

Apollo Tyres Ltd
51st Annual General Meeting
Day/ Date: Thursday, July 25, 2024
Time: 3:00 PM (IST)

Present:**Board of Directors**

Mr. Onkar Kanwar	– Chairman, Chairman – Corporate Social Responsibility Committee, Stakeholders Relationship Committee
Mr. Neeraj Kanwar	– Vice Chairman & Managing Director
Mr. Akshay Chudasama	– Independent Director
Mr. Francesco Crispino	– Independent Director
Mr. Francesco Gori	– Non-Executive Director
Mr. Gaurav Kumar	– CFO & Whole-Time Director
Dr. Jaimini Bhagwati	– Independent Director
Ms. Lakshmi Puri	– Independent Director
Mr. Sunam Sarkar	– Non-Executive Director
Mr. Vikram Mehta	– Independent Director
Mr. Vinod Rai	– Independent Director and Chairman of Audit and Nomination & Remuneration Committees
Mr. Vishal Mahadevia	– Non-Executive Director

Others

Mr. Benoit Rivallant	– Chief Commercial Officer
Ms. Seema Thapar	– Company Secretary & Compliance Officer

Moderator: Dear Members of Apollo Tyres Ltd.

Good afternoon and welcome to the 51st AGM of the Company held through VC. For the smooth conduct of the meeting, members will be in mute mode. For members who had pre-registered to speak at the meeting, the audio and video will be open 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 are available on the NSDL website. Now let me hand over to the Chairman, Mr. Onkar Kanwar. Over to you, Sir.

Onkar Kanwar: Thank you. Good morning and good afternoon, dear members. As a requisite quorum is present, I declare the meeting as validly convened. Let me introduce the Board Member, Neeraj Kanwar - Vice Chairman and the Managing Director, Mr. Akshay Chudasama - Independent Director, Mr. Francisco Crispino - Independent Director, Mr. Francesco Gori - Non-Executive Director, Gaurav Kumar - CFO and the Whole-Time Director, Dr. Jamini Bhagwati - Independent Director, Ms. Lakshmi Puri - Independent Director, Sunam Sarkar - Non-Executive Director and then we have Mr. Vikram Mehta - Independent Director and we have Mr. Vinod Rai - Independent Director and Chairman of the Audit and Nomination and Remuneration Committee. We have Mr. Vishal Mahadevia - Non-Executive Director. Seema Thapar - Company Secretary and the representative of statutory auditor and secretarial auditors are also attending the meeting.

Moderator: Thank you. We request the Chairman to address the members now.

Onkar Kanwar: Good morning ladies and gentlemen. It gives me great pleasure to welcome you to the 51st Annual General Meeting of Apollo Tyres Ltd. I am pleased to report the past fiscal year has been very good for your Company. Our continued focus on building efficiencies and improving our financial ratios has yielded positive results as evident by the results. The Company's consolidated revenues for the financial year grew 3% to close to Rs. 25,378 Crores whereas net profit was up 65% close to Rs. 1,722 Crores as

against Rs. 1,046 Crores in the same period last fiscal. This has been due to various measures we implemented to enhance our financial performance. This reflects our relentless focus on efficiency and financial health. “Good is the enemy of great” as Jim Collins remind us. A sharp focus on improving our financial ratios, sweating our assets, and bringing in higher efficiency in our processes is our way of building a solid foundation for the future success and great company.

We deeply value sustainable growth and strive to ensure that our progress is not just immediate, but enduring. The initiative we have undertaken reflect our dedication to maintaining a healthy balance between growth and profitability. As we navigate through these times, we remain steadfast in our mission to create long-term value for our shareholders.

Last year, I shared how we are aiming to achieve this sustainable growth by focusing on growth pillars, Digitization, Technology, and Innovation, Brand, Sustainability and People. Over the past two years, we have made remarkable progress in each of these areas. You can find detailed information about our achievement and advancement in the Annual Report.

While all pillars are equally important to the Company, two pillars resonate deeply with me, People and Sustainability – and I would like to talk briefly about the success in this area.

Our colleagues across the globes are the heart and soul of Apollo Tyres and I am incredibly proud of them. I strongly believe that ‘One Family’ value has helped us to create and nurture an inclusive culture. This was evident in our 11th consecutive ‘Great Place to Work’ Certification in India and Top Employer Recognition in four locations - Singapore, the UK, Hungary, and the Netherlands. It is important to note that getting such certifications is not about awards or trophies. It is about a team of passionate people working together to make Apollo Tyre a place where everyone feels valued, respected and supported. It means we went through a tough process to make sure our policies are top-notch, giving our team and tools and environment they need to thrive.

