongly recommend all members and their family to get vaccinated. The vaccines offer a fighting chance against the virus.

Despite the uncertainty of the third wave, I remain bullish on the strength of the Indian and global economies. Your Company is a dynamic Company and has been mapping possible scenarios for coming months and already drawn action plans accordingly.

You know that your Company does not rest on its laurels. We seek exhilaration and challenges, and this is way of future proofing your Company. In the current financial year, we have already virtually launched new vision and purpose and value for the next 5 years. And have taken an ambitious target of reaching \$5 billion by 2025-26. I'm confident with your support and drive by our people, we will reach the target.

I would like to conclude by thanking each one of you for having been a partner in this ongoing journey. Your support is highly valued and your Company's success is an indication of the faith you've already bestowed upon us. The support that we continue to receive from our banks,

financial institution and the governments wherever we operate enable us to plan for the future. With all this we shall continue to grow together as Apollo one family.

Thank you

Moderator: Thank you. We now request the Chairman to proceed with the agenda.

Onkar Kanwar: Thank you. Notice along with the Board's report and Audited Financial Statements have already been sent to the Members. I take them as read. The Auditor's report on financial statements, secretarial audit report of the Company for the financial year ended March 31, 2021, do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the reports are not required to be read out as provided in a Companies Act, 2013.

Now I will explain the objectives and implications of each item of the notice.

Item No.1 relates to the adoption of Audited Financial Statements, the Report of the Board and Auditors thereon, by the Members of the Company. After your approval, the same will be taken on record.

Item No.2 relates to requisition of dividend to the Members. The Board has recommended the dividend of Rs. 3.50 per share on the equity shares of the Company which has to be approved by the Members. After your approval, the payment will be made within stipulated time.

Item No.3 relates to the re-appointment of Mr. Satish Sharma, who is retiring by rotation. After your approval, he will be re-appointed.

Item No. 4 relates to re-appointment of Mr. Francesco Gori, who is retiring by rotation. After your approval, he will be re-appointed.

Item No.5 relates to ratification of payment of remuneration to the cost auditor, who has been appointed by the board at the remuneration of Rs. 3.30 lakhs for the FY22.

Item No. 6 relates to the authorization for Private Placement of Non-Convertible Debentures not exceeding Rs. 10,000 million. After your approval the Company would be authorized to issue Non-Convertible Debentures for an amount not exceeding Rs. 10,000 million.

Item No. 7 relates to the revision remuneration of Mr. Satish Sharma, Whole-time Director. After your approval he will be entitled for the revised remuneration.

All item Nos. 1 to 7 of the notice have been voted by the member through remote e-voting from July 20 to July 22, 2021. Members present at the meeting, who have not done remote e-voting can now cast their votes through the e-voting platform of NSDL. Mr. P.P. Zibi Jose will act as a scrutinizer for the voting process.

I will now request Mr. Neeraj Kanwar – Vice Chairman and Managing Director to take the questions from the speaker members who have registered in advance. Now I will request the operator to take on from this point.

Moderator: Thank you so much. We will now begin the question-and-answer session. I request everyone to please be connected while the question queue assembles. We invite the first speaker shareholder Mr. Praveen V.K.. Sir you may please go ahead.

Praveen V. K.: Good afternoon everyone. I am Praveen from Chennai. The year as has been pointed out has been a turbulent one for all of us. Now in spite of all the difficulties, I'm happy to note that the Company has coped well. Now as a shareholder, I have a couple of questions. The first one, an organization is nothing but a set of people. Now I would like to know about the measures that the Company has adopted for our employees while combating COVID. The second question is I would also like to know as a shareholder about the investments made by the Company in the past year. Thank you.

Moderator: Thank you so much.

Neeraj Kanwar: We'll take all the questions and then we will give you the answers.

Praveen V. K.: Thank you.

Moderator: Thank you so much. We move on to the next speaker shareholder Shalini G. Navandar. You may go ahead.