But let me tell you, the real reward is seeing our people engaged, motivated, and coming up with incredible ideas and that is what is happening at Apollo Tyres.

The other area close to my heart is sustainability. We can all see the weather getting warmer, wilder storms, unseasonal floods and it is affecting everyone. Scientists tell us 2023 was the hottest year ever recorded and things do not look like they are slowing down.

At Apollo Tyre we cannot just sit back and watch that is not who we are. We are taking action, weaving sustainability into everything we do. It won't happen overnight, but you will see the result in the years to come.

We are setting ambitious goals. We are aiming to be net zero by 2050, using more sustainable material and cut back on emission. It is a big challenge but we are committed. And we are working with experts to make sure that the Company is on the right track.

Importantly, this is just not good for the planet. It is good for our business by being sustainable, we are building a stronger future for all of us. That is the kind of Company I have always wanted Apollo Tyres to be - a leader in innovation, but also a leader in making a positive difference. I firmly believe that such efforts position us perfectly to deliver even greater value to you and our valued shareholders.

I would like to conclude by expressing my heartfelt gratitude to each of you for being partners in this ongoing journey. Your support is immensely valued and the success of our Company is a testament to the faith you have consistently placed on us. As Henry Ford once said, "Coming together is a beginning, staying together is a Progress, working together is a Success." With your continued support we look forward to the greater achievement in the coming years.

We are deeply grateful for the continued support from our banks, financial institutions, State Government of Kerala, Gujarat, Haryana, Maharashtra, and Tamil Nadu, as well as the Government of India and Netherlands and Hungary. The collective support

empowers us to plan confidently for the future. Thank you.

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

Onkar Kanwar: Thank you. Notice along with the Board's Report and Audited Financial Statement have already been sent to the members. I take them as read. The Auditors' Report on Financial Statement and Secretarial Audit Report of the Company for the financial year, ended March 31, 2024, do not contain any qualification, reservation, adverse remark, or disclaimer. Accordingly, the reports are not required to be read as provided in the Companies Act.

Now I will explain the objective and implication of each item of the notice.

Item number 1 relates to 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 number 2 relates to declaration of dividend to the members. The Board has recommended final dividend of Rs. 6 per equity share, which has to be approved by the member. After your approval, payments will be made within the stipulated time.

Item number 3 relates to the re-appointment of Mr. Sunam Sarkar, who is retiring by rotation. After your approval, he will be reappointed.

Item number 4, relates to the ratification of payments of remuneration to the Cost Auditor who has been appointed by the Board at the remuneration of Rs. 4 lakhs for the year 2025.

Item number 5, relates to appointment of Mr. Sumit Dayal as an Independent Director. After your approval, he will be appointed as an Independent Director for a period of five years, from August 6, 2024 to August 5, 2029.

Item 6 relates to the appointment of Mr. Berjis Desai as an Independent Director. After your approval, he will be appointed as an Independent Director for a period of five

years, from August 6, 2024 to August 5, 2029.

Item 7 relates to Mr. Gaurav Kumar as a Whole-time Director. After your approval, he will be appointed as a Whole -time Director for a period of five years, from June 1, 2024 to May 31, 2029.

All items, 1 to 7 of the Notice have been voted for the members through remote e-voting from July 22 to July 24, 2024. The member present at the meeting who have not done remote e-voting can now cast their votes using e-voting platform of NSDL. Mr. P.P. Zibi Jose will act as a scrutinizer for the voting process.

I now request Neeraj Kanwar to take the question from the Speaker Members who have registered in advance. Thank you. Neeraj over to you.

Moderator:

Thank you. We will now begin the question and answer session. We will unmute the members and request them to limit their questions to up to two minutes. We invite our first Speaker Member, Ms. Shalini G. Navandar, would like to ask a question over audio. Ms. Navandar we request you to please unmute your connection and ask your question.

Shalini G Navandar:

Good evening to all. I am Shalini Navandar from Bangalore. I appreciate the management for conducting the AGM through VC as the shareholders like me from Bangalore and other parts of India, as well as abroad can take part in the AGM. So I would like to request the management to continue doing the AGM through VC in the coming years as well. So I have the following questions for the management. The first question is, what are the reasons for the increase in other investments at group level by Rs. 38 million in the financial year 2024 versus financial year 2023 from Rs. 291 million to Rs. 329 million. And my second question is could you please give breakup of R&D expenditure incurred by the group during financial year 2024 and financial year 2023? Thank you once again for giving me the opportunity to speak at the AGM and I wish the Company and the board all the best. Thank you once again.

Moderator:

Thank you. We now invite our next speaker member Mr. Jaydip Bakshi. Sir, your line

is unmuted and you can ask your question.