Shalini G. Navandar: I'm Shalini G. Navandar from Bangalore. Thank you for giving me an opportunity to speak at the Company's AGM. I've received the notice and the report through the e-mail. I would like to thank the secretarial department for being very cooperative. Being a shareholder, I have two following questions. Recently I have read in newspaper that the Company recently launched a new Corporate Identity. What was the need and the rationale for the same? Also, I have learned that the Company has rolled out a new vision for the next 5 years. What are the key components of the same? Thank you and I wish all the best to the Company.

Moderator: Thank you so much. We will move on to the next speaker shareholder Mr. Santosh Kumar Saraf. Sir you may please go ahead.

Santosh Kumar Saraf: Namaskar, dear respected Chairman and members of the board and my shareholder brothers and sisters whoever are present through the video conference. I am Santosh Kumar Saraf speaking from Kolkata. My greetings to all of you. I hope all the directors, employees and shareholders and stakeholders and their families are healthy in this COVID. I thank you for giving us a good dividend. I thank your Company Secretary for the good behavior and connecting us on this call. I have written a letter to the Company Secretary earlier which might be on your table. I don't want to talk much on it as I don't want to repeat it. Please look into it. I have asked 1-2 questions

in that letter that what steps have you taken for cost cutting and the precautionary measures for the impact of COVID. What are the steps you have taken for renewal energy are my few questions? I asked about the vaccination of your employees, are they 100% vaccinated or not and their families too as all are working from home now, so they are staying together. The people are taking vaccines from private hospital also, so how are you bearing their cost and all? I have asked questions about your future planning about green energy if you think about that, it will be very good. I want to thank Seema madam. She is one of the best Company Secretaries I have met. There are few Company Secretaries who are very good and polite. I wish that management will give us more dividend next year. Last, I request to you with folded hands, this video conferencing meeting is very good and effective as I can speak from Kolkata. Otherwise, it's not possible for me to attend every time. If you want to organize a physical meet then I request to take the 15-minute session of video conferencing. You can keep it before the meeting or after. Apollo Tyres is such a huge company and has all India shareholders, it will be good on your part if you hear them out. Whatever they want to share if you hear it will be great. I request you, in future, keep 15-20 minutes session of video conferencing during your annual general meeting after or before your physical meeting. I don't have any objection on it. Jai Hind, Jai Bharat for giving me time to speak. I will meet you in person. I wish God bestows you with happiness and the year 2021 shall pass in good health and wealth for all our Directors and employees and their families. I wish we meet after COVID with all of them in a happy and great environment. Thank you for giving me time.

Moderator: Thank you so much. We invite the next speaker shareholder Mr. Arun Jacob Joseph. Sir your line is unmuted, and you can ask your question now. Please restrict your questions to a time limit of 2 to 3 minutes. Please go ahead. Your audio is muted, request you to kindly unmute your audio and go-ahead sir please.

Arun Jacob Joseph: Respected Chairman, Vice-Chairman and other Board members. My name is Arun, I am speaking from Kochi. I wish this would have been a physical meeting so that we could meet in person. With the view of the limited time available to each member, I would like to restrict myself to two questions sir. I know that COVID19 pandemic has impacted all the business sector across the globe. I would like to know..... (Inaudible)

Moderator: This is the operator here. We are unable to hear you clearly. While we check the connection for Mr. Arun, we move on to the next speaker shareholder Mr. Manoj M. Sir you may please go ahead.

Manoj M: Good afternoon Sirs. This is Manoj M from Thrissur, Kerala. At the outset, let me congratulate the management as the Company has achieved a very healthy financial performance last year. Sir, what were the key reasons for the same in spite of dealing with COVID? Also, while going through the financial statements, I find that the Company has reduced its debts significantly. I would like to know how the Company achieved a significant reduction in debt last year. Thank you.

Moderator: We move on to the next speaker shareholder, Mr. Abhishek.

Abhishek: My name is Abhishek, shareholder of the Company. My DP-ID IN301637 and client ID is 41359155. First of all, I congratulate the management on the eve of 48th Annual General Meeting. Trust all is well with you and everyone in this situation. Our Company deserves much more respect after completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brand in our respective industry segment. As we are on the 48th Annual General Body meeting now and we are marching towards the 50th Annual General Body meeting. Shareholders have requested expectations from the management and the shareholders also seek for a bonus issue in the also 50th Annual General Body meetings. So, I would request the management to kindly plan accordingly so that the management shall be in a position to declare a bonus issue for the minority investor fraternity on the Golden jubilee year. We would like to know what is the impact of COVID in our Company and what is the view of the management going forward, sustainability on the profit earning growth for the challenging in the coming quarters? And what are the management efforts to reduce the other expenses, legal process as well as the audit fees? We can see that our equity is around 64 crores at around 11,380 crores. Whether Company has any CAPEX plan? Why still bonus is not being issued, shareholders would like to know from you and ROE and ROCE are poor, borrowing is higher, should become debt free and the promoter shares getting reduced year-on-year. We are worried what is the reason behind and why is promoter share is getting reduced year-on-year? Total liabilities becoming higher, OPM and NP is down, what management proposed through this restriction in the years to come and we have a return on equity 9%, much below the industry average of 16 and return on equity on 3 year moving average we can see is just 8. How come tyre industry standard and compounded in the last 5 years is a negative 5% when auto industry grew up by more than double digit in the last 5 years and in 2000 it is linked with auto industry we should also grow, and we can see our peer groups doing very well. But we can see our company has not moved much and not delivered more returns when compared to the peer groups. In 2017, the profit was more than 1000 crores and last year it touched around 350 crores, whereas the fixed assets were probably 6000 crores.

Moderator: While we lost connection from Mr. Abhishek, we would move on to the next speaker shareholder Mr. Manoj Kumar Gupta.

Manoj Kumar. Gupta: Good afternoon respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Gupta. I am equity shareholder of Apollo Tyres Limited from Calcutta. First of all, namaskar to Chairman Onkar sir. After a long time, I am looking him. I have attended physical AGM, 22 years back in Cochin, when I was in Cochin to get Ayurveda treatment at that time your AGM was there so that I have attended. I respect you and I pray Almighty for your healthy and prosperous safe long life; to take the Company on new heights with your team in coming times. Sir please smile, you are looking dull. We always see you in smiling face. Kindly smile Sir, it's my pleasure to with you in my next AGM to Gurgaon. I am your great admirer but after

22 years I am attending your AGM. We have got a good return on our investment and thanks to our Company Secretary and her team who have help us to join this meeting through VC and thanks for your dividend that in this crucial time you have paid the dividend and CSR, I will not say single word about the CSR. I know your policy and principle and your community to serve the community society and pupils because whenever I come to Delhi, I try to visit the Bangla Sahib Gurudwara so that I know your community's contribution for the nation and the community. What impact has come on our Company through COVID? And your market cap is around Rs. 14,405 crores as on today and share price is Rs. 226. So market cap is very low. Market caps should be near about Rs. 25,000 crores to see your balance sheet and performance and tyre products sense. Every price has gone up of the raw material of tyre like carbon black and because I am a shareholder of Carbon Black Company, they have increased the price, then they have paid the dividend to the shareholders and the rubber prices because after some misunderstanding between the Malaysia and the Indian government, rubber is not coming through Malaysia, so Tyre rubber prices has gone up so much high. How you will face this problem to resolve the carbon price and the rubber price and good return to and how many shares you have transferred to investor education protection fund due to continuous 7 years not claim dividend by any shareholders and in this context, I request you to before sending the Central Governments shares or dividend, send in notice to the shareholders so that they can claim their dividend from the Company or put their name on your website. Whenever the shareholder open your website, they can see their name or his name is there, so they can claim from the Company Secretary after filling some paperwork, they can get back their shares or dividend from the Company because you know very better that if the shares will transfer to the government, then people has lot of work, indemnity bond, affidavit then he will get shares after 1 year and Sir, last but not least, if possible, please try to arrange a plant visit to the shareholders. If people reach to Cochin, please try to arrange a plant visit those are interested because 22 years back now the 23 years is completing. Everything has changed and the North East is growing, try to come in this region North East and plot another Greenfield project and every investor will invest in your projects. Thank you, Sir.