Jaydip Bakshi: Good afternoon Chairman, Vice Chairman, CFO and key managerial persons. Myself Jaydip Bakshi connecting from the city of Kolkata. Thanks to our Company Secretary Ms. Seema Madam for giving me opportunity to express my view and maintaining good investor relations with the shareholders and also to the secretarial department, Mr. Mudgil for conducting this video conference and keeping in constant touch with the shareholders. Sir just want to know what is the capacity utilizations of our existing plants and congrats for the robust financial performance. Sir can you give us more colour on the introduction of EPR, and what is the amount of EPR obligation provided during FY2024. Sir, regarding the cutting edge technology, are we implementing AI or any other modern devices for more value-added products and gain more market hold? And what is the feedback on the new launches on road feedback, kindly share. And how are we trying to tackle this unorganized sector? And what are our thoughts on the green energy and installation of solar panels on our rooftops? CSR activity is always great as ever mentioned in page 94 and end of trial life and Sir addressing the challenges is a very good initiative mentioned in page number 98. And congrats once again for the recognitions which we have received. I have supported all the resolutions and wish the Company all the best in the coming years and will remain the preferred choice of our customer and continue its growth trajectory. Thank you, Sir. Namaskar.

Moderator: Thank you. We invite our speaker number three Mr. Aspi Bhesania to please unmute your connection and ask your question. Please restrict your questions to the time limit of 1 to 2 minutes. Requesting Mr. Aspi Bhesania to please ask your question now.

Mr. Bhesania could you please unmute your micro phone and ask your question. There seems to be no response from this connection. We will therefore move to speaker number four that is Rahul. We have unmuted your connection. You may please go ahead and ask your question.

Rahul: Good evening Chairman, Vice Chairman and the board of directors. This is Rahul from Kochi. Thank you so much for giving me an opportunity to speak at the 51st AGM of

the Company. I am in support of all the resolutions that are forming as part of the AGM notice. I am also very thankful for the secretarial team for providing me the annual report and the notice on time. They were really cordial whenever I had an interaction with them.

So, I have noted down my questions for the day. I will just read out for you. Sir I have three questions today. The first question is, so we have talked about new product launches in the TBR space. How have recent launches done and how are we placed to competitors in the domestic TBR segment? The second question is in an annual report we have touched about efficiency gains due to digitalization. Can you talk about the same in detail? The third and the last question is, Sir we re-appointed Mr. Satish Sharma as a director last year in August for a term of five years. While he resigned this year, what has led to his resignation and who is taking care of the operations after he left the Company. Thank you so much again. Have a good day.

Moderator: Thank you. Our next speaker Mr. Rajesh K Chainani has registered however has not connected. We will therefore move to speaker number six, that is Seena K. Please go ahead with your question.

Seena K: Good evening Chairman, Vice Chairman and the board of directors. I am Seena K. from Palakkad, Kerala. At the outset, thank you very much for giving me an opportunity to speak at the 51st AGM of the Company. It is wonderful to note that the Company is performing very well. Congratulations to the management and the board for the excellent performance of FY2024. I have a couple of questions. First, how has been response to launch of Vredestein in India? And my second question is, we have talked about EV ready SUV tyres. Can you talk a bit more about our readiness in EV space? Thank you very much and I wish the Company all the very best.

Moderator: Thank you. Our speaker number seven Mr. Amarendra Nath Ray has not connected. We will move to our speaker number eight that is Arun Jacob Joseph, who would like to ask a question on audio. Sir we have unmuted your connection. In the interest of time, request you to limit your questions to one or two minutes. Mr Arun Jacob, please

go ahead with your question.

Arun Jacob Joseph: Good afternoon respected Chairman, Vice Chairman and board members and keeping in view of the limited time available for each, I would like to restrict myself to the following questions. You have talked about nurturing new markets in Asia, Middle East and North America. Can you give us some examples?

Moderator: Members of the management, are you able to hear the question from Mr. Jacob?

Neeraj Kanwar: I have understood the first part, so we can take it on.

Moderator: Thank you. We will move to our next speaker member, Mr. Bimal Kumar Agarwal. Sir, we have sent you a prompt to unmute your connection. You may ask your question now.

Bimal Agarwal: Hello. Good afternoon to everyone. First of all, thank the Company's executive team, management, staff and the shareholders. My name is Bimal Kumar Agarwal. Please continue with VC. We are from Bombay so people from anywhere in the world can join. Even the director if they are gone for their work, also they can join. They do not have to come to India to join the meeting that is very important thing. Other speakers have already asked question. I got no question to ask. That is all from me. Thank you very much. Last year was 50th year. You should have sent some dry fruit or this year you can send some dry fruit to the shareholders who have joined today. That is all from me. Thank you very much.