Moderator: We take the next audio question from Mr. A. V. Manisundaram. Sir, you may please go ahead.

A. V. Manisundaram: I am a shareholder of the Apollo Tyres. 3-4 years back I had a difficulty in attending AGM at Kerala. The CSR facility was very good. The Apollo Tyres production and high performance is very good, if we compare with other MRF and Goodyear. We are very happy to congratulate all the Board members and all the shareholders as well as the governance for having good production even during pandemic duration. We are very eagerly waiting for plant visits. Please arrange the same. Previously one of the shareholders told us in abroad, the rubber prices has been raised, demand is very high. Already you have competition with world market and the Indian market. Please do the needful to make arrangements.

Moderator: While we are checking connection for Mr. Manisundaram, we move on to the next speaker shareholder, Mr. Prakash Chand. He is connected on audio with us. Sir you may please go ahead.

Prakash Chand: Good afternoon to everybody. I am Prakash here from Chennai. I am the shareholder from maybe last (+2) decades, and I have been saying that my shareholding remains constantly same as 300 only. The prices have been fluctuating very majorly doesn't matter, it is good but the dividend should be little more. Goodyear is giving very good, fantastic dividends for last year and this year also. So, another Power Company also must be able to caught with a good dividend. I am coming to make a special request which probably you can consider without any expense. This is like shareholder discount coupon. Right from hospitality like Taj or East India Hotel are giving 35% discount coupon for the shareholders which can be used for 6 months period. So similarly, Bata is also giving two pairs of shoes or mask also which they produce at special discount of 20% and 50%. So, consider to give four Tyres to shareholders so they can patronize our Company rather than buying other products whichever is coming at a discounted rate are available as and when, so please consider. This can be sent as a coupon with a code number online or it can be sent in a hard copy when you send intimation of dividend payment. This can be implemented from this year itself. So that there will be growth in the business and what we mean by giving the discount is may be a little margin less but there will be a more of business. That is what is feasible thing. And as other gentleman said, plant visit, plan it after COVID period get over but without any more delay. That also will be wonderful. Thank you very much.

Moderator: Thank you so much Sir. Next speaker shareholder Bimal Kumar Agarwal is not connected. We take the next audio question from the line of Mr. Shajith S. Sir, you may please go ahead.

Shajith S: Good afternoon. I am from Coimbatore. First of all, I would like to congratulate the Company for good performance both in India and abroad. My question is - we read about the restructuring in Europe operations last year, what was done and how does it help the Company financially? Once again thank you.

Moderator: Thank you so much. We now take the next question from Mr. Sanjay on audio. Sir, you may please go ahead.

Sanjay: Good afternoon Chairman and the Board of Directors. Myself Sanjay from Delhi-NCR, basically I've two questions. First is that how do we see the current year panning out, do we foresee a significant risk of business disruption during third wave of COVID? We've get a 350% which is good dividend. As the country is going through a tough phase and the pandemic has affected the financial condition of many shareholders. Can we expect higher dividend in current year, through interim dividend etc. Thank you.

Moderator: Thank you so much Sir. We now take the next question from Mr. Arun Jacob Joseph.

Arun Jacob: Good afternoon respected Chairman, Vice-Chairman and other Board members. Myself Arun Jacob and I'm speaking from Kochi. I wish this should have been a physical meeting so we could meet in person, keeping in the view limited time available to each member I would restrict myself to two questions. Sir, I know that the COVID-19 pandemic has impacted all the businesses sectors across the globe, I would like to know what has been the impact of second wave of COVID-19 on the business of the Company and how are we seeing the current business situation post the second wave? Thank you Sir.

Moderator: Thank you so much. We now take the next question from Mr. Jaychand.

Jaychand: Good afternoon respected Chairman, Board of Directors and the secretarial team and my fellow shareholders. We are the long-term shareholders in the Company. What is the real impact of COVID-19, in terms of the supply and marketing has affected us. The corona virus and subsequent lockdowns have left virtually no industry untouched. How many employees we have sacked, hired and sustained. We are hopeful that the management will give better dividend and bonus shares also. What are the Company's future plans for development? I'm told Company is giving 50% discount coupons to all the employees, the same privilege may be given to the shareholders also as emphasize by my other shareholders also. I congratulate the management for better performance even during this pandemic situation. Thank you Sir for giving me the opportunity.

Moderator: Thank you Sir. We have one last question from Mr. Bimal Kumar Agarwal on audio. Sir you may go ahead please.

Bimal Kumar Agarwal: Good evening, first of all I thank the Company Secretary for very good work and his team. As other speakers told regarding to arrange the plant visit, if you arrange the plant visit, please include my name also I'm from Mumbai. How many peoples were infected with the COVID in the Company and have all the people taken their vaccine first dose and how many have taken second dose and other shareholders have asked the some question I don't think I should ask again. Thank you very much.

Moderator: Thank you so much. This was the last question, we request Mr. Neeraj Kanwar to answer the questions.

Neeraj Kanwar: Good evening. Good afternoon. Let me try and answer some of the questions and some of your suggestions are very welcome and we will take it to the management. First question is what are the steps the Company has taken for employees to deal with the pandemic? And like to answer this in some of the measures that we have taken in the Company; we've tied up with leading hospitals for beds, for oxygen concentrators and other medical facilities. We have started procuring vaccines for staff and we are bearing the cost of vaccines for all the staff and for all the family members along with running camps for vaccine for our truck drivers and for our dealers. Also, there is a COVID help-line service providing online Doctor Assistance for COVID

related issues and lastly, the Company has also announced for its employees a financial support to the families of deceased employees and a commitment to cover deceased employee's children's education cost till they graduate.

The second question was investments that have been made by the Company in the last one year. As we know, we have gone through a very bad patch of COVID, but your Company has still been making investments particularly in building our brand, in building our plant infrastructure and in R&D capability. Also last year, as you know, we have inaugurated our Andhra Pradesh state of the art technology Greenfield Project, which went into commercial production in May of 2020. We also inaugurated a motorcycle bias and a radial plant in our Baroda facility. Recently we have also brought in a Chief Digital Officer to further boost the digitalization expansion in our Company.

Third question, the Company recently has launched a new corporate identity and you wanted to know why we have launched this. As you know, our earlier corporate identity and our brand identity were the same and this was causing confusion to our customers and to all our stakeholders. We believe now was the right time to clearly differentiate our corporate identity from our brand identity. Someone also asked about the vision for next year, so very clearly our vision for next 5 years is driving progress together and our core values are following our passion, one family and taking responsibility. With the vision of 2026, we have also stated that we will be achieving \$5 billion revenue with EBITDA margins, which will be greater than 15% and a ROCE, which will be greater than 12%. Also, we are looking at net debt to EBITDA coming below two times. Finally, we have identified key enablers that will help us achieve the above-mentioned targets, which is really digitalization journey, technology and innovation, people, brand and sustainability.

Next question was, what has been the impact of the second wave of COVID-19? The business was impacted during the initial phase of second phase. However, the disruption was not as significant as we saw during the days of the first wave. We saw highest impact of second wave during the month of May 2021 and thereafter we are seeing a steady recovery in the Indian market. However, we see the current business situation post the second wave. As I have already mentioned, the second wave is already over. We are seeing an upswing in the business. We're seeing transportation coming back to normalcy. The OEM's have also started giving good orders, so we are barring the month of May and June. Slow progress is happening, but we are seeing a comeback in the marketplace.

Someone also asked about, the Company has achieved a very healthy financial performance last year, what were the key reasons? I think the key reasons have been that we have been able to identify bad cost; we try to eliminate bad cost. We have a very focus on generating cash as we have said that cash is king and therefore the debt level of the Company also did come down. Someone also asked us the question about how did we manage that with tighter inventory

management, tighter cash flows, we've been able to reduce the debt, also of very tremendous focus on essential CAPEX was done last year and therefore we have been able to also reduce our debt. The completion of a specialization of our Dutch plant has also improved our cost comparativeness in Europe and therefore you see our European operations also highly profitable and sustainable in the coming years.