Moderator: Thank you. We take that as the last question. We request Mr. Neeraj Kanwar to answer the questions now.

Neeraj Kanwar: Okay, thank you dear shareholders. First question was by Shalini. I will request Gaurav to talk about the increase of 38 million and about R&D expenses, Gaurav.

Gaurav Kumar: Yes, so the increase in other investments is because of investment made in a digital startup, which is helping us with initiatives across our plants. The R&D expenditure is to the tune of about Rs. 400 Crores about 1.6% of our revenue. Okay thank you.

Neeraj Kanwar: The second question was capital utilization, introduction of EPR, AI, digital tools, new launches, green energy. So let me tell you, utilization of our plants have been around 80% during the course of the year. We have introduced AI and machine learning in all our plants. This is also related to a question that Rahul asked about efficiencies through AI. And we are currently running artificial intelligence in all our plants where we are seeing standardization taking place, we are seeing productivity improvements, we are seeing through machine learning how well we can increase production from the same equipments. Therefore, the company today is going capex light. We are not looking at heavy investments, trying to see how we can sweat the asset and increase our ROCE, which you have all seen that our ROCE has come up from a sub 10, now is greater than 15%. So this is all thanks to the AI and machine learning that the Company is putting in all our plants. We have two new digital centres, one in Hyderabad and one in London. And with the support of these digital analyst, we are understanding how the equipments can be used much better and trying to get more production out of them. Gaurav, would you like to talk about EPR and the amount of EPR we have taken in our balance sheet.

Gaurav Kumar: So the EPR obligation with the government pushing actively on the environment aspect for our industry has come in. For the last fiscal year, the charge that we have taken is Rs. 100 Crores, which relates to the production in FY2021 and 2022. And going forward, it would be a regular charge. We do not expect our profitability to be impacted as we are passing on the cost. And in terms of green energy, out of our total consumption of electricity, 23% is green energy as a combination of solar and wind.

Neeraj Kanwar: Okay, thank you. Next question was on TBR new products. Benoit, can I request you to come in about TBR and if you can talk also about Vredestein launch in India and about the EV space, wow Apollo is tackling?

Benoit Rivallant: So regarding the launch of new product in CV, so we have a very dynamic product launch with life cycle, which are implemented. So I would say that we are demonstrating our dynamism and at the same time, the fact that we have a good understanding of the market, we identify the segments where we want to penetrate and for that we launch new products. On the second topic, which is about specifically

passenger car and EV vehicle, we are gaining momentum and we are happy to share that our Company is also making significant strides in this space. As an example, two years back we were the first one to introduce a dedicated all-season tyre for EV. It was the Vredestein Quatrac Pro EV, so a specific tyre. During last year in fact our EV range has been completed with an additional SUV tyre and we are also one of the largest supplier of tyres to domestic passenger vehicle companies.

In Europe we also have backed orders from one of the marquee German manufacturers for EV and new generation of EV vehicle. So I am confident that we are in a very good place to leverage the growth in electric vehicle as we go ahead. So I spoke about the brand Vredestein. We are on plan with the growth on Vredestein. We are opening specific shops for the brand Vredestein. We have the possibility in fact to grow faster and that will be the target for the coming months or coming year to accelerate the growth of Vredestein in India.

Neeraj Kanwar:

Thank you. Rahul, you asked about Satish's resignation. I think the Company is large, we have 19,000 people and Satish decided to retire and the Company is moving along, as we speak. We have a new structure in place. We have a more global structure in place to try and see how we can globalize the entire organization, get better synergies across all continents and you will see a new Apollo rising. The two or three things that I want to mention to all the shareholders is that Company is very focused today on cash flows, on balance sheet ratios to try and see how we can sweat our assets, to try and see how better we can do on ROCE, capex light, so that we create more shareholder return. And that is the number one priority. For us profitable growth is the mantra that is going on in the Company. And so you will see much better performance going ahead. Thank you. One more question by Arun was on new markets. Yes, we have launched new markets in North America and in Asia, Middle East. All markets are doing very well. We are trying to push the Vredestein brand into these markets. Also, Apollo TVR, the CV segment has gone in. We are seeing good demand coming. So, it is a slow progress, but we are very confident and positive that we are going in the right direction. I think that was the last question, so, yes thank you. Over to you, Chairman.

Onkar Kanwar: Thank you, Neeraj. As we have carried out all the items mentioned in the notice of the AGM, I would like to thank all the participants who attended the 51st AGM of the Company and thank you.

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