Someone also asked us about green and sustainable. I will request my colleague Sunam Sarkar to come in and just give an overview of the journey that Apollo is doing in going green and sustainability.

Sunam Sarkar: Thank you Neeraj. As a part of the exercise sustainability has been taken as one of the key planks for the journey of Apollo Tyres going forward. We have already implemented lot of initiatives, our plants are generating and heavily utilizing solar energy. That our internal projects for waste reduction, water reduction, recycling of waste water etc. and on an organization basis, we will be implementing a lot of action plans to ensure that our carbon footprint is minimized to great extent eventually leading up to a net zero carbon in the year of vision. Thank you.

Neeraj Kanwar: Thank you Sunam. The next question was we read about the restructuring in Europe operations last year, what was done and how does it help the Company financials? Gaurav would you like to please come in and answer that?

Gaurav Kumar: The initiative started in March '20 and in spite of the pandemic completed this successful European operations were facing a lack of competition and hence we had to take a painful decision of specialization The Dutch plant would now focus on limited high-end production, the larger production shifting to our Hungary plant and the plants in India. This involved a painful decision of having to let go 500 of our fellow members in the Dutch plant, but it significantly improves our sustainability and cost competitiveness of the European operations.

Neeraj Kanwar: Thank you Gaurav. Gaurav while you are at it, can also request you to please answer the CAPEX plan and the ROCE question that was asked.

Gaurav Kumar: Sure. In terms of CAPEX plans, we have just gone through last 3 to 4 years of significant CAPEX programs. We first almost doubled the capacity at our Chennai plant followed by a Greenfield in AP. The focus now would be on ramping up these capacities and sweating these assets to the maximum. So, the CAPEX intensity in future will come down and we will only undertake the next round of expansions after the demand goes up significantly. On the return on capital employed or ROCE, given the large programs that we undertook over the last 4 years, they have a natural effect of depressing the return on capital in short-term. We are cognizant of that and as the sweating of these assets goes higher and higher our ROCE or the return on capital employed will go up and in fact be ahead of our peers.

Neeraj Kanwar: Thank you Gaurav. Next question is how do we see the current year panning out, do we foresee a significant risk of business disruption during the third wave of COVID? I will invite Satish to just give an overview on India and how they are planning. Satish can you please come in?

Satish Sharma: Thank you Neeraj. So as far as I think Neeraj is already sort of eluded that post wave two we are seeing a demand recovery. As far as domestic is concerned, we see a good recovery in the OEM side as well as the aftermarket and significantly your Company post wave 1 had pivoted towards exports in a big way and we are seeing the advantages of doing that and that also is adding to a great demand recovery. The only caution is as one of the shareholders mentioned about on the cost side and the raw material cost is increasing, so we are in a process of passing on the cost, but it's always with the lag effect and that process is on and that might have some impact on the margins. That's the overall scenario. Wave three might be a bit disruptive but as the country gets more and more vaccinated, we believe that the impact should not be as significant as wave two.

Neeraj Kanwar: Thank you Satish. May I take the last question which was, Can we expect a higher dividend in the current year? And as you all know, we been dividend paying Company and we have our very clear dividend policy which is available in the public domain. However, we also need to be cognizant of the uncertain environment and our business needs. We will continue to pay dividend in line with a very clear dividend policy which is in the public domain. Thank you. I hope I tried to answer all the questions, over to you operator.

Moderator: Thank you so much. I now hand it over to the Chairman for the vote of thanks.

Onkar Kanwar: Thank you Neeraj and thanks all the shareholders who asked us various questions, I hope you all satisfied with the answers. As we have carried all the items mentioned in the notice of the AGM, I would like to thank all the participants who have attended 48th AGM of the Company. Thank you once again.

Moderator: Thank you so much. The members who have not cast their vote can still cast their votes using e-Voting platform of NSDL until 15 minutes from now